

Environment and Housing Programme Board

Agenda

Wednesday 11 January
11.00am

The Westminster Suite
Local Government House
Smith Square
London
SW1P 3HZ

To: Members of the Environment and Housing Programme Board
cc: Named officers for briefing purposes

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Environment and Housing Programme Board

11 January 2012

There will be a meeting of the Environment and Housing Programme Board at:

11.00am on Wednesday 11 January 2012 in the Westminster Suite, Local Government House, Smith Square, London, SW1P 3HZ. A sandwich lunch will be served after the meeting.

Please refer to your Political Group office (see contact details below) for group meeting timings.

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.

Apologies

Please notify your political group office (see contact telephone numbers below) if you are unable to attend this meeting, so that a substitute can be arranged and catering numbers adjusted, if necessary.

Labour: Aicha Less: 020 7664 3263 email: aicha.less@local.gov.uk
Conservative: Angela Page: 020 7664 3264 email: angela.page@local.gov.uk
Liberal Democrat: Evelyn Mark: 020 7664 3235 email: libdem@local.gov.uk
Independent: Group Office: 020 7664 3224 email: independent.group@local.gov.uk

Location

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

LGA Contact

Liam Paul: Tel: 020 7664 3214, e-mail: liam.paul@local.gov.uk

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Environment & Housing Programme Board

Environment & Housing Programme Board - Membership 2011/12

Councillor	Authority
Conservative (6)	
David Parsons CBE [Chairman]	Leicestershire CC
Mike Jones	Cheshire West and Chester Council
Andrew Gravells	Gloucestershire CC/Gloucester City
Clare Whelan	Lambeth LB
Frances Roden	Stroud DC
Eddy Poll	Lincolnshire CC
Substitutes:	
Chris Hayward	Three Rivers DC
Brian Hood MBE	Monmouthshire CC
Peter Hardy	South Bucks DC
Labour (5)	
Clyde Loakes [Vice Chair]	Waltham Forest LB
Tony Newman	Croydon LB
Ed Turner	Oxford City
Tim Moore	Liverpool City
Tracey Simpson-Laing	City of York
Substitute	
Richard Williams	Southampton City
TBC	
Liberal Democrat (3)	
Keith House [Deputy Chair]	Eastleigh BC
Terry Stacy JP MBE	Islington LB
Simon Galton	Leicestershire CC
Substitute	
Angela Lawrence	Vale of White Horse DC
Independent (1)	
Andrew Cooper [Deputy Chair]	Kirklees MBC
Substitute:	
John Taylor	Northumberland Council

LGA Environment & Housing Programme Board Attendance 2011-2012

Councillors	14.09.11	16.11.11	11.01.12	14.03.12	16.05.12	25.06.12
Conservative Group						
David Parsons CBE	Yes	Yes				
Mike Jones	Yes	No				
Andrew Gravells	No	Yes				
Clare Whelan	Yes	No				
Frances Roden	Yes	Yes				
Eddy Poll	Yes	Yes				
Labour Group						
Clyde Loakes	Yes	Yes				
Tony Newman	Yes	Yes				
Ed Turner	Yes	Yes				
Tim Moore	Yes	Yes				
Tracey Simpson-Laing	Yes	Yes				
Lib Dem Group						
Keith House	Yes	Yes				
Terry Stacy JP MBE	No	Yes				
Simon Galton	Yes	No				
Independent						
Andrew Cooper	Yes	No				
Substitutes						
Peter Hardy	Yes	Yes				
Angela Lawrence	Yes	Yes				

Agenda

LGA Environment & Housing Programme Board

11 January 2012

11.00am

The Westminster Suite

	Item	Page	Time
Part 1			
1.	Current Issues on Waste Steve Lee (Chief Executive Officer, Chartered Institution of Wastes Management [CIWM]), Cllr Bettison (Leader, Bracknell Forest Council) and Dr David Greenfield, (Director, Waste Resources, iESE), will attend.	3	11.00am
2.	The Green Deal and Feed-in-Tariffs (FITs) Charles Philips, (Head of the Energy Company Obligation Team, [DECC]) and Rachel Solomon-Williams, (Head of Feed-in Tariff Review, [DECC]) will attend.	11	12.00pm
Part 2			
3.	Update on other Board Business a) Housing Update b) Framework for developing a local strategy for flood risk management c) Climate Change Adaption / Resilience d) Metal Theft e) Business Planning Report	29	12.45pm
4.	Decisions and actions from previous meeting	59	1.00pm

Date of next meeting: 11.00am, Wednesday 14 March 2012

Item 1

Current issues on Waste

Purpose of Report

To inform members of three current issue areas on waste policy and practice and seek direction on the LGA role and next steps.

Summary

This paper is divided into two parts and provides a summary of current issues on: improving efficiency of waste services and waste and recycling; collection including the collection of kerbside recycling; and new funding to encourage weekly waste collection.

Members will receive presentations from the Chartered Institute of Waste Management (CIWM) and Improvement and Efficiency South East (iESE).

Recommendations

The Board is recommended to use the information in **Part 1** to inform their discussion with the invited presenters.

In **Part 2** the Board is asked to take a position on:

1. Whether the LGA should seek a coordinating role on a support offer for the sector to facilitate the successful delivery of the £250 million weekly collection fund?
2. Whether, and in what form, LGA officers should undertake any additional work to help councils to access these funds?
3. Identify the possible risks associated with new regulations on the collection of recycling
4. The impact of the new emphasis on ensuring the quality of the recycling councils collect

Action

Officers will take forward any actions agreed by the Board.

Contact officer: Dan McCartney
Position: Adviser
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Current issues on Waste

Background

1. At the previous Board meeting, members expressed a wish to discuss some of the key issues emerging on the Waste agenda. This reports sets out three emerging key issues: improving efficiency of waste services; the collection of kerbside recycling; and new funding to encourage weekly waste collection.

Part 1

Improving Efficiency in the Delivery of Waste Management: Procurement and Partnership

2. Waste collection and disposal together are the third largest local government service, in terms of spend, after education and social care. Costs excluding capital investment are likely to increase from £3.4 billion in 2010/11 to £4.3 billion by 2014/15. The rising cost of landfill tax is one of the major drivers of cost pressures in waste disposal which is currently at £56 per tonne rising to £80 in 2014/15.
3. With local authorities facing strict funding constraints based on the spending review settlement many councils have been investigating means of delivering financial efficiencies. The DEFRA Waste Review acknowledged that better procurement, and forms of combined working present the key means of achieving efficiencies in waste management. These opportunities include:
 - 3.1. **Better value procurement of waste equipment and services** by creating procurement frameworks and achieving economies of scale through joint working. iESE have developed a Waste Management Services Framework for use by councils in London, the South East and the West Midlands.
 - 3.2. **Forming waste partnerships** which can deliver savings of between 5 and 15 percent (DEFRA figures) by bringing waste services together across two or more councils. The partnerships include:
 - 3.2.1. **Collection partnerships** where two or more waste collection authorities (districts) come together.
 - 3.2.2. **Joint Disposal Authorities** (of which there are 6) to provide the necessary economies of scale for waste infrastructure investments. At a larger scale the South East 7 top tier councils led by Kent are jointly

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planning waste infrastructure with a target of recovering value from 90 percent of household waste streams.

3.2.3. **Collection and disposal partnerships** involving integrating services across district and county. At present only Somerset has a fully integrated service across the county and all its districts which has demonstrated savings of £1.7million per year.

4. Despite the efficiency gains there are significant **challenges in setting up waste partnerships** including the need to:
 - 4.1. Develop the officer skills and capacity;
 - 4.2. Build trust between waste collection and disposal authorities;
 - 4.3. Achieve agreement from each councils' Cabinet;
 - 4.4. Allow a sufficient timescale to align collection services;
 - 4.5. Align revised collection services with existing disposal arrangements and contracts;
 - 4.6. Establish a legal status for the partnership in order for it employ staff and procure services (the DEFRA programme of establishing Joint Waste Authorities (JWA) for this purpose was closed earlier this year due to the failure to set up any JWAs).
5. The LGA recognises the important role carried out by iESE as the lead organisation providing efficiency support to local government on waste management (see Appendix 1b for a summary of support provided). iESE will be presenting to the Board.
6. **Building on the presentation from iESE and CIWM, Members may wish to discuss:**
 - 6.1. Whether access to procurement frameworks for councils is sufficiently widespread?
 - 6.2. Whether the formation of waste partnerships is desirable and achievable by a broader number of councils?
 - 6.3. Whether the support for the sector on the efficiency agenda is sufficiently comprehensive?
 - 6.4. Is there scope for further work on the waste efficiency agenda by iESE, CIWM and LGA?

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Part 2

Waste and Recycling collection

DCLG £250 million Waste Collection Support Scheme

7. On 30 September the Department for Communities and Local Government (DCLG) announced a £250 million 'Weekly Collections Support Scheme' fund for councils, individually or in groups, to apply for if they want to increase the frequency of their bin collection service. The full details of the bidding criteria will be announced when the prospectus for the fund is launched in February which will frame the sorts of proposals that DCLG are inviting councils to put forward.
8. The LGA submitted a constructive proposal to DCLG that covered the principles underpinning the scheme including value for money, increased recycling rates, reduction in associated carbon emissions and an equitable spread of funding across different tiers and regions. The proposal also suggested that an organic (including food and garden) waste be included in the criteria for weekly collection.
9. DCLG have been holding officer level meetings with stakeholders, a number of which have included the LGA. The process for **bidding is likely to be run in two stages** with an initial expression of interest stage run from February with a relatively short timescale. The second round of shortlisted bids will have a longer lead time to produce a full business case for submission in the Summer 2012. Winning bids are likely to be announced in the late summer or autumn. DCLG will be convening a **technical advisory panel** to inform the assessment and implementation of bids which the LGA will be invited to take part in.
10. There is an acknowledgment by DCLG that significant staff time and expertise will be required to bid for the fund and that support and guidance will be required. There is therefore an opportunity for the LGA with partner organisations (that could include iESE, CIWM, WRAP, Local Partnerships) to coordinate a **sector led support offer**. This could include support on bidding, various components of implementation and drawing out the good practice and lessons learned.

11. Decisions Required:

- 11.1. Should the LGA seek a coordinating role on a support offer for the sector to facilitate the successful delivery of the £250 million?
- 11.2. Should officers undertake additional work to help councils to access these funds?

Appendix 1b - iESE support on waste

iESE waste self-assessment tool is an online self-assessment service that allows authorities to benchmark themselves against a 'blueprint' of best practice. Self assessment modules also cover climate change and procurement.

Waste Rapid Improvement Reviews – are tailored reviews carried out on-site that are match-funded (by Defra) and focus on improving the efficiency and effectiveness of the council's waste services.

Waste Management Services Framework – will provide a list of suppliers of waste management services that councils can use that have already been through pre-procurement and European procurement procedures. The framework will save councils time and money.

The framework will be able to be used by over 100 authorities across the South East, London and South and will cover four areas: recycling and waste collection; street cleansing; ground maintenance; bulky waste collection.

There are plans for a broader national coverage in future.

Waste Partnerships support – includes a national forum and route map that provides information, guidance and tools for councils in developing waste partnerships.

Waste Information Network – is a web based service for local authority waste officers and members and has over 2,500 users covering 92 percent of English authorities. WIN aims to provide all the information, advice, guidance, support, case studies and performance data on waste that is available.

Item 2

**The Department of Energy and Climate Change (DECC):
The Green Deal and Solar Energy**

Purpose of Report

To familiarise members of the Environment and Housing Programme Board with the key issues on the feed-in tariffs for solar and the Green Deal to facilitate discussion with representatives from the Department of Energy and Climate Change (DECC).

Summary

1. The Phase 1 Comprehensive Review of the Feed-in Tariffs (FITs) for Solar consultation sought to halve the tariff for solar installations from 12 December 2011. This element of the consultation was deemed not legal by the High Court. The effect of the consultation has been for councils to axe many of their solar schemes, particularly on social housing, and for councils to lose thousands of pounds in setup costs. We have invited DECC to explain the implications of the High Court ruling.
2. The Green Deal consultation closes on 18 January 2012. It is a new mechanism for paying for the installation of energy efficiency improvements in domestic and non-domestic buildings. It is being proposed that some elements of the Energy Company Obligation, designed to subsidise the Green Deal, will not be available to social housing tenants.

Recommendations

1. That the Board asks DECC about the implications of the High Court judgement and that the LGA takes action and informs its members accordingly.
2. That the Board asks DECC about key issues in the Green Deal consultation to direct officers in their Green Deal consultation response.

Action

1. Officers will take forward any actions agreed based on the discussion with DECC officials on the feed-in tariffs consultation.
2. Officers will reflect the discussion with DECC officials on the Green Deal in the LGA's consultation response.
3. Officers will take forward any actions agreed on the Green Deal.

11 January 2012

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Item 2

**The Department of Energy and Climate Change:
The Green Deal and Solar Energy**

Background

1. At the previous Board meeting, members were concerned that, given the nature of the consultation on changes to the feed-in tariffs for solar energy and the proposals to prevent social housing tenants from being eligible for subsidy to address fuel poverty, that the Memorandum of Understanding that had been signed with DECC in March 2011 was not being adhered to. As such, members requested the presence of a DECC minister to discuss these issues.
2. The Greg Barker was unfortunately not able to attend this meeting, but we are negotiating for him to attend a future Board meeting. In his stead, two members of his staff, one from the Green Deal team in the Office for Energy Efficiency, and one from the Feed-in Tariff team from the Office for Renewable Energy Deployment will be present on the issues.

The Feed-in tariffs

3. The main items in the Phase 1 Comprehensive Review of the Feed-In Tariffs for Solar were:
 - 3.1 Halving the tariff for solar panels from 42p to 21p per kWh.
 - 3.2 Introducing this change before the end of the consultation. DECC referred to this as a 'reference date', naming 12 December 2011, whereas the closing date for consultation was 23 December 2011.
 - 3.3 An additional multi-installation tariff reduction of 20 percent down to 16.8p per kWh where installations are taking place on more than one building. This would impact on councils putting solar panels on public buildings and social housing.
 - 3.4 An additional minimum energy efficiency requirement before the property can claim the full tariff.
4. This uncertainty around the 'reference date' of 12 December meant that most councils axed their schemes, incurring both internal costs and losing millions of pounds in investment. Internal costs were on average £100,000 and investment losses are collectively in the hundreds of millions across the country. Many councils were just about to let large contracts when the consultation was announced. This was because of the lead-in time of these council projects, including due-diligence requirements, legal procedures, decision-making processes, procurement procedures, and engaging with the public.

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5. The additional multi-installation tariff reduction makes the tariff too low for councils to invest. For example Dorset County Council requires a minimum of between 23p and 32.5p per kWh is required for their schools scheme to pay for itself.
6. We have had strong representation from councils that the use of the 'reference date' has undermined their confidence in DECC-led initiatives. We were expecting a reduction in the new financial year, rather than before, and councils were working to complete their projects by 31 March 2012.
7. In our response to the consultation, we:
 - 7.1 agreed that the FITs need to be reduced due to the lowering cost of solar panels;
 - 7.2 disagreed with the 'reference date' being before the end of the consultation;
 - 7.3 disagreed with the additional multi-installation reduction;
 - 7.4 agreed with minimum energy efficiency standards, but stated that these should be reasonable and integrated with the Green Deal.
8. On 21 December 2011, the High Court deemed that DECC, in setting a 'reference date' for 12 December 2011 when their proposed changes to halve the FITs rate would come into force, as a date before the end of their consultation (23 December 2011) was not legal. The case was brought by Friends of the Earth with support from two solar industry representatives. The reference date is the only element of the consultation deemed not legal. DECC can still consult on reducing the tariff, the multi-installation additional reduction and the energy efficiency requirement.
9. We are waiting now to see whether this judgement means that the entire consultation will have to be abandoned, which means DECC would need to consult again, or whether they can continue the consultation process and just set a date for the introduction of the halved FITs rate after 23 December 2011.
10. We will be undertaking a survey of councils to fully establish the extent of the cancelation of projects and the costs involved.
11. Key questions:
 - 11.1 What are the implications of the High Court judgement on the status of the feed in tariff for solar consultation?
 - 11.2 What are you intending to consult on in phase 2 of the comprehensive review of the feed in tariffs for solar?
 - 11.3 What are the Department's latest thoughts on the multi-installation tariff, considering its impact on public buildings and social housing?

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- 11.4 What are the Department's latest thoughts on the proposed additional incentives for projects that can demonstrate genuine community benefit?
- 11.5 What are the Department's latest thoughts on future reductions or increases in the feed-in tariffs, and how will the incentive be structured to respond to the market?

The Green Deal

- 12. There is currently a consultation underway on the mechanics of the Green Deal, with a closing date of 18 January 2012. The LGA is currently developing its response. There is opportunity at this meeting to help officers shape the LGA's consultation response. **An information note on the Green Deal is included as Appendix A to this report.**
- 13. The Green Deal is a new funding mechanism to allow occupants and owners of domestic and non-domestic properties to improve energy efficiency and reduce their energy bills. The Green Deal begins with an assessment of the property. A recommendation is then made for energy efficiency improvement works, such as cavity wall or solid wall insulation. The improvement work must cost less over the 25 year repayment period (including on-costs and interest rates) than the savings on energy that can be made from the work. This is called the "Golden Rule". The occupant then has to obtain the appropriate consent before going ahead with the work. Once the work has been completed, the bill payer then pays for it as an additional charge on their electricity bill. The charge stays with the property, which means that the occupant or owner does not take the repayment with them. Any new occupant or owner of the building or home would take on the charge for the improvements. The Green Deal should work in owner-occupied, privately rented and socially rented homes, as well as in the non-domestic and public sector.
- 14. Some energy efficiency measures are still costly compared with the bill savings they accrue. Where this occurs, particularly in the case of solid wall insulation, DECC is making additional funding available through an obligation on Energy Companies, called the Energy Company Obligation (ECO). This is called the Carbon Reduction Target element of ECO.
- 15. Around 4.1 million householders are in fuel poverty in England, which means they spend more than 10 percent of their income on their energy bills. Some householders also cannot afford to heat their homes to a healthy temperature, causing ill-health and other detrimental effects. Where this is the case, the Energy Company Obligation will be used to help these lower income householders and those most vulnerable to the effects of living in cold homes, to improve their properties for energy efficiency and heating. The aim here is to reduce the overall heating bill for the property. This is called the Home Heating Cost Reduction Target or the Affordable Warmth Target.

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16. In the Green Deal Consultation, DECC is proposing to allow everyone access to the Carbon Reduction target element of ECO, but wants to prohibit householders in social homes from receiving the Affordable Warmth target element. This is because DECC believe social housing has benefited 'disproportionately' from previous energy efficiency initiatives, and that Decent Homes funding should be adequate to improve the heating and energy efficiency of social homes.
17. The LGA, the National Housing Federation, and the Energy Companies, are currently of the opinion that the Affordable Warmth target should be available to all tenures, because it is paid for on everyone's energy bills. A joint letter has been sent to Greg Barker from all the above parties on this issue. We are also concerned that the incentive for Green Deal providers and Energy Companies to work with social housing is not strong enough, because tenants in social housing are less able to pay. This means that either Energy Companies spend more money to meet their obligation, or social housing providers are expected to part-fund the improvements.
18. Many councils are taking a leading role in working out how they can deliver the Green Deal to their local residents. Some excellent examples of this include Birmingham City Council, the Association of Greater Manchester Authorities, Bristol City Council, West Sussex County Council, among others. Councils are working to three models:
 - 18.1. As Green Deal Provider – councils are unlikely to be direct financiers of the Green Deal, but many are seeking to procure an organisation to deliver the Green Deal, in line with a local ethos of job creation, and are seeking to provide some initial investment.
 - 18.2. As Green Deal Partner – councils are likely to want to partner with Green Deal providers, installers and the Energy Companies to continue to help their local residents and businesses improve the energy efficiency of their buildings. This is similar to the existing operational models.
 - 18.3. As Green Deal promoter – DECC are keen that councils generally promote the Green Deal and encourage their residents to take it up. They also want councils to provide additional incentives, such as council tax discounts.
19. Whilst councils of course want to support the Government in making the Green Deal a success, and there are opportunities to use this new initiatives to help meet local priorities, there may be reputational risks from using the 'trusted brand' of the local authority to promote what is essentially a commercial offering from companies on a profit-making basis.
20. The Home Energy Conservation Act has been retained by the Government, and we are expecting new statutory guidance for councils. Originally, councils were (and still are) statutorily required to collect information on the average energy

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efficiency of all domestic properties in their area. Based on speeches given by Greg Barker, we are expecting the new statutory guidance to require every council to do something on the Green Deal, possibly submitting an annual plan. We want this new guidance to be useful to councils, and not to be an additional burden to what is already expected.

21. The LGA has been working with DECC, leading councils, and other agencies to help develop the architecture of the Green Deal. We have also been providing updates, information, and training to councils to familiarise themselves with the Green Deal, and help them prepare. An example of this is the 'Green Deal information note' for councils, published alongside the consultation on the Green Deal. A copy of this information note is attached. **Officers welcome ideas from the Board on additional support they can be giving to councils to help them prepare for the Green Deal.**
22. Key Questions for Department of Energy and Climate Change (DECC):
 - 22.1. DECC to explain the reasoning behind proposing social housing tenants do not benefit from the Affordable Warmth element of the Energy Company Obligation?
 - 22.2. DECC to clarify whether the Carbon Reduction Target element of the Energy Company Obligation is only for solid wall – is it DECC's intention to support this technology even where other solutions are available?
 - 22.3. What do DECC see as the role for councils in ensuring the success of the Green Deal? What incentives does DECC see for councils to play a part?
 - 22.4. Is it DECC's expectation that councils will provide additional funding to incentivise Green Deal providers and energy companies to work with social housing tenants, as occurred in the Community Energy Saving Programme (CESP)?
 - 22.5. Would DECC explain the details about what we can expect from the new statutory guidance for the Home Energy Conservation Act?

Financial Implications

23. There are no immediate financial implications from this report.
24. There may be costs associated with any additional support we provide to councils based on the recommendations of the Board.

Local Authorities and the Green Deal

Information note

November 2011

Local Authorities and the Green Deal

This document sets out information that local authorities may wish to consider by way of preparation for the introduction of the Green Deal.

What is the Green Deal?

The Green Deal is a new finance framework that will provide householders and businesses with the upfront capital to carry out energy efficiency improvements to their properties and repay through their energy bill. This will be achieved by attaching a Green Deal charge to the electricity meter at the property concerned with the protection of the Green Deal "Golden Rule", that is, any charge attached must be less than the expected savings from the retrofit.

The Green Deal can be provided by commercial companies, social enterprises and local authorities, acting alone or in partnership. Further details on proposals for the Green Deal are set out in DECC's consultation document at

http://www.decc.gov.uk/en/content/cms/consultations/green_deal/green_deal.aspx

What benefits will the Green Deal offer to local authorities and their communities?

The Green Deal will provide an opportunity to significantly improve the energy efficiency of local homes and businesses. In the process, with millions of British properties requiring insulation, the Green Deal offers an opportunity for local authorities to help drive economic growth, unlocking billions of pounds worth of investment and supporting thousands of jobs. Insulation installers, manufacturers and others in the supply chain, including many small businesses, all stand to potentially benefit.

Potential benefits to local authorities are likely to be:

- new sources of revenue to deliver energy efficiency retrofits;
- help to reduce fuel bills for local residents and businesses;
- opportunities for local economic and physical regeneration;
- support for wider local strategic priorities (better health outcomes, reduced fuel poverty);
- support for the maintenance and generation of local jobs and skills.

How can local authorities get involved?

Local authorities have an important role to play in helping their residents and businesses to realise the benefits of the Green Deal. Every householder and business in the country has a local council they can refer to. Local authorities can also work with local community leaders to generate interest and take-up of the Green Deal, taking opportunities to engage local people and bring communities together to improve cost effectiveness.

Local authorities are therefore well placed to champion the Green Deal locally, stimulating activity to meet specific local needs and supporting wider strategic priorities. In particular local authorities:

- are able to link wider strategic priorities and funding streams e.g. through health, education and regeneration agendas;
- are able to draw on established local networks, partnerships, services and delivery partners;
- can draw on existing links with business and social enterprises and provide gateways through local advice agencies and services;
- are trusted to act in the best interests of their local residents.

To deliver the Green Deal locally there are broadly three approaches local authorities might choose to adopt:

- Provide – the Green Deal directly to their local residents and businesses, co-ordinating finance and delivery;
- Partner - work in partnership with commercial Green Deal providers and community partners to deliver and facilitate delivery; or
- Promote – by acting as advocates for the Green Deal locally.

These are covered in more detail in the appendix below.

What might local authorities do now to prepare for the Green Deal?

The consultation document highlighted above sets out DECC's proposals for the Green Deal and the future Energy Company Obligation. However, local authorities have asked what they can do between now and the Green Deal going live to begin to plan how to help their residents and businesses benefit from the Green Deal.

There are a number of issues local authorities will need to consider in deciding what role/s they might play in delivering the Green Deal. Early planning will provide an advantage when it comes to attracting investment from Green Deal providers (it is anticipated that commercial providers will be seeking partners during 2012) and energy companies. The following section sets out some issues local authorities might wish to consider to prepare for the Green Deal:

Local strategic planning/synergies

- How can Green Deal help deliver and support your local strategic objectives?
- Can it be coupled with other environmental objectives in your area?
- What are the opportunities to link with other energy efficiency, fuel poverty or regeneration schemes e.g. different schemes are available in Scotland and Wales?
- Do you have planned maintenance, refurbishment or regeneration works in the coming year/s that might provide synergies with the delivery of the Green Deal?
- Are there opportunities to roll out Green Deal on a community wide, street by street basis? There are many examples under the Community Energy Saving Programme (CESP) where this has proved cost effective.
- Are there opportunities to utilise other national programmes e.g. the Feed in Tariff and the Renewable Heat Incentive?
- Are your key local stakeholders and businesses aware of the opportunities the Green Deal might provide?
- Are local councillors (and where appropriate the Local Enterprise Partnership) aware of the opportunities?
- Who in the authority needs to know about the Green Deal e.g. what are the financial and legal implications, what planning issues might there be?
- Are there incentives (financial or non-financial) that the authority might offer to help drive demand for the Green Deal?
- Who in your area might benefit the most from improvements in energy efficiency?

Housing stock data

- Do you have a good understanding of the condition of local housing stock and the households for whom Green Deal packages might be most appropriate, including on occupancy and tenures?
- Do you have a local strategy to stimulate interest in and promote the take up of energy efficiency measures?

Potential partners & local supply chains

- Do you have existing partnerships that you can draw on to deliver the Green Deal e.g. relationships developed under CERT & CESP?
- Who are the key local community organisations that you might partner with e.g. to help engage households?
- The major energy suppliers will deliver the future energy company obligation (which replaces CERT & CESP) which will support many Green Deals, is it worth discussing their plans and local opportunities for these with them at an early stage?
- Is there a local supply chain with the necessary skills to deliver the Green Deal – what are the opportunities to create local jobs?
- What procurement requirements might be necessary to deliver the Green Deal locally e.g. the scale of work might dictate specific requirements?
- What can you offer commercial Green Deal partners, what are the benefits of them working with you e.g. do you have potential ‘ready to go’ projects?
- Are there opportunities to work with other councils, social housing providers and/or community groups?

Finance

- What are the benefits to you of financing a Green Deal scheme in your area?
- What are the different financing options available?
- Depending on how you might want to deliver the Green Deal what are the financial/resource implications?
- Are there State Aid issues which might need to be considered?

Next steps

Following the consultation exercise DECC will publish final proposals for both Green Deal and the Energy Company Obligation (ECO) which will be reflected in secondary legislation in 2012.

To support local authorities DECC and DCLG are developing guidance on local carbon reduction and the Green Deal, planned for spring 2012. This guidance will build on the experience from the Local Carbon Framework pilots and support future requirements under the Home Energy Conservation Act 1995 (HECA) in England; HECA has been repealed in Scotland and Wales.

In England, councils are also encouraged to sign up to the forthcoming new Nottingham Declaration, which will enable them to express their ambition for the Green Deal.

In the meantime, both CERT and CESP remain available up to December 2012, significant opportunities still exist under both programmes. CERT & CESP will be replaced by the new ECO which will operate alongside and complement the Green Deal, particularly to support vulnerable, low income households and hard to treat properties (e.g. those with solid walls).

For further information:

For further information on local authorities' involvement in the Green Deal please contact: Steve.ives@decc.gsi.gov.uk or Abigail.Burridge@local.gov.uk or for Wales craig.mitchell@WLGA.GOV.UK

Appendix

POTENTIAL LOCAL AUTHORITY MODELS FOR DELIVERING THE GREEN DEAL

1 Local Authority as a Green Deal Provider

Local authorities might raise finance themselves (sources might include the Public Works Loan Board or commercial sources) either individually or in a consortia to deliver the Green Deal locally. Benefits of such a model could include:

- control over strategic planning and local delivery to address specific local priorities;
- ability to reinvest revenue streams into other local projects;
- direct delivery through local supply chains, creation of local training and employment opportunities.

For example Birmingham City Council (BCC) is exploring a model consistent with this approach and is currently in the process of procuring a Delivery Partner to manage the delivery of the Green Deal, including marketing the programme, engaging customers and selling measures, surveying, assessing, refurbishing and maintaining properties, and managing supply chain growth and innovation.

It is anticipated that BCC will provide up to £75m of finance for an initial Pathfinder Programme (expected to last approximately 3 years) with significant potential further investment through the future energy company obligation.

BCC's 'contract notice' names 22 local authorities, 9 registered social landlords and 3 other public authorities who have expressed an interest in using the services of the Delivery Partner once appointed. Together this has a potential contract value of £1.5bn. The procurement documents (contract notice, pre-qualification questionnaire and descriptive document are available from energysavers@birmingham.gov.uk

2 Local authority as a Green Deal partner

Local authorities might look to form partnerships with one or several commercial Green Deal providers to deliver to their local residents and businesses. This approach might be similar to the relationships many councils already have with energy companies to deliver CERT and CESP schemes.

Benefits of such an approach include:

- retaining an influence over how Green Deal is delivered to local residents and businesses;

- the ability to draw in significant new sources of finance to the local area;
- providing reassurance to local residents and businesses on delivery of Green Deal to maximise take up.

This may prove to be a favoured route for the vast majority of local authorities to deliver the Green Deal. For example Greater Manchester (GM) is already running a social housing scheme in conjunction with existing CERT and CESP offers that is seeking to test elements of the Green Deal process and how this might work for local residents.

This includes a free loft and cavity insulation offer for households in all tenures which will help to engage households, coupled with a consistent approach to resident engagement as set out in the GM behavioural change report 'The Missing Quarter'. Strong networks between GM local authorities, social housing providers, contractors, SME's and colleges are also being developed to build a skilled, competent supply chain, ahead of the introduction of the Green Deal.

3 Local Authority as an advocate for the Green Deal

A local authority may facilitate and/or support commercial Green Deal provision its area, for example perhaps acting as a conduit for local commercial activity and/or providing leads on a commission basis.

Benefits from this approach might include retaining an overview of how Green Deal is being delivered and contributing to local priorities. However, the ability to influence local employment opportunities and links with other strategic objectives may be more limited.

General

These models are not mutually exclusive. Councils might adopt one, all, or part of these approaches to deliver the Green Deal. Other innovative models for delivery may also be developed. DECC is aware of many councils across the country who are already starting to scope the Green Deal, with examples of work with adjacent authorities (e.g. across whole counties) and local delivery partners including Local Enterprise Partnerships and social enterprises.

You may wish to note that the Energy Saving Trust plans to publish a report shortly that considers several models of local authority financing of energy efficiency programmes based on existing best practice.

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URN 11D/888

Update on other Board Business

Purpose of report

Members to note the following:

- Housing Update (**Appendix A**)
- Framework for developing a local strategy for flood risk management (**Appendix B**)
- Climate Change Resilience (**Appendix C**)
- Metal Theft Update (**Appendix D**)
- Environment and Housing Programme Board: Headline Priorities 2012/13 (**Appendix E**)
- Any other Business

Recommendation

Members to **note** the reports.

Action

As directed by Members.

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11 January 2012

Item 3a

Housing Update

Purpose of Report

For information

Summary

This paper provides the Programme Board with an update on recent housing national policy developments and supporting the sector on the housing agenda.

Recommendations

Members note the report.

Action

As directed by the Programme Board

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Item 3a

Housing Update

Policy Update

Housing Strategy

1. The Government launched *Laying the Foundations: A Housing Strategy for England* on 21 November 2011. The strategy includes a number of new announcements which will be of direct interest to local authorities including:
 - 1.1. Proposals to allow developers to re-open Section 106 agreements negotiated before April 2010.
 - 1.2. A New Build Indemnity Scheme, provide an up to 95 percent loan to value mortgages for new build properties in England, backed by a house builder indemnity fund.
 - 1.3. £400million fund to support firms in need of development finance to unblock stalled sites, including small and medium development firms; the government will launch a prospectus inviting bids in December 2011.
 - 1.4. A consultation on proposals to charge high earners an increased rent and to examine how the government can help social landlords tackle tenancy fraud.
 - 1.5. Review of barriers to investment in the private rented sector to be completed by Summer 2012.
 - 1.6. An additional £50million to bring empty homes back into use. This is in addition to the £100million previously announced. Funding plans for additional £50million will be announced by Spring 2012.
 - 1.7. Consultation on proposals to ensure that service personnel with urgent housing needs should receive additional preference in allocation schemes and regulations to ensure that service personnel who have to move from base to base do not lose their qualification rights to social housing.
 - 1.8. Funding available for design support for communities through the Design Council.
 - 1.9. Review of building regulations to improve energy efficiency and carbon emissions standards for new buildings.
2. The LGA issued a press statement and briefing for LGA members in response to the strategy. Councillor Parsons CBE has also written to Rt Hon Grant Shapps MP outlining the role councils can play in meeting local housing needs, pressing for the financial flexibility and tools to allow councils to play this role and seeking a comprehensive impact assessment across the strategy and other related reforms (to health and welfare for example).

Item 3a

3. In line with Board priorities the LGA will also build on existing advocacy work to take forward a campaign on the role councils play in meeting housing need. In particular the campaign will focus on the role of good design, appropriate infrastructure and the involvement of communities and their elected representatives in planning for their place and giving councils the tools (planning and financial) to stimulate house building as a way of stimulating economic growth and meeting local needs. A campaign plan has been circulated to the Programme Board for information.

Housing finance

4. The Government launched *The Housing Revenue Account Self-financing Determinations – Consultation* on 21 November 2011. The LGA has noted that it is disappointing to see that due to September's high inflation rate many councils are facing much higher settlement figures than they will have planned for based on projections from figures issued in February 2011. The average increase is 5 percent but in some cases as much as 25 percent. With many councils now preparing to take on more debt, the announcement by the Public Work Loans Board (PWLB) to limit to one day the time in which councils can take advantage of the lower loan rate is a concern. The LGA has raised this issue with government as a matter of urgency so that councils are able to plan effectively for the move to self-financing without the concern of government constantly moving the goal posts.
5. The LGA has been significantly engaged in discussions on the Right to Buy in advance of the consultation which was published in December 2011. The Programme Board has continued to press for the flexibility for councils to set the discount locally to avoid arbitrary national rates and that the receipts from right to buy sales are retained at the local level to enable quick reinvestment in affordable housing at the local level. Officers will prepare a response to the consultation for clearance by Members in line with the consultation period.

Housing Support Offer

6. The Environment and Housing Programme Board agreed to a housing support programme at their meeting in September 2011. The board agreed that the support should be primarily directed at elected members and that the LGA should seek to work in partnership with organisations such as the Homes and Communities Agency to extend the reach of the support programme and to draw on skills and expertise.
7. Members also agreed that the following outcomes should drive the support on offer from the LGA:

Item 3a

- 7.1 Elected Members and senior officers have a good understanding of the housing reform agenda and what it means for the choices they make locally.
- 7.2 Local Authorities share good practice and learn from each others experiences in an accessible way.
- 7.3 Local Authorities experiencing specific performance issues are able to access bespoke support and advice.
- 7.4 Local Authorities benchmark and assess their performance to drive improvement.

8. The LGA has developed and planned a range of support activities within existing programme budgets to take this forward. Key actions include:

- 8.1 A series of Member briefings on housing to be published in January 2012. These briefings will highlight key questions that councils will need to respond to and will explore the practical implications of the housing reforms, providing advice as to how to capitalise on the opportunities and mitigate the risks.
- 8.2 A series of free housing and planning 'Masterclasses' for elected Members throughout March 2012 to equip councillors with the knowledge and skills needed to respond to the housing reform agenda, and the practical tools and techniques to support engagement with local people and external partners.
- 8.3 An LGA publication on Self Financing for Councillors on Self Financing will be published in January 2012.
- 8.4 A joint publication with the HCA aimed at elected Members and Chief Executives will be published in January 2012. This publication will illustrate the key reforms through a number of scenarios.
- 8.5 A full events programme including the recent successful event *Countdown to Self Financing*, the forthcoming joint event with HCA for elected Members in January 2012 and *'Planning for growth'* in February 2012.
- 8.6 Development of a housing data report to support councils to use LG Inform to benchmark and compare data.
- 8.7 Development of a Housing Peer Challenge.

Framework for developing a local strategy for flood risk management

Purpose of report

To note.

Summary

To assist flood authorities with their new statutory duty to produce and implement a local strategy for flood risk management, the Local Government Association (LGA) has produced a Framework for the Local Flood Risk Management Strategy.

The Framework provides information and advice on all the essential elements to be included in the local strategy, backed up by local case study examples.

The Framework has been produced by the LGA's Inland Flood Risk Management Group, which advises the LGA's Environment and Housing Programme Board. The project was managed by an officers' network which supports the member group.

The Framework has been sent directly to all Lead Local Flood Authority (LLFA) officer contacts and their colleagues in local Environment Agency offices, who will be working closely together in producing the local strategy.

This is a refresh of the preliminary Framework published in February 2011 and takes into account the publication of the National Flood and Coastal Erosion Risk Management Strategy.

The main changes to note are as follows:

- Thoroughly revised throughout and updated in light of developments since initial publication
- Structure has been simplified and made to run in a way that flows better
- Experience of LLFAs and partners in implementing legislation has been incorporated, and has led to significant rewrites

This will remain a 'living document' so it can be regularly reviewed and updated as and when necessary. The full document is available on the LGA website:

http://www.local.gov.uk/web/10161/topic-climate-change/-/journal_content/56/10161/3189331/ARTICLE-TEMPLATE

11 January 2012

Item 3b

Recommendation

Members to note the report.

Action

As directed by members.

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Climate Change Adaptation/Resilience

Purpose of Report

To provide an update on the UK Climate Change Risk Assessment and National Adaptation Programme and the supporting role of the LGA.

Summary

The UK Climate Change Risk Assessment (CCRA) is an independent research project, funded by UK Government and Devolved Governments that analyses the main risks and opportunities to the UK, arising from climate change up to 2100. After the reports are laid in parliament in January 2012, the Government (Defra) will develop a National Adaptation Programme, which will set out policies and actions to help address the risks. In addition, the Environment Agency has taken on a new role as the Government's delivery body in England for climate change adaptation/resilience, helping key sectors (**including local government**) build resilience to the impacts expected from climate change. **The LGA will play a key role in agreeing actions for these work programmes and ensuring that local government views are fully represented.**

Recommendation/s

Members to note the report

Action

As directed by members

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Climate Resilience: Update on the UK Climate Change Risk Assessment and National Adaptation Programme

Background

1. The global climate is changing and will continue to change over the coming century. Even if we manage to limit greenhouse gas emissions, we are still locked into a certain amount of warming.
2. The UK Climate Change Risk Assessment (CCRA) is an independent research project, funded by UK Government and Devolved Governments that analyses the main risks and opportunities to the UK, arising from climate change up to 2100.
3. It provides the underpinning evidence to inform discussions on adaptation/resilience action needed in such areas as infrastructure, health, environment and business and will be updated every five years.
4. Some key findings show why we must act now to prepare ourselves and our businesses for the future impact of climate change. The research reveals that without action (some policies already in place, some needing further review) we could see:-
 - 4.1 **Annual damage** to properties and important infrastructure such as roads and railways, **due to flooding** from rivers and the sea, increase significantly across England
 - 4.2 **Reduced water availability**, particularly during the summer, leading to more frequent water restrictions. The gap between demand and supply will potentially widen, impacting homes, businesses, schools and hospitals. The combined effects of climate change and a growing population will place increasing stress on water supplies in some parts of the country
 - 4.3 **Rising energy demand for cooling**, particularly in the south of the UK, due to higher summer temperatures. Currently, cooling of buildings (including air conditioning, refrigeration and cooling of information and communications technology infrastructure) accounts for around 4% of total UK electricity use and demand for cooling is already increasing
5. Detailed results from the CCRA will be available when the reports are laid in Parliament in January 2012. Once published they will be available on the Defra website: www.defra.gov.uk.
6. After the CCRA is published, Defra will develop a National Adaptation Programme, which will set out policies and actions to help address the risks. This will be developed with involvement from all relevant stakeholders, **including local government and the LGA.**

Item 3c

7. Given the importance of local adaptation action, Defra has commissioned the nine Climate Change Partnerships across England to examine the CCRA from a local perspective to support this dialogue. A key part of this debate will be informed by the 'call for views' which allows organisations and individuals to tell Defra what action is already underway to address risks, the most urgent areas for action, key barriers to addressing them and possible opportunities that a changing climate may bring. This exercise will last until April 2012 and the **LGA will be encouraging and supporting local authorities to respond where appropriate.**

Update on Environment Agency Climate Adaptation/Resilience Delivery Role

8. The Environment Agency has taken on a new role as the Government's delivery body in England for climate change adaptation/resilience, helping key sectors (**including local government**) build resilience to the impacts expected from climate change.
9. The programme will consist of two parts: a web-based information service which will give access to the latest climate science; and tailored support to help key sectors build resilience to climate change.
10. The tailored support programme will be in place by April 2012 and will focus on six themes: business and services, infrastructure and built environment, health and wellbeing, natural environment, forestry and farming and **local government** (which is a cross-cutting theme covering many of the other themes).
11. **The LGA is working closely with the Environment Agency to agree actions for the work programme.** To support delivery the Environment Agency has funded a secondment to the LGA's Policy and Development programme team from January 2012-April 2013.
12. LGA officers will provide a more detailed update on the LGA work programme to support climate adaptation/resilience in local government at the next Environment and Housing Programme Board meeting in March 2012.

Metal Theft – update

Purpose of Report

To note.

Summary

The last Board paper contained a summary of the issue of metal theft, its costs and impacts. This update provides an overview on developments.

The LGA has been engaging with the Home Office and DEFRA on the issue. Cllr Parsons and Cllr Khan Chair of the Safer and Stronger Communities Board (the lead Board on metal theft) sent a **joint letter to Lord Henley**, Minister of State at the Home Office.

The letter explained the LGA view that the Scrap Metal Dealers Act 1964 no longer provides an adequate regulatory regime for the metal recycling industry. It requested that the current registration process be replaced by a proper licensing system, based on the alcohol licensing regime and administered by councils. It also sought compulsory cashless payments, the installation of CCTV with automatic number plate recognition technology, and requirements on dealers to keep detailed logs of the identity of people they buy metal from. The letter provided a response to the Private Members Bill tabled by Graham Jones MP which would give licensing responsibility to Magistrates rather than councils.

In his response Lord Taylor acknowledged the limitations of the Scrap Metal Dealers Act and explained that the government is considering the legislative options which include cashless payment. We understand this could include a government bill in the next session of parliament (from May onwards). A follow up meeting between Cllr Parsons and Cllr Khan will be arranged for the coming weeks.

The **Private Members Bill by Graham Jones MP** is currently awaiting its second reading which is scheduled for the 20 January. However, because it is not sponsored by the government it is quite far down the list of bills to be considered. It is therefore likely to be rescheduled for an alternative date if one can be found before the close of business at the end of March.

The government announced a **national metal theft taskforce** in the Treasury's Autumn Statement. It will be led by the British Transport Police and will have funding of £5m. The purpose of the taskforce is to work across departments and law enforcement to co-ordinate action to tackle metal theft. Officers on the Safer and Stronger Communities Board are exploring with the Home Office what role the LGA will have with the taskforce.

Item 3d

The LGA is carrying out a **survey of councils on metal theft** to inform its lobbying position. It will cover the cost of the issue to councils of its impact and enforcement and also explore what a new regime should look like and what it would cost. The survey will be launched later in January with results expected by the end of February.

The LGA are holding a **Metal Theft Conference on 6 February** at Local Government House chaired by Cllr Khan.

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Environment and Housing Programme Board Headline Priorities 2012/13

Purpose of report.

For review and direction.

Summary

1. Work is currently underway on the LGA's Business Plan for 2012/13. As part of this, each of the Programme Boards is asked to identify the headline priorities for their areas of work for next year in the light of the LGA's overall direction of travel.
2. An outline business plan, attached as an appendix to this paper, is being presented for initial review at the January Executive. This has been developed by an iterative process with members, in discussions at Leadership Board and through the political group offices. This work has informed the statement of our vision for local government and, given this, initial proposals as to where the LGA can have most impact.
3. Through this work, six priorities have emerged as the focus for the LGA's work in 2012/13:
 - 3.1 Public Service Reform
 - 3.2 Growth and Prosperity
 - 3.3 Funding for local government
 - 3.4 Efficiency and Productivity
 - 3.5 Sector-led Improvement
 - 3.6 The LGA's own effectiveness and efficiency.
4. Heads of Programmes have already fed in the known priorities for their area in the light of the Programme Board issues already identified by members. For the Environment and Housing Programme Board, these were:
 - 4.1 supporting the development of new planning powers, to achieve wellbeing and growth in local communities
 - 4.2 supporting councils to deliver the new housing strategy
 - 4.3 working with government to ensure the Green Deal and new statutory responsibilities on home energy work for councils

Item 3e

- 4.4 lobbying and leading support for councils with waste and recycling including collection, infrastructure planning and delivery and waste minimisation
5. Programme Boards are asked to review these business plan priorities for 2012/13.

Recommendation

To provide a steer on priorities for Environment and Housing Programme Board services for 2012/13 in the light of the direction of travel for local government and the LGA presented in the outline business plan.

Action

To feedback the Programme Board discussion to Leadership Board, to inform the final business plan, which is due to be signed off by the LGA Executive in March.

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DRAFT

BUSINESS PLAN
2012/13

A SHARED VISION FOR LOCAL GOVERNMENT

CHANGING LIVES

Local government has the potential to lead local communities, now more than ever before, and play a central role in growth and in changing people's lives.

In the current economic climate, it is down to local government and its leaders, to rise to the challenge. People rely on us to do so, not just as the trusted deliverers of local services, but as leaders and innovators, as councillors who really know and work hard for their communities, and as officers who get on with the job.

Local government leaders are demonstrating they are up to the task and driving their councils forward to ensure they fulfil this role. Their aim is to make places distinctive and attractive for people to live and work in and enjoy.

Part of that leadership role is to communicate powerfully, to connect with people, taking the argument, strongly and self-confidently to central government, the wider public, other partners and the media.

ACCOUNTABLE

Local government really can make a tangible, lasting difference to people. It has the ability to inspire and lead communities, and improve quality of life, by creating and contributing to a real sense of place, rooted in those local communities.

Unlike many other organisations, councils can make change happen instantly and with real authority, at a very local level – the opposite of the grand, empty gesture. It is sometimes the small things which have most impact and leave the biggest impression.

Key to this is localism, by definition not something which is set out at a national level – localism means central government letting go, putting more faith in local people, and being confident about local democracy. Councils are the enablers of localism, not the impediment to it. They are often the single most important source of practical advice to local communities who want to take on more responsibility.

This means collaboration, partnership, no silos, and working across boundaries. Local government must work like this both internally and externally, facing outwards towards those who use local services.

Councils and councillors get involved and involve others. They encourage by example and support others to develop – and this includes their own workforce as much as their communities and the partners they work with. Councils actively involve people in the design and delivery of their local services.

Councils work as enablers – supporting people to take more control over their lives and their localities, and encouraging growth, through influence over land use, education, training and local infrastructure. There is real impact to be made in helping local economies and local businesses prosper.

EFFICIENT

Local government remains the most efficient part of the public sector and rightly rests its reputation on this fact. People correctly expect it to deliver cost effectively and efficiently, with excellence being pursued in balance with the appropriate use of public money.

Councils are ambitious in finding ways to do the job within their means, so they are good spenders of public money and more effective than most other organisations in helping people and communities.

In this way local councils and those who run them lead by example and by supporting others – by being bold, innovating, and sharing best practice.

Councils are not afraid to cut costs and be innovative about ways of improving services, as well as being prepared to consider radical economies of scale where this helps delivery on the ground. This means councils focusing relentlessly on performance, eliminating cost. To achieve this councillors are having to make difficult and at times unpopular decisions, while earning a reputation for delivering value for money.

Councils know they can only achieve this by ensuring they have a workforce that is appropriately rewarded, flexible, skilled and engaged through this time of unprecedented change.

RELIABLE

Councils are the backbones of their communities, relied on day in day out, to deliver excellent services whatever the circumstances. They are the safety net, relied on to pick up where other services fail.

People and their local communities depend on this and place their trust in their council, their councillors and what they deliver. Councils must live up to people's expectations and make sure their trust is not misplaced.

Local government can do this because it is one of the most open and accountable parts of the public sector. Voters expect it to deliver. It can be relied on to handle issues important to people's everyday lives and is a force for practical good.

Councillors themselves are trustworthy individuals and work hard in a transparent, highly accessible environment. They need to be supported and encouraged, as their talents, commitment and energy are a really important resource for the local communities they represent.

In return, councils connect to the daily lives of families and their communities. They do this by earning trust, being accountable and staying local. They put their faith in local people and are confident about local democracy.

Councils and their leaders provide the glue for local communities, ensuring social cohesion and successful diversity. Councils also have a key role in supporting the most vulnerable people in society.

THE LGA'S PRIORITIES

The LGA's mission is to support, promote and improve local government.

We work with councils to achieve our shared vision for local government by focusing our efforts where there is a need for us to get involved and where we can have real impact.

The LGA has a major role to play in upholding local government's reputation and supporting real leadership. We are politically led, but independently authoritative, holding unrivalled expertise and knowledge about local government and local government issues.

Leadership is about being bold and ambitious, supporting councils to make a difference, deliver and be trusted. The LGA is proactive and confident, unlocking the economic power and influence of local government and driving change. This is only possible if we work together as a single sector.

The LGA has a key role in driving the debate on public sector reform, to ensure that councils can bring together local services so they are better for the people who use them and better value for the taxpayer.

As the national organisation representing councils and councillors, we play a critical link between central and local government as the legitimate voice of our sector, making the case to ministers. Our policy work is based on objective, independent and credible analysis. It is driven by knowledge, not ideology, and by new thinking, not dogma.

The LGA also acts as the key conduit and promoter of the best that local government has to offer, by encouraging councils to develop and share best practice, through our improvement, innovation and productivity programmes.

As a politically-led membership organisation, we invest in support to the elected members who are directly involved in the LGA. We use our governance arrangements to build strong connections with councils and their sub-national partners to provide political direction for all our work.

This business plan focuses primarily on the services and support funded by subscriptions from LGA member authorities including fire and rescue authorities, and RSG top-slice. We seek additional funding for specific programmes where these fit with our priorities. We also provide services on a cost-recovery basis where councils are prepared to pay for them.

Our top priorities

To deliver our vision for local government, in 2012/13 we will focus on achieving the following outcomes:

Public Service Reform

Councils are at the centre - and are seen to be at the centre - of public sector reform and delivering more effective services for local people.

This includes:

- making the case for continued decentralisation of responsibilities and resources to councils
- making the case to government for community budgets and working with councils to develop and share good practice on community budgets for families with complex needs, and neighbourhood and area community budgets
- supporting councils with implementing the Localism Bill including the Power of General Competence and the Community Right to Bid and Challenge
- influencing the government's Open Public Services proposals and supporting councils in pursuing innovative public service reforms
- ensuring the negotiating machinery and national agreements for workforce are relevant and fit for purpose
- developing an affordable, sustainable and fair local government pension scheme that delivers value for money for the taxpayer
- supporting councils in the transfer of public health to local government
- supporting councils and community safety partnerships in preparing for police and crime commissioners, including setting up police and crime panels
- supporting councils in their role in education with the expansion of academies and free schools to ensure councils can ensure a fair system for all
- lobbying for fair funding for all schools and arguing the case for councils to be the mediating layer between central government and schools
- responding positively to the anticipated White/Green paper on the care system, supporting councils to share best practice
- articulating councils' role in the Big Society and supporting councils in commissioning from the voluntary and community sector
- helping councils share and develop good practice on payment by results
- lobbying in Brussels and Whitehall to ensure that future EU regulation minimises burdens and maximises opportunities.

Growth and Prosperity

Councils are recognised as central to economic growth.

This includes:

- leading a campaign to ensure that the local levers of growth are unfettered
- supporting the development of new planning powers, to achieve wellbeing and growth in local communities
- supporting councils to deliver the new housing strategy
- supporting councils in developing innovative funding for economic infrastructure
- representing councils' interests with reform of the EU structural funds
- lobbying to ensure councils are better able to influence local transport provision
- supporting councils in hosting and engaging communities in a safe and exciting 2012 Games, to deliver wider benefits for the whole country
- promoting and developing councils' role in the visitor economy
- supporting councils as they lead the national roll-out of superfast broadband
- working with government, industry and councils to ensure the Green Deal and new statutory responsibilities on home energy work for councils
- working with councils to strengthen community resilience, including understanding the underlying causes of the civil disturbances in the summer
- working to ensure regulatory services can remain flexible and accountable to the needs of local businesses and local communities
- supporting the development of members and officers in driving the economic potential of their areas.

Funding for local government

Reform of the public sector finance system so councils raise more funds locally, have confidence their financing is sustainable and greater ability to co-ordinate local public services.

This includes:

- the Resource Review, so that investment is focused more effectively on the local areas which most need it
- leading and shaping the debate on the Dilnot Commission's recommendations on the future funding of care and support
- lobbying for welfare reform, in the interests of improving services to local communities and to support local employment
- supporting the creation of a collective agency to help councils reduce their borrowing costs by using the bond markets
- working to achieve equitable needs-based funding arrangements that are fair to local government in all parts of the United Kingdom.

Efficiency and Productivity

Councils dramatically reduce costs in ways which minimise the impact on the quality of life for their residents.

This includes:

- helping councils save at least £150m over the next 3 years by supporting pathfinder programmes, productivity master classes and good practice
- roll-out of the capital assets programme with a particular emphasis on councils using their assets to generate economic growth
- lobbying and leading support for councils with waste and recycling including collection, infrastructure planning and delivery and waste minimisation
- providing free of charge tools such as LG Inform to allow councils to benchmark costs and performance information against other authorities
- continuing to support the Creative Councils programme to help councils turn their ideas into action and share the outcomes with the rest of the sector
- supporting councils to develop on the type of workforce they will need in five years' time helping them with reward, motivation and improved performance
- supporting councils and fire and rescue authorities to respond to civil emergencies

Sector-led improvement

Councils are the most improved part of the public sector.

Local politicians and senior managers lead the transformation of local places.

This includes:

- a programme of over 100 peer challenges in each of the next three years for councils and fire and rescue authorities
- maintaining an overview of the performance of local government and providing tailored support to councils that face significant challenges
- support to enhance councils' accountability to local people including support to strengthen scrutiny working with the Centre for Public Scrutiny
- an improvement programme for children's services
- working with councils to develop an improvement model for adult social care through Promoting Excellence in Adult Social Care
- support to councils to modernise and improve public libraries and programmes for culture, tourism and sport services
- ensuring that international practice is available to support service improvement in the UK and abroad
- providing a range of development programmes for elected members, and one free/subsidised place for every council for each of the next three years
- offering every council over the next three years a member development workshop to support councils to become "champions of their patch"
- working with the national parties and others to increase the diversity of people standing for public office through our "Be A Councillor" programme
- offering member mentoring free of charge for any council where there is a change of political leadership
- providing development programmes which bring together elected members and officers through programmes such as our Leeds Castle programme
- attracting new talent into the public sector through programmes such as the National Graduate Development programme.

Our own effectiveness and efficiency

The LGA is the single voice of local government, representing every local authority and locally democratically elected representatives across England and Wales.

This includes:

Membership

- increasing membership levels amongst local authorities in England and Wales and providing a membership body for Policy and Crime Commissioners
- improving engagement and building strong and productive relationships with councils and groupings of councils – this will be the focus of a member scrutiny review
- acting as conduit between local authorities and central government to ensure a local perspective to emerging policy debate
- securing amendments to emerging legislation and running effective campaigns that deliver real change and improvements for our membership
- developing our suite of communications to provide clear, relevant and up to the minute information that councils value and use
- enhancing benefits and reducing the cost of membership.

Business management

- reviewing our costs with a view to achieving a significant reduction in overheads – this is also the focus of a member scrutiny review
- focusing on value for money, transparency and accountability
- supporting our employees through regular appraisal and investment in their development.

Outline budget 2012/13

	Pay £m	Non-Pay £m	Total £m
Subscriptions			10.0
RSG England			25.5
RSG Wales			0.3
Specific grants and other ring-fenced funding			8.5
Other income (conferences, seminars, sponsorship)			2.0
Rental income			1.0
Other			1.0
Possible carry forward of prior year underspend			1.4
Total income			49.7
Political support and governance	1.7	1.4	3.1
Programme teams	4.6		6.4
Leadership and Productivity	4.4		9.4
Workforce	1.8		2.8
Policy and Delivery	10.8	7.8	18.6
Strategy and Communications	2.2	2.5	4.7
Total operational costs	14.7	11.7	26.4
Specific grants and other ring-fenced funding	2.8	2.8	5.6
Strategic Management Board	0.7	0.1	0.8
Finance and Resources	1.0	-	1.0
Liberata shared service	-	6.8	6.8
Accommodation	-	2.8	2.8
Other overheads (audit, insurance etc)	-	1.7	1.7
Pensions - past employees	-	0.9	0.9
Pensions - additional contribution	-	3.7	3.7
Total overheads	1.7	16.0	17.7
Total expenditure	19.2	30.5	49.7

Our Corporate Indicators

	Target 2012/13 (TBC)	Baseline
Membership	September 2012	September 2011
Total membership	422	422
People Management		September 2011
Employees – total headcount	307 (269 estabd posts + posts for grant-funded programmes)	307
Average sick days per employee for 12 months	Maintain or improve (public sector av 9.6 days; local govt av 10.3 days)	4.5 days
Workforce profile		
BME employees % of the workforce		17%
BME - proportion of employees Grade 6 and above	Increase % of BME employees grade 6+ in line with workforce	5.9%
Employee engagement	Survey during 2012	Survey July 2009
Satisfied with their job	Maintain or improve	79%
Good place to work		66%
Kept well-informed		80%
Line manager helps them achieve their potential		61%
Organisation is committed to equality and diversity in its services		69%
Organisation is committed to equality and diversity in its employment practices		66%
Debtors	March 2013	March 2011
0 – 2 months	80%	56%
3-12 months	20%	10%
13-24 months	0%	14%
Over 24 months	0%	20%
	100%	100%
Liberata customer satisfaction	Survey Nov 2012	Survey Nov 2010
HR and Payroll	80%	66%
Finance and accounting	80%	72%
ICT	80%	58%
FM	80%	80%
Print and design	80%	68%
Overall	80%	61%
Carbon emissions	March 2013 reduce by 6% from 07/08 baseline of 1,450 CO2 tonnes	March 2011
	1,363	1,373

Note of decisions taken and actions required

Title: Environment & Housing Programme Board
Date and time: 11am, Wednesday 14 September 2011
Venue: Local Government House, Smith Square, London

Attendance:

Position	Councillor	Council
Chairman	David Parsons CBE	Leicestershire CC
Vice chair	Clyde Loakes	Waltham Forest LB
Deputy chair	Keith House	Eastleigh BC
Members	Frances Roden	Stroud DC
	Eddy Poll	Lincolnshire CC
	Tony Newman	Croydon LB
	Ed Turner	Oxford City
	Tim Moore	Liverpool City
	Tracey Simpson-Laing	City of York
	Terry Stacy JP MBE	Islington LB
	Andrew Gravells	Gloucestershire CC/Gloucester City
Substitutes	Peter Hardy	South Bucks DC
	Angela Lawrence	Vale of White Horse DC
Apologies	Andrew Cooper	Kirklees MBC
	Simon Galton	Leicestershire CC
	Clare Whelan	Lambeth LB
	Mike Jones	Cheshire West and Chester Council
In attendance	Cllr Andrew Proctor	Broadland DC
	Phil Kirby	Broadland DC
	Sandie Dunne	LGA
	Abigail Burrige	LGA
	Clarissa Corbisiero	LGA
	Sarah Monaghan	LGA
	Romily Beard	LGA
	Alice Lester	PAS
	Richard Crawley	PAS

1 Meeting the Housing Challenge

The Chairman welcomed Angela Brady (President, Royal Institute of British Architects), Steve Partridge (Director of Financial Policy and Development, Chartered Institute of Housing) and Liz Peace (Chief Executive, British Property Federation) to the meeting.

Angela Brady discussed the work which RIBA is doing to promote improved design and quality of new homes. Angela set this in the context of a housing shortage and the significant reforms happening in the housing sector, but stressed that better quality housing should be an essential factor in the design of all new housing development. She also emphasised space as an important factor, as existing research shows that newly built homes aren't big enough, which has been shown to impact on basic lifestyle needs and can have significant impacts on health, educational attainment and family relationships. Angela also suggested that any new ways to change and use land intelligently would be most welcome to the sector, particularly as land supply in itself is such a key issue for developers.

Angela suggested that the LGA should submit evidence to the RIBA's Future Homes Commission and work with RIBA to define what guidance would work best for local authorities in the next housing context for councils.

Steve Partridge discussed the Government's forthcoming Housing Strategy, which would bring together the several strands of housing policy into a comprehensive document. However, Steve pointed out that this strategy would not go beyond 2015 and stressed that it was imperative for all those in the sector to look beyond this date to help identify some of the long-term objectives and challenges.

Steve informed members that the strategy was expected to have three broad themes around Affordability, Quality and Stability based on Localism as a principle and brings together strands around planning reform, HRA reform, funding for personal support, developments in the green agenda, moves to flexible tenure, incentives to build, funding for supply of new affordable housing and welfare reform.

Steve added that for the wider LA strategic role, while we know about planning reform and delivery of tenancy strategies, there may also be issues around possible growth in the private rented sector and a need to think through the associated LA enforcement role.

Liz Peace discussed the role of the private rented sector, and the growth which this sector has experienced over recent years,

which is now at the same level as social housing. Liz outlined some key issues for the next few years which include finding ways of attracting larger investors into the market to help drive quality and standards up for tenants. She also suggested that local authorities could play a helpful role in this by using land more flexibly for private rented sector housing.

In discussion, Members outlined their key concerns about some of the policy changes, proposals and initiatives in the housing sector and made some key points:

- Members endorsed the LGA's lobbying approach that councils should retain 100 per cent of the proceeds from sales under the right to buy scheme following Government's announcement to increase discounts.
- Members expressed concern on the proposals to increase the discount on Right to Buy which could significantly affect future sustainability of self financing if the number of sales increase and councils are not allowed to retain enough of the receipt to invest in replacement stock.
- Members stressed the potential impact of inflation on rents which could significantly increase the debt that councils are required to take on. Members stressed that this uncertainty will be challenging for councils in business planning as they will not be sure of their income streams, which could ultimately feed into higher borrowing costs.
- Members stressed the growth of the role of the private rented sector in providing housing, and suggested strengthening links between the LGA and the sector through groups such as the Private Sector Housing forum.
- Members noted the importance of building strong links between the National Housing Federation and the Housing Ombudsman.

The Chair thanked the speakers for attending the meeting.

Decision

Members noted the discussion.

Action

- LGA to submit evidence to RIBA's Future Homes Commission.

**Clarissa
Corbisiero**

2 The National Planning Policy Framework in practice

The Chairman welcomed Cllr Andrew Proctor (Leader) and Phil Kirby (Chief Executive) of Broadland District Council to the meeting.

Clarissa Corbisiero introduced this report, and updated

Members on the headlines in the LGA's response to the draft NPPF including ensuring appropriate transition arrangements to the new system for councils, and ensuring that the three pillars of sustainability are balanced throughout the document to ensure local flexibility and decision making. Clarissa informed Members that since the LGA submitted its response, Government has agreed that councils need 'appropriate' time to put in place their local plans. The Planning Advisory Service updated Members on the progress which PAS has made on delivering its business plan and the areas of focus for the service over the next 6 months of the year's programme.

Cllr Proctor gave a presentation on Broadland DC's joint Core Strategy with Norwich Council and South Norfolk DC. This work has given them Growth Point Status and access to additional funding (£14m from CLG), and enabled them to share resources and save money. This strategy has been worked across political boundaries because of a clear desire for growth in all 3 councils.

In discussion Members stressed that it was important to ensure that policy and legislation was clearly expressed and focused and that this would mitigate the need for additional guidance. Members requested that officers should undertake detailed work to develop a set of principles on planning guidance and the role of the LGA in supporting the sector to respond to the planning reform agenda. Members also suggested that further work should be done with Parish Councils, particularly around neighbourhood planning.

Decision

Members noted the discussion.

Action

- Circulate contact details for the 4 agencies being sponsored by DCLG to support communities preparing neighbourhood plans.
- Submit a further report to the Board on developing sector led planning guidance.
- Officers to make contact with the National Association of Local Councils to share information on neighbourhood planning.

**Clarissa
Corbisiero**

**Clarissa
Corbisiero**

3 Update on the new Nottingham Declaration and the Green Deal

Abigail Burrige introduced this report and updated Members on the Memorandum of Understanding with the Department for Energy and Climate Change, the development of a new Nottingham Declaration, the consultation on the Feed-In Tariffs Scheme and the progress on the Green Deal.

Members expressed concern about DECC's proposals to reduce the generation tariff for a single installation of solar panels by 12 December, before the end of the consultation. Members also stated that the expectation that councils should deliver their projects and register them with Ofgem in 6 weeks is not acceptable, and supported LGA lobbying to include councils in schemes acknowledged for their local community benefits.

Members indicated concern that LGA and NHF representations to DECC on the affordable warmth element of the new Energy Company Obligation had not been sufficiently addressed as the Green Deal consultation has been delayed.

Decision

Members **agreed** that the LGA should respond corporately to the Green Deal consultation.

Action

- Circulate Cllr Parsons' letter to Greg Barker on the Green Deal. **Sarah Monaghan**
- Invite a Minister from the Department for Energy and Climate Change to the next meeting of the Board. **Abigail Burridge**
- Continue to update the Board on progress against the MoU. **Abigail Burridge**

4 Update on other Board Business

Sandie Dunne introduced this report and updated the Board on the Board programme plan, EU draft Energy Efficiency Directive, Localism Bill achievements, metal theft and waste collection.

Decision

Members **noted** the updates.

5 Note of last meeting

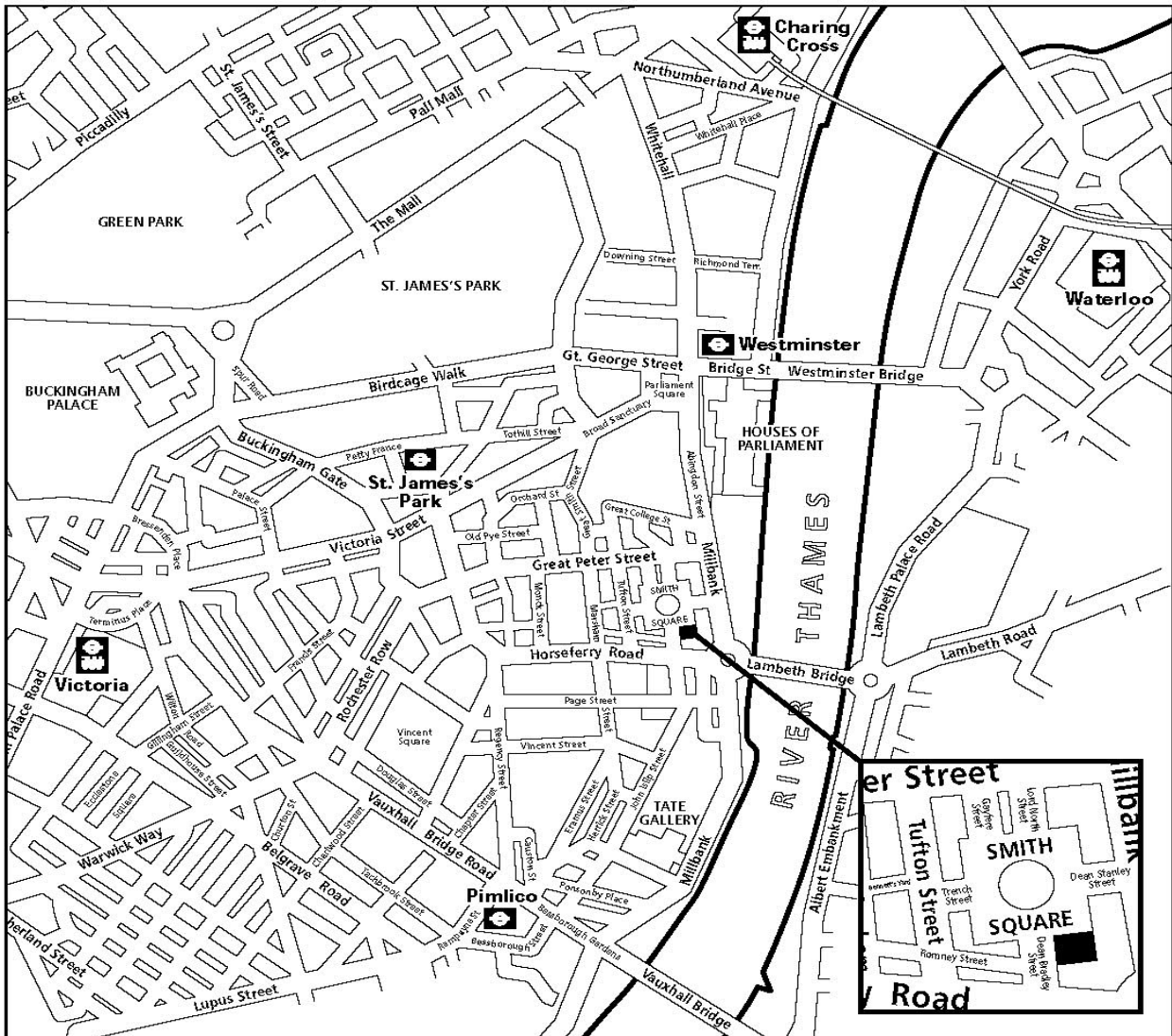
Decision

Members **noted** the minutes of the last meeting.

Action

- The Board will write to Grant Shapps MP to reinforce the role councils can play in increasing the supply of housing. **Clarissa Corbisiero**

LGA Location Map



Local Government Association

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 Website: www.lga.gov.uk

Public transport

Local Government House is well served by public transport. The nearest mainline stations are;

Victoria

and **Waterloo**; the local underground stations are **St James's Park** (District and Circle Lines); **Westminster** (District, Circle and Jubilee Lines); and **Pimlico** (Victoria Line), all about 10 minutes walk away. Buses **3** and **87** travel along **Millbank**, and the **507** between Victoria and Waterloo goes close by at the end of **Dean Bradley Street**.

Bus routes - Millbank

87 Wandsworth - Aldwych **N87**
3 Crystal Palace - Brixton - Oxford Circus

Bus routes - Horseferry Road

507 Waterloo - Victoria
C10 Elephant and Castle - Pimlico - Victoria
88 Camden Town - Whitehall - Westminster - Pimlico - Clapham Common

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