

Focus of the Board's work and key objectives

Purpose

The new Board cycle presents an opportunity for Members to set key areas of focus for its work over the coming year.

Summary

This paper is designed to inform that discussion and suggests key themes, objectives and deliverables in four key areas:

- **Growth** (Housing, Planning and Green Growth), with campaigns to assert the council role in driving growth through housing supply, including affordable housing and investment in green technologies;
- **Waste**, with a proposal for Local Government's own Waste Review;
- **Sustainability and Carbon Reduction**, with a focus on ensuring energy efficiency measures are properly funded;
- **Flooding**, with a focus on ensuring flood defences are properly planned and funded, and that flood damage is funded and insured against.

Recommendation

That Members discuss the suggested areas of focus and deliverables set out at paragraphs 10, 16, 18, 23 and 29, and endorse a role for the Board in setting an assertive agenda on behalf of the local government sector.

Actions

1. Officers to work up lobbying, campaigning and support deliverables and report these back to the Board.
2. The Inland Flood Risk Management group to take forward delegated responsibility for the elements of the work plan which are flooding issues.

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Introduction

1. The Board's remit covers a very broad range of issues. Following the 50% reduction in the LGA's budget and staffing, it is important that our resources are focused on those that present key risks or opportunities for local government, and support the overall objectives of the LGA and the sector. Our aim should be to lead the agenda for local government on these big issues and to be able to demonstrate significant impact and deliver maximum value to councils. This paper suggests areas of focus, key objectives and deliverables to ensure our work can have maximum impact. When members have set priorities, officers will implement these and report on the work programme to ensure those deliverables are achieved.

Context – key issues for local government

2. The Board has a powerful role to play in delivering the priorities that the LGA has identified based on the views of member authorities. The LGA is developing a single narrative for its campaigning activity to ensure that the sector's messages are more powerful, easier to understand and demonstrate that local government can provide solutions to the challenges facing the country.
3. The central message is that local government has managed huge cuts in public spending and is working hard on new ways to deliver services, but the outlook for public spending tells us that more cuts are in the pipeline. That means reforms to big services, like social care are vital, but that a return to growth and growing tax revenues are needed to avoid damaging cuts to vital frontline services in future; councils must therefore play their full part in getting the UK economy back into growth, and must be given the policy levers to do so.
4. The Board's remit covers issues that are clearly central to the core priorities on funding, public service reform and growth which should inform the focus of our work over the coming year.

Proposed areas of focus for the Board

Growth

5. Objective: To promote the positive role that councils play in driving economic growth through their roles on planning, housing and supporting green industries and to present an evidenced case for the powers and flexibilities to allow them to go further.
6. Planning and housing have a key role to play in unlocking development and are at the centre of the debate on how to kick-start growth. Recent government announcements have significant implications for councils' ability to support growth through their housing and planning roles. The proposals include increasing the Planning Inspectorate's powers to take decisions about local development, renegotiate developer contributions

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to affordable housing by opening up locally agreed Section 106 agreements and removing controls over householder alterations and extensions (the announcements are subject to a separate item for discussion at the Board meeting). Lobbying against an erosion of councils' powers and against central decision making over section 106 agreements will be an important priority for the Board. There is an immediate window of opportunity to influence forthcoming legislation and further policy consideration in the lead up to the Autumn Statement. In the longer term we should be seeking to influence manifestos in the lead up to the next election.

Planning

7. It is simply wrong to assert that the planning system, which the government has already fundamentally reformed, is a barrier to growth. Our focus should be on presenting robust evidence that councils are using their role in planning to support local growth and that the key issue stalling development is lack of finance for development and access to mortgages: the Board has an important role to play in proactively promoting and safeguarding councils' ability to take decisions on development in their area to ensure that it delivers the right outcomes for local people and supports growth in the local economy. The Board could also proactively promote alternative proposals that would be more effective in making the planning system work more quickly, including localising planning fees.
8. In addition to the forthcoming legislation and consultation on recent announcements, councils could face further challenges to their decision making role if they do not have an up to date plan in place by April 2013 when the National Planning Policy Framework is implemented. The Board should seek to mitigate this risk by raising awareness of support available to councils and showcasing councils' progress in plan-making.
9. The government announcements included a review of local and national housing standards to be completed by the end of 2012. Initial feedback from DCLG suggests that there is a risk that national standards could be imposed on local authorities which will undermine their ability to develop standards to fit local circumstances.
10. Suggested deliverables for the Board's work programme for 2012/13 are:
 - 10.1 Forcefully challenge government proposals for to undermine local authorities' role in decision making regarding development, including extension of permitted development rights and secure concessions in forthcoming legislation and consultation to protect that role;
 - 10.2 Make the case to safeguard councils' ability to negotiate contributions to affordable housing and infrastructure required to support new housing development and oppose expansion of the Planning Inspectorate powers to re-examine affordable housing requirements on a site by site basis;
 - 10.3 Present evidence that councils are making good progress in getting up to date plans in place that plan positively for the needs of their communities and local

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economies, and through the Planning Advisory Service ensure councils are supported to do that;

- 10.4 Seek to ensure that the review of Local Housing Standards does not result in national standards that constrain councils' ability to ensure the quality of new homes;
 - 10.5 Present evidence for how local authorities could improve effectiveness of the planning system if planning fees were decentralised;
11. Work on these deliverables will need to be progressed during the autumn, in advance of the Chancellor's Autumn Statement.

Housing

12. Investment in house-building boosts the economy, creating jobs in construction and delivering wider benefits to the supply chain. It could also deliver the new homes badly needed in many areas of the country, helping to tackle problems of affordability. Around 400,000 homes have planning permission but have not yet been built. Unlocking development and mortgage finance is crucial to unlocking housing development. A number of councils are helping first time buyers access mortgages through mortgage guarantee schemes.
13. With 1.8 million households on council waiting lists, increasing affordable housing supply remains an important priority for councils. Investment in affordable housing would help meet local housing need at the same time as kick-starting the construction industry. The Board could play a key role in securing more flexibility for councils to invest in housing, particularly affordable housing. This could build on existing campaigning to remove the cap currently placed on council borrowing for housing and for changes to the right to buy model to maximise investment in new affordable homes.
14. There is also an opportunity to influence the debate on future models for social and affordable housing in the next spending review period. There are concerns that the current Affordable Rent model is not sustainable in the longer term and wider policy changes including welfare reform are likely to have a significant impact on councils' housing investment plans. The Board is well placed to lead the debate on future financial models for affordable housing.
15. Welfare reform also has significant implications for private rented sector landlords, access to suitable housing, homelessness and increased demand for local authority housing services that will need to be considered in local housing strategies. The Board has a key role to play, along with the LGA's Finance Panel and the Economy and Transport Board, in monitoring the impacts of welfare reform with a view to developing proposals for change should evidence suggest that these issues are significantly adversely affected or place new burdens on councils.
16. Suggested deliverables for the Board's work programme for 2012/13 are:

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- 16.1 Evidence based proposals for how councils could invest more in building affordable homes through removing borrowing restrictions and increased local flexibility on the Right to Buy policy;
- 16.2 Evidence based proposals for a sustainable funding model for social and intermediate housing in the next spending review period;
- 16.3 Support to councils to develop long term business plans for council housing stock; develop skills for innovative models for housing-led growth, and the championing of good practice;
- 16.4 Monitoring the impact of welfare reform on homelessness, access to housing and local housing strategies and councils' ability to invest in affordable housing, with a view to developing proposals for change should the situation worsen.

Green Growth: The Climate Local programme

17. Climate Local provides a platform for local government to champion its leadership in helping communities to live within their environmental means and exploit the benefits for local people by saving money on their energy bills, tackling fuel poverty and generating income from renewable energy, attracting new jobs and investment in 'green' industries, understanding local climate risks and building resilience. The Environment Agency has provided a secondee to support this work. The Board's task now should be to ensure that the programme continues to ensure action can be locally led and results in evidence to support LGA lobbying on energy and green growth.
18. Suggested deliverables for the Board's work programme for 2012/13 are:
 - 18.1 Building on Climate Local, showcase how councils are helping people to reduce energy costs and help people out of fuel poverty and use this evidence to lobby for locally-led initiatives rather than energy supplier-led initiatives;

Waste

19. Objective: To champion local innovation in waste management and lobby for greater local decision making on waste, as the only means of addressing future funding gaps in waste.
20. This Board should seek to proactively lead the future development of waste policy in the light of the slow pace of the government's Waste Review allowing local government to set the agenda for reducing and reusing waste, tackling fly-tipping and other nuisance, and driving innovation in managing waste. This would in effect be the sector's own waste review and we might seek to publish it early in the New Year.
21. This should be informed by the work already underway on modelling and forecasting future spend on waste services to present a coherent case for change. The funding work will identify the significant and uncontrollable cost drivers in waste services – such as the land fill levy; increased demand for services; potential cost if DEFRA is successfully challenged through the Judicial Review; packaging targets – and on the

other hand, potential income streams and savings that can be made from recyclates and energy from waste and from working with the creators of waste on packaging. Building on the findings of this work the Board could develop evidenced lobbying positions on future funding gaps and more local decision making on waste.

22. The current Judicial Review of DEFRA's recycling regulations has illustrated variations in councils' approaches to recycling across the country. We should assemble and champion good practice and innovation which the Board could ensure is made widely available to the sector to assist councils in developing future strategies; contracting for recycling services; and making the most of working with partners to reuse collected material.
23. Suggested deliverables for the Board's work programme for 2012/13 are:
 - 23.1 A manifesto for waste management services, based on a robust assessment of future cost drivers (including potential cost of a judicial review decision); income and potential savings (including work with waste creators) to 2020; and a clear set of proposals to ensure sustainable services and effective tackling of fly-tipping and other forms of nuisance.
 - 23.2 In support of that, presentation and dissemination of a collection of good practice models for councils on minimising costs, maximising opportunities to increase revenues, and securing the full value of the recyclable materials collected.

Sustainability and Carbon Reduction

24. Objective: To champion councils as confident leaders of action on carbon reduction and climate resilience to the benefit of local communities and local economies and to ensure they have flexibilities and adequate access to resources available to support local initiatives.
25. Councils are leading action on climate change and green energy at local level and the Board is well placed to draw on that experience and evidence to lead the debate at national level. The focus of our work should be demonstrating that local action on fuel poverty, energy efficiency and reducing the cost of energy has significant benefits at local and national level and it follows that councils must be given the flexibility and access to resources they need to act.
26. Energy bills have risen five times faster than income since 2004 and are set to continue to rise. British domestic housing is amongst the least energy efficient housing in Europe. As a consequence of these two factors 16% of households in England are affected by fuel poverty (spending more than 10% of income on energy). This has significant social and health costs. Councils can tackle fuel poverty through energy efficiency initiatives and reducing the costs of energy as well as action to help their most vulnerable residents to lower their fuel bills. The Home Energy Conservation Act (re-launched in July 2012) requires councils with housing responsibilities to set out plans to improve energy efficiency. The Board is well placed to champion the work that councils are doing to help people out of fuel poverty and to bring that to bear on lobbying for adequate access to resources for energy efficiency.

27. There are a number of national initiatives designed to open up opportunities to invest in domestic energy efficiency, including the Green Deal and Energy Company Obligation (ECO). The Green Deal allows householders to pay off the upfront costs of energy efficiency improvements from savings made on energy bills as a result of the improvements over a period of up to 25 years. The model is yet to be tested and there are concerns about a number of issues that could impact on take up and success of the product. The ECO is an obligation on UK energy suppliers to improve the energy efficiency of new homes and is split into three programmes: the Carbon Target to help householders with expensive measures like cavity wall insulation; the Affordable Warmth Target to help households in fuel poverty; and the Carbon Saving Communities Programme for councils and affordable housing providers to lead area based schemes in deprived areas.
28. There is currently a debate about how accessible this funding will be to councils. DECC is proposing a brokerage scheme which would exclude councils from accessing the funding unless they attain Green Deal provider status. This bureaucratic barrier is likely to inhibit the generation of locally-led schemes that use local labour. The Board could step up its campaigning to ensure that councils can use funding available under ECO freely to fund local energy efficiency and fuel poverty alleviation schemes.
29. Suggested deliverables for the Board's work programme for 2012/13 are:
- 29.1 Campaigning for councils have access to resources from the Energy Company Obligation to invest in local energy efficiency and fuel poverty initiatives.

Flooding – managing flood risk and building resilience

30. Objective: To ensure that flood defences are properly planned for and funded and to make the case for adequate funding for exceptional flood damage, including insurance cover.
31. Flooding is predicted to be the biggest climate risk to the UK and affects more communities each year. This presents significant challenges for councils, not least in dealing with unpredictable cost burdens in a highly constrained financial climate. It also presents a substantial reputational risk to councils under intense scrutiny on their ability to respond and assist. In 2010 counties and single tier authorities were given new responsibilities as Lead Local Flood Authorities.
32. The Board's work on flooding is delegated to the Inland Flood Risk Management (FRM) Group, an elected member body which was set up in 2009 to support councils' transition to the new responsibilities placed on Lead Local Flood Authorities, and which reports to the Board.
33. Current areas of work include:
- 33.1 Long term funding for Sustainable Urban Drainage Systems;
- 33.2 Securing adequate funding for flood defences;
- 33.3 Ensuring householders in flood risk areas can access affordable insurance cover;

- 33.4 Supporting councils to deliver their new role as Lead Local Flood Authorities; and
 - 33.5 Securing funding for exceptional costs from damage to infrastructure caused by flooding.
34. It is proposed that the Board continue to delegate its responsibilities on flooding issues to the Inland FRM group for the coming year; and that the Board ask the group to report back on progress made in the previous year and set out its areas of focus and objectives for the year ahead, for the Board's approval. It would also be useful for the group to report back to the Board at each meeting on progress to enable the Board to add weight on key lobbying issues.

Financial Implications

35. The work programme associated with these areas of focus will be delivered within existing budgets, for 2012-13 and will influence the LGA's budget-setting process for 2013-14.