

Autumn Statement and National Infrastructure Plan

Purpose of Report

For discussion and direction.

Summary

The Government launched the National Infrastructure plan on 4 December, followed by the Autumn Statement on 5 December. This paper summarises key announcements within the remit of the Environment and Housing Board and sets out a number of proposed next steps for the Board's consideration.

Recommendation

That the Board agrees the proposed next steps at **paragraphs 3, 5, 6, 8 and 9**.

Actions

As directed by the Board.

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Autumn Statement and National Infrastructure Plan

Background

1. The Government's Autumn Statement in December 2013 included a series of announcements on housing, planning and energy efficiency. The LGA produced a briefing note on these announcements setting out the LGA response which are attached at **Appendix A and B**. This paper summarises the key announcements and sets out proposed next steps for the Board's consideration.

Housing

2. Key government announcements include:
 - 2.1. The decision not to include the New Homes Bonus in the Local Growth Fund outside London.
 - 2.2. Borrowing limits for the Housing Revenue Account (HRA) raised by £150 million per year in 2015/16 and 2016/17.
 - 2.3. A review of the role of local authorities in housing delivery.
 - 2.4. £1 billion loan fund over six years to unblock large housing developments.
 - 2.5. Right to Buy agents and a £100 million fund to support access to mortgages.
 - 2.6. Consultation on a 'right to move' for council tenants to move for employment reasons.

Proposed next steps

3. Members' views are sought on the following proposed next steps:
 - 3.1. Press for LGA and local authority involvement in the review of the local authority role in housing supply.
 - 3.2. Influence the bidding process to ensure that local authorities can access the additional £300 million borrowing capacity for housing investment quickly and easily and work with local authorities to encourage access to the scheme.
 - 3.3. Continue to build the evidence and press for further relaxation of the HRA borrowing cap and reform of the Right to Buy.
 - 3.4. Seek clarity from the government on the rationale for the inconsistent approach to the treatment of London Boroughs with regards to the pooling of a portion of the New Homes Bonus at LEP level.

Planning

4. Key government announcements include:

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- 4.1. Consultation on Local Plans including making them mandatory.
- 4.2. Deemed consent where councils do not discharge a planning condition on time and a consultation on requiring councils to justify use of pre-commencement conditions.
- 4.3. Consultation on a new ten unit threshold for section 106 affordable housing contributions.
- 4.4. Consultation on increasing the threshold for designation on planning performance from 30 per cent to 40 per cent.
- 4.5. Proposals on improving the statutory consultee process.
- 4.6. Proposals to pilot passing a share of the benefits of development directly to individual households.
- 4.7. Consultation on streamlining the Nationally Significant Infrastructure Project (NSIP) regime.
- 4.8. Establishment of specialist planning court for major projects.

Proposed next steps

5. The proposed measures on local planning demonstrate a continued perception at national policy level that further reforms to councils' planning role will support growth. The LGA position is that planning is not a barrier for growth and that the majority of the proposals are redundant and will result in unnecessary cost and processes. The Board's work on promoting a locally-led planning system has focused on setting out the facts that demonstrate that planning is not the problem and highlighting the positive role that planning plays in promoting growth. We have worked with developers and statutory consultees to produce case study examples of how effective partnership working and streamlining planning processes, including involvement of Statutory Consultees is key to a swift and effective planning system.
6. In response it is proposed that the LGA produce a clear and concise lobbying document setting out the evidence that planning is not a barrier to growth, why further reform of local plans and performance measures are unnecessary and setting out proposals for a fast and effective planning service. This proposal is tabled for discussion under **item 2** of the Agenda.

Energy Efficiency

7. Key announcements include:
 - 7.1. Home Heat Cost Reduction Obligation (HHCRO) and Carbon Savings Community Obligation (CSCO) remain unchanged and will be extended to 2017 with proportionate increases in the obligations on energy companies. The Carbon Emissions Reduction Obligation (CERO) will be cut by about 33% and will

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continue at this reduced rate until 2017. Easy to treat cavity walls and lofts will now be counted as part of the target. There will be a requirement that 100,000 solid wall measures will be delivered over this extended time period.

- 7.2. The government will also consult on increasing the eligibility for access to the lowest 25% of areas rated in the indices of multiple deprivation.
- 7.3. The Warm Homes Discount will continue but will be funded from general taxation. All suppliers, including small suppliers, will be asked to make a £12 rebate to all customers to reflect that the Warm Home Discount being funded by government, this is worth £600 million in total.
- 7.4. Support for consumers including a Green Deal online tool, improving the Green Deal Advice report and signposting consumers to support services.
- 7.5. Adding more measures to the list of those that can be supported under the Green Deal and allowing more flexibility over the exact specification to which companies can install.
- 7.6. Homebuyers will be eligible for up to £1,000 on the average house or up to £4,000 for expensive measures.
- 7.7. £90 million to support private landlords to improve the energy efficiency of their properties.
- 7.8. £90m will be made available over three years to improve the energy efficiency of schools, hospitals and other public sector buildings.
- 7.9. The Green Deal Communities Fund will be increased from £20 million to £80 million.

Members' views are sought on the following proposed next steps:

8. Using the evidence collated through the LGA's project on energy efficiency, respond to DECC consultations on the key reforms to press for a stronger role for local authorities in the commissioning and delivery of energy efficiency schemes locally.
9. Working with partners, including the National Housing Federation, press for a reduction in red tape within the Green Deal and ECO.

Financial Implications

This activity can be delivered within existing budgets.