

Agenda

LGA Executive: Supplement Agenda

Thursday 3 March 2016

1.45 pm

Westminster Suite, 8th Floor, Local Government House, Smith Square, London, SW1P 3HZ

Item	Page
1a. Housing and Planning	1 - 6
5. Note of the last Leadership Board meeting	7 - 14



LGA Executive

3 March 2016

Housing and Planning

Purpose

For discussion and direction.

Summary

This report updates the LGA Executive on the work being done to influence the proposals set out in the Housing and Planning Bill.

Appendix 1 to the report includes information on the cumulative impact of housing reforms on councils' Housing Revenue Accounts (HRA) and their local areas.

Recommendation

That the LGA Executive is asked to consider the approach that is being taken to influence the proposals set out in the Housing and Planning Bill and to provide further guidance.

Action

Officers will take action as directed.

Contact officer: Eamon Lally
Position: Principal Policy Adviser
Phone no: 02076643132/07799768570
Email: eamon.lally@local.gov.uk

Housing and Planning

Background

1. The Housing and Planning Bill is now in its House of Lords Committee stage. The Bill remains largely unchanged since it was introduced in the House of Commons in October 2015. The Leadership Board reviewed the progress in influencing the Bill at its meetings in December 2015 and January 2016. Members have expressed support for LGA being publically vocal and robust in challenging the Bill and the lobbying approach has been revised accordingly.

LGA activity

Analysis

2. The LGA has published press releases based on research by Savills which has highlighted some of the unintended consequences of the provisions set out in the Bill. The releases focused on the unaffordability of starter homes in many parts of the country, the impact of the pay to stay measures and the loss of social rented housing. These releases received substantial national coverage. Press releases can be found at: <http://www.local.gov.uk/web/quest/media-releases>
3. The LGA is surveying councils on the impact of the measures in the Bill and it has specifically called for councils to work with the LGA and Government on the impact of the proposals on housing market areas.

Working with the National Housing Federation

4. Members wanted to engage with the National Housing Federation (NHF) to seek a voluntary national framework to support councils and registered social landlords to work together on the extension of right to buy; this would include agreements on exemptions and the approach to replacements. The Chairman and Chief Executive met with David Orr - Chief Executive of the National Housing Federation - to discuss these issues. It was a positive meeting and more detailed work is being undertaken by officials in both organisations.

Lobbying activity with the Lords, ministers and officials

5. We have briefed a number of peers in person through one-on-one meetings; we also held a joint briefing event in Parliament on the Bill earlier this year (January) with Shelter and London Councils that just under 30 peers attended.
6. A number of peers have already tabled amendments on behalf of the LGA on a range of areas and we will be emailing policy statements to all peers in support of these, and other amendments that have also tabled.
7. The timetable for detailed scrutiny of parts of the Bill is as below.
 - 7.1. Starter Homes and self-build and custom housebuilding – 1 March.

- 7.2. Implementing the Right to Buy on a voluntary basis; vacant high value local authority housing – 3 March.
- 7.3. Rents for high income social tenants; reducing regulation of social housing; secure tenancies - 8 March.
- 7.4. Planning – 10 March and a second date to be confirmed.
- 7.5. Compulsory purchase; public authority land – date to be confirmed.
8. The House of Lords will rise for the Easter recess on 23 March and remaining stages (Report and Third Reading) in the House of Lords could take place ahead of this depending on other parliamentary business. Our latest briefing can be found at http://www.local.gov.uk/web/guest/briefings-and-responses/-/journal_content/56/10180/7529077/ARTICLE
9. We are continuing to discuss with officials and Ministers our positions on the key provisions of the Bill:
 - 9.1. On the sale of high value homes we continue to push the case for retention of receipts for one for one replacement, and for a range of exemptions.
 - 9.2. We are pushing to minimise the take up of the extended right to buy and for councils to have a lead role in shaping replacement tenure and location; this has been the basis of our discussion with the NHF.
 - 9.3. We are calling for pay to stay to be voluntary and for councils to retain any additional receipts. We are also pushing government to include tapers and to exempt certain households.
 - 9.4. We are pressing for councils to have the ability to determine mix of homes based on the assessment of need when considering Starter Homes.
 - 9.5. We continue to push amendments to the social rent provisions of the Welfare and Employment Bill which would provide greater certainty on rent policy post 2020 and exempt certain housing from the policy.
10. The LGA is also working with government and the sector on changes to the existing right to buy that would enable more homes to be replaced. The flexibilities we are discussing include pooling of receipts across councils and also an increase to the receipts retained by councils.
11. In addition to the measures in the Bill, we know that Government is keen to see a greater focus on the sale of surplus public sector land for the purpose of house building. We anticipate that the Budget will include an aspirational target for local authority land sales. The LGA has stressed that it could not endorse a target, but we have been actively working with officials to outline the flexibilities and ministerial statements that would give councils the ability to manage public land disposal locally and the confidence to engage in development.



LGA Executive

3 March 2016

Next steps

12. Members are asked to consider the approach and activity of the LGA and provide further guidance, particularly on the approach to be taken in the remaining stages of the Bill's progress through the Lords.

Appendix 1 - Cumulative impact of housing reforms on councils' Housing Revenue Accounts (HRA) and their local areas (3 March 2016)

An online survey comprising of 19 questions was sent to all 176 stock owning local authorities in England. The survey was in the field from 7 January 2016 to 29 January 2016 and had a 34 per cent response rate. This level of response rate means that these results should not be taken to be more widely representative of the views of all councils. Rather, they are a snapshot of the views of this particular group of respondents. The headline results are set out in the two tables below.

Thinking about the combined impact of these government policies what will the cumulative impact be on your local HRA by 2020?						
	Increase	Neither increase, nor decrease	Decrease	Too early to say	Don't know	NA
	%	%	%	%	%	%
Expected number of new homes built	2	5	80	8	2	3
Current number of existing homes	0	3	90	7	0	0
Current maintenance spending	5	8	80	5	0	2
Numbers of replacement council homes of those sold under Right to Buy	2	15	74	5	3	2
Investment in estate development or regeneration	0	2	82	13	2	2
Financial health of the HRA	0	2	98	0	0	0

Thinking about the combined impact of these government reforms what will the cumulative impact be on your local area?						
	Increase	Neither increase, nor decrease	Decrease	Too early to say	Don't know	NA
	%	%	%	%	%	%
Owner occupation	63	17	5	12	3	0
Renting in the private sector	80	10	0	8	2	0
Renting in social rented properties	3	8	82	5	2	0
Housing benefit spending	58	13	16	10	2	0
Council home waiting lists	81	7	2	7	3	0
Homelessness	78	8	0	10	3	0
Demands for temporary accommodation	80	7	0	7	3	0
Housing people out of area	52	27	0	7	10	3

Note of last LGA Leadership Board meeting (Non-Confidential)

Title: LGA Leadership Board
Date: Wednesday 2 March 2016
Venue: Smith Square 1&2, Ground Floor, Local Government House, Smith Square, London, SW1P 3HZ

Attendance

An attendance list is attached as **Appendix A** to this note.

Item Decisions and actions

1 Apologies and Congratulations

Apologies for absence were received from:

- Cllr Keith Wakefield OBE
- Cllr Anne Western
- Cllr Sue Murphy CBE
- Cllr Philippa Roe
- Cllr Peter Reeve (unable to attend by video conference)

The Leadership Board congratulated Cllr Nick Forbes and Cllr Sue Murphy CBE on their appointments as Vice-Chair and Deputy-Chair of the Association respectively. They also put on record their gratitude to Cllr Sharon Taylor OBE and Sir Steve Bullock for jointly undertaking the Vice-Chair role in recent months.

2 Declarations of Interest

Cllr Gerald Vernon Jackson declared an interest in item 9 'Annual Accounts 2015-16 and FRS102 Update' as a member of the IDEA Pension Scheme.

3 EU Referendum

The Board noted the LGA's neutral position with regards to the EU Referendum on 23 June to reflect the diversity of views among local government about Britain's EU membership.

Decision

The LGA Leadership Board **noted** the LGA's agreed statement on the EU referendum.

4 LGA Perceptions Survey 2015/2016

Members discussed the report and made a number of comments, including:

The Board were encouraged by the overall trajectory of the survey results -

particularly given the survey was conducted at the same time as the Local Government Finance Settlement (LGFS) was announced - however noted that need to increase efforts to engage with frontline councillors.

They asked for more detail about the reasons why a small number of respondents feel less positive about the work of the LGA and to ensure future surveys consider the Welsh membership perspective.

There was unanimous support for continuing with an annual perceptions survey of councils.

The Board commissioned an action plan to be brought back to a future meeting detailing how the results would be taken forward and inform future LGA work.

Decisions

The LGA Leadership Board:

- i. **noted** the results of the 2015/2016 perceptions survey;
- ii. **agreed** to continue with an annual perceptions survey of councils;
- iii. **agreed** that increased efforts be made to engage with frontline councillors; and
- iv. **agreed** that a perceptions survey action plan be brought to a future Leadership Board.

Action

LGA Perceptions Survey Action Plan to be brought to a future Leadership Board.
(David Holdstock)

5 LGA Budget

Paul Brack (Strategic Finance Manager) introduced the LGA Budget for 2016/17. In doing so, he drew attention to the assumptions underpinning it and noted that adjustments might need to be made to reflect the final grant notification from the Department for Communities and Local Government (DCLG).

In the subsequent discussion, Members asked a number of specific questions which were responded to by officers relating to: the trend in contribution from specific reserves; commercial income targets; and longer term budget setting.

The Board emphasised the importance of member oversight in approving any necessary budgetary adjustments to reflect the final grant notification from DCLG and in monitoring progress in meeting commercial income targets.

Decisions

The LGA Leadership Board:

- i. **agreed** the LGA's budget for 2016-17 for recommendation to the LGA Executive; and
- ii. **agreed** to delegate approval to make necessary budgetary adjustments to reflect the final grant notification from DCLG to the LGA Chairman and Group Leaders, in consultation with the Deputy Chief Executive.

Action

That Group Leaders be kept updated on progress in meeting the new £500k commercial income target. (Sarah Pickup / Sebastian Hribar)

6 Chief Executive's report - March 2016

Mark Lloyd (Chief Executive) introduced the report which set out the LGA's main achievements against the business plan priorities since the last meeting in January. In doing so, he highlighted those councils currently on notice to leave LGA membership and drew attention to the additional funding secured for the sector in the Final LGFS as a particular success.

Decision

The LGA Leadership Board **noted** the Chief Executive's report for March 2016.

7 LGA Forward Plan

The Board considered the Forward Plan of the Leadership Board, LGA Executive and Councillors' Forum and asked that the following item be added:

- A report to the Leadership Board in July on the implications for local government of the outcome of the EU referendum on 23 June.

Decision

The LGA Leadership Board **agreed** the forward plan.

Action

Update Forward Plan (**Frances Marshall**).

8 Note of the Audit Committee held on 18 January 2016

Decision

The LGA Leadership Board **noted** the minutes of the previous Audit Committee meeting held on 16 January 2016.

9 Annual Accounts 2015-16 and FRS102 Update

Paul Brack introduced the report which asked Leadership Board to review and approve the draft revised Accounting Policies to comply with the new FRS102 reporting standards.

In the discussion that followed, questions were asked relating to the Public Sector Audit Accounts Body (PSAA) and the approach to the LGA's holiday pay accrual. Members highlighted the opportunity provided by the current sector wide audit arrangements coming to an end in 2017/18 to strengthening the LGA's membership offer should another sector-led body be created.

Decisions

The LGA Leadership Board:

- approved** the amended accounting policies for the Local Government Association Accounts and the Group Consolidated Accounts; and
- noted** the amended accounting policies for the Improvement and Development Agency and Local Government Association Properties.

Confidential

10 Housing and Planning

Eamon Lally (Principle Policy Adviser) introduced the report which updated on the work being done to influence the proposals set out in the Housing and Planning Bill.

Decision

The LGA Leadership Board **agreed** that the Housing and Planning be discussed at the LGA Executive meeting on 3 March 2016.

Action

The Housing and Planning item - including headline findings from the LGA survey of stock owning local authorities in England – to be circulated the LGA Executive and publically discussed the meeting on 3 March 2016. (**Paul Goodchild / Eamon Lally**).

11 Preparing for the move to 100 per cent Business Rates Retention

Sarah Pickup (Deputy Chief Executive) introduced the report which sets out the main areas of work associated with the move to 100% business rates retention and sought Members' views on proposed joint working between the LGA and DCLG to engage with councils and other stakeholders to ensure the issues of concern to all councils are given appropriate consideration.

Decisions

The LGA Leadership Board **agreed**:

- i. the establishment of a Member level group to oversee the work of the LGA on 100 per cent business rates retention;
- ii. that Group Leaders steer LGA positioning in relation to joint work to ensure that the LGA remains true to its obligations to its membership;
- iii. that officers should work jointly with DCLG to engage with the sector on evidence gathering, fact finding, consideration of options for transferring services and ensuring all relevant matters are taken into account in the design of the new system. All subject to oversight by the member steering group and review of the appropriateness of continued joint work at each stage; and
- iv. that a dedicated area of the LGA's website be used for the publication of papers and facilitation of engagement with councils.

12 Devolution Update

Andrew Campbell (Associate Director) introduced the report which sought Members' views on the LGA's approach to the next phase of devolution through to the summer of 2017.

Decisions

The LGA Leadership Board **agreed** the approach and next steps identified in the report.

13 LGA Annual Conference & Exhibition

David Holdstock and Amanda Spicer (Deputy Head of Events) briefly introduced the report which updated on arrangements for the LGA Annual Conference from 5 July–7 July 2016.

Decision

The LGA Leadership Board **approved** the emerging programme and activities for the 2016 Annual Conference.

14 Campaigns for 2016/2017

David Holdstock introduced the report which sought Leadership Board's approval for the 2016/2017 corporate campaigns plan set out in the report.

Decision

The LGA Leadership Board **approved** the LGA's 2016 Campaign Plan.

15 London Living Wage

Sarah Pickup briefly introduced the report regarding the London Living Wage.

Decision

The LGA Leadership Board **agreed** to bring a further report on the issue to the next meeting of the Board.

Action

That a report be brought to the Leadership Board meeting on 6 April. (**Claire Holloway**)

16 Layden House Refurbishment Update

Sarah Pickup briefly introduced the report which updated on the planned refurbishment of Layden House.

Decision

The LGA Leadership Board **noted** the timescale for the planned Layden House refurbishment.

17 Financing LGMB Ltd Property Company

Paul Brack introduced the report regarding financing of the LGMB Ltd Property Company.

Decision

The LGA Leadership Board **agreed** a £1.0 million short term loan to meet LGMB Ltd Property Company cashflow requirements.

18 IDeA's Grant 2016/17 onwards

Dennis Skinner (Head of Improvement) introduced the report which updated on the IDeA's Grant from 2016/17 onwards.

Decision

The LGA Leadership Board **noted** the position regarding the IDeA's Grant from 2016/17 onwards.

19 Note of the last Commercial Advisory Board held on 11 January 2016

Decision

The LGA Leadership Board **noted** the minutes of the previous Commercial Advisory Board meeting held on 11 January 2016.

20 Note of the last Leadership Board meeting held on 20 January 2016

Decision

The Leadership Board **agreed** the minutes of the previous meeting held on 20 January 2016.

Appendix A -Attendance

Position/Role	Councillor	Authority
Chairman	Lord Gary Porter	South Holland District Council
Vice-Chairman	Cllr Nick Forbes	Newcastle upon Tyne City Council
	Cllr Gerald Vernon-Jackson	Portsmouth City Council
	Cllr Marianne Overton MBE	Lincolnshire County Council
	Cllr David Hodge	Surrey County Council
	Cllr David Simmonds CBE	Hillingdon London Borough Council
	Cllr Peter Fleming OBE	Sevenoaks District Council
	Cllr Sean Anstee	Trafford Metropolitan Borough Council
Deputy-chairman	Cllr Sharon Taylor OBE	Stevenage Borough Council
	Mayor Sir Steve Bullock	Lewisham London Borough Council
	Mayor Dorothy Thornhill MBE	Watford Borough Council
Members		
Apologies	Cllr Philippa Roe	Westminster City Council
	Cllr Keith Wakefield OBE	Leeds City Council
	Cllr Anne Western	Derbyshire County Council
	Cllr Sue Murphy CBE	Manchester City Council
	Cllr Peter Reeve	Cambridgeshire County Council

In Attendance

LGA Officers

