

Environment, Economy, Housing and Transport Board

Agenda

Thursday, 4 June 2015
11.00 am

Smith Square 1&2, Ground Floor, Local
Government House, Smith Square, London,
SW1P 3HZ

To: Members of the Environment, Economy, Housing and Transport Board
cc: Named officers for briefing purposes

Guidance notes for visitors

Local Government House, Smith Square, London SW1P 3HZ

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Environment, Economy, Housing & Transport Board
4 June 2015

There will be a meeting of the Environment, Economy, Housing & Transport Board at **11.00 am on Thursday, 4 June 2015** Smith Square 1&2, Ground Floor, Local Government House, Smith Square, London, SW1P 3HZ.

A sandwich lunch will be available after the meeting.

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.

Pre-meeting for Board Lead Members

This will take place from 9.15am in Smith Square 1&2 (Ground Floor).

Political Group meetings:

The group meetings will take place in advance of the meeting. Please contact your political group as outlined below for further details.

Apologies:

Please notify your political group office (see contact telephone numbers below) if you are unable to attend this meeting.

Labour:	Group Office: 020 7664 3334	email: Labour.GroupLGA@local.gov.uk
Conservative:	Group Office: 020 7664 3223	email: lgaconservatives@local.gov.uk
Liberal Democrat:	Group Office: 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:

Paul Goodchild
0207 664 3005 / paul.goodchild@local.gov.uk

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Carers' Allowance

As part of the LGA Members' Allowances Scheme a Carer's Allowance of up to £6.50 per hour is available to cover the cost of dependants (i.e. children, elderly people or people with disabilities) incurred as a result of attending this meeting.

Environment, Economy, Housing & Transport Board – Membership 2014/2015

Councillor	Authority
Labour (7)	
Cllr Peter Box CBE (Chair)	Wakefield Metropolitan District Council
Cllr Brenda Arthur	Norwich City Council
Cllr / Dr Joan Dixon	Derbyshire County Council
Cllr James Lewis	Leeds City Council
Cllr Timothy Moore	Liverpool City Council
Cllr Tony Newman	Croydon Council
Cllr Ed Turner	Oxford City Council
Substitutes	
Cllr Shaun Davies	Telford and Wrekin Council
Cllr Gillian Campbell	Blackpool Council
Conservative (7)	
Cllr Mike Jones (Vice-Chair)	Cheshire West and Chester Council
Cllr Steve Count	Cambridgeshire County Council
Cllr Martin Tett	Buckinghamshire County Council
Cllr Geoffrey Theobald OBE	Brighton & Hove City Council
Cllr Deborah Croney	North Dorset District Council
Vacancy	Conservative group
Cllr Jim Harker OBE (Vice-Chair)	Northamptonshire County Council
Substitutes	
Cllr Peter Britcliffe	Hyndburn Borough Council
Cllr David Westley	West Lancashire Borough Council
Cllr Jason Ablewhite	Huntingdonshire District Council
Cllr Philip Ham	Mendip District Council
Liberal Democrat (2)	
Cllr Keith House (Deputy Chair)	Eastleigh Borough Council
Vacancy	Liberal Democrat Group
Substitutes	
Cllr Ian Stewart	Cumbria County Council
Independent (2)	
Cllr John Northcott (Deputy Chair)	Mole Valley District Council
Cllr Julian German	Cornwall Council
Substitutes	

Agenda

Environment, Economy, Housing & Transport Board

Thursday 4 June 2015

11.00 am

Smith Square 1&2, Ground Floor, Local Government House, Smith Square, London, SW1P 3HZ

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Date of Next Meeting: Thursday, 1 October 2015, 11.00 am, Smith Square 1&2, Ground Floor, Local Government House, Smith Square, London, SW1P 3HZ

Environment, Economy, Housing and Transport Board – report from Cllr Peter Box CBE (Chair)

Influencing EU “Circular Economy” waste proposals and meeting EU recycling targets

1. In April, Cllr Mike Jones led a delegation to Brussels to influence the next set of EU legislation on waste and recycling. This is focused on creating a “circular economy” that makes best use of waste and resources and is a high priority for English local authorities as key delivery agents for municipal waste collection, reuse, recycling and disposal services. Cllr Jones met with MEPs, UK government representatives, the Commission official leading the work on the proposals and the CBI team in Brussels to discuss the LGA’s proposals which seek to stimulate jobs and growth in the waste and recycling industry, encourage a more rounded approach to EU policy that addresses all waste produced across the economy, a greater focus on waste prevention and avoiding the disposal of waste to landfill.
2. Cllr Jones also met Dan Rogerson MP, then DEFRA Minister with responsibility for waste, on 19th March to discuss our proposals for the Circular Economy package and proposals that would help the UK meet the existing EU recycling target. Despite delivering a 400 per cent increase in recycling rates since the turn of the century the UK is not yet on track to meet the 50 per cent EU target by 2020. We have developed a number of practical suggestions that could be implemented in relatively short order in 2015 to deliver a significant improvement in recycling rates by 2020. Following the election, we are seeking a meeting with new DEFRA Ministers to present these proposals.

Ministerial meeting: Accommodation Support for Offenders

3. On 18 March, Cllr Mike Jones attended a meeting with Andrew Selous MP, then Minister for Prisons and Probation and housing stakeholders to discuss accommodation support for offenders. The discussion focused on what is needed to ensure that offenders’ wider support needs, including accommodation are addressed while in contact with prisons and offender managers, to give them the best chance of sustaining independent living, and avoiding re-offending. It was recognised that partnership working is essential to achieving this and the LGA agreed to promote to councils evidence of good practice that currently exists in supporting homeless offenders into accommodation.

Publication of LGA research on replacing homes sold through Right to Buy.

4. On 4 April we published “Keeping Pace – replacing right to buy sales” a research report jointly with the Chartered Institute of Housing and the National Federation of ALMOs. The report found that 73 per cent of councils responding to the survey said that under the current system they will only be able to replace half or fewer of homes they have sold. The report concludes that a more flexible approach to the Right-to-

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buy receipts is needed and makes recommendations to government aimed at ensuring that homes sold can be replaced on a one-for-one basis at a local level.

Letters to new ministers

5. I have written to a number of new ministers to request meetings following the Government's recent reshuffle. This includes: Minister of State for Energy and Climate Change, Andrea Leadsom MP; Parliamentary Under Secretary of State for Energy and Climate Change, Lord Bourne of Aberystwyth; Parliamentary Under Secretary of State for Transport, Andrew Jones MP; Parliamentary Under Secretary of State for Transport, Robert Goodwill MP; and Minister for Small Business, Industry and Enterprise, Rt. Hon Anna Soubry MP. A letter to a minister at the Department for Environment, Food and Rural Affairs is pending subject to the confirmation of ministerial responsibilities.
6. LGA Chair Cllr David Sparks has also written to the Minister of State for Housing and Planning, Brandon Lewis MP, and the Minister for Local Government, Marcus Jones MP.

Members Standing Down

7. Cllrs Ann Steward and Roger Symonds stood down as councillors at the recent local elections, and therefore will no longer be on the EEHT Board. I wrote to both members to thank them on behalf of the members and officers of the Board for their hard work and commitment, particularly as Cllr Steward was the Chair of the Task and Finish Group on Apprenticeships and Cllr Symonds was the Chair of the Task and Finish Group on Active Travel.

Contact officer:	Ian Hughes
Position:	Head of Policy
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E-mail:	ian.hughes@local.gov.uk

Queen's Speech

Purpose of Report

This report provides members with an overview of legislative programme for the new government as set out in the Queen's Speech (27 May).

Summary

The LGA's On the Day briefing on the Queen's speech is attached at appendix 1. This provides a summary of the bills announced and the initial LGA responses. Bills of particular interest to the Board are:

- **Cities and Local Government Devolution Bill** will provide the legal basis to implement the Government's 'northern powerhouse' ambitions, which will devolve powers to cities with elected 'metro mayors' and will empower towns and counties by building on the Growth Deals.
- **Buses Bill** will allow combined authorities with directly-elected mayors to take on responsibility for local bus services, promoting an integrated transport system. The legislation will provide the option to franchise bus services.
- **Housing Bill** will extend the Right to Buy to 1.3 million housing association tenants. The legislation will also allow for 200,000 starter homes available for under-40s at a 20 per cent discount. The Bill will introduce a statutory register for brownfield land and simplify the neighbourhood planning system.

LGA officers are now working to understand further details of the bills and will provide an update at the Board meeting.

Recommendations

To discuss implications of the legislative programme for future areas of focus for the LGA (future housing policy is a separate item for discussion on the meeting agenda).

Action

As directed by the Board.

Contact officer: Ian Hughes
Position: Head of Policy
Phone no: 020 7664 3101
E-mail: ian.hughes@local.gov.uk

Local Government Association

Queen's Speech - On the Day Briefing

27 May 2015



Introduction

The Queen has today set out the Government's agenda for the first session of this Parliament. This paper details the new Bills announced today that the Government intends to bring forward and which will be of relevance to local government. Further details of today's Queen's Speech can be found [here](#).

LGA key messages:

- **Devolution:** Making decisions at a more local level will bring about huge economic and social benefits. As recognised in the Cities and Local Government Devolution Bill, the push to decentralise power should be extended to non-metropolitan areas and we are ready to work with the Government to meet this aspiration.
- **Skills:** Councils and Local Enterprise Partnerships know the needs of local businesses and young people. The national commitment to a Youth Allowance should be delivered by reforming services to create a single youth offer organised locally. This would give every 14- to 21-year-old the advice, experience and skills to thrive and create the apprenticeships and training courses local employers need.
- **Schools:** Local government has taken a proactive role in supporting schools to become academies where this will help improve their performance, but we are concerned that the Department for Education is unable to effectively support a rapid expansion in schools converting to academy status.
- **Housing:** The Government has rightly promised every home sold under the Right-to-Buy proposals will be replaced on a one-for-one basis, and any new proposals must enable that to happen. We will work with Government on how these proposals could be delivered and funded without any unintended consequences on councils' ability to invest and ensure communities include a mix of homes. Many councils are ambitious to increase housebuilding across all tenures and support measures to help people into home ownership.
- **Business rates:** We welcome the provisions to reform business rates appeals in order to limit the number of speculative appeals, which are a major cause of financial uncertainty to local government. New powers for the Valuation Office Agency to share data with councils will be good for councils and businesses and be more efficient.
- **Public health:** Legal highs are untested, unpredictable and a potential death sentence. Nobody can be sure of their contents or the effects that they could have. The LGA has long argued that the current legislation is not fit for purpose. An outright ban on legal highs will enable the closure of 'head shops' and protect the public from devastating consequences.

Briefing

Bills announced which are relevant to local government:

For further information on any of these Bills, please contact the [LGA Public Affairs Team](#).

Cities and Local Government Devolution Bill

This Bill will provide the legal basis to implement the Government's 'northern powerhouse' ambitions, which will devolve powers to cities with elected 'metro mayors' and will empower towns and counties by building on the Growth Deals.

LGA view:

- The economic benefits of devolution are too significant to ignore. Devolving control of social care and health spending, local transport networks and infrastructure to Greater Manchester is good news for the people who live there and now needs to be replicated for people across the rest of the country.
- Making decisions at a more local level will bring about huge economic and social benefits and with non-metropolitan England responsible for 56 per cent of economic output the case for wider devolution is clear. As recognised in the Bill, we believe the push to decentralise power should be extended to these non-urban areas and are ready to work with the Government to meet this aspiration.
- Where significant new responsibilities are devolved, stronger local governance arrangements may be needed but there is no "one-size-fits-all" solution. Areas need to be able to determine the most appropriate governance and accountability model for their area, rather than having a single model dictated by Whitehall.
- As we have called for, alongside legislative change, funding reform is also required. Meaningful devolution should include multi-year finance settlements, powers to set locally appropriate fees, charges and subsidies and rates and discounts for council tax and business rates.

Buses Bill

The Bill will allow combined authorities with directly-elected mayors to take on responsibility for local bus services, promoting an integrated transport system. The legislation will provide the option to franchise bus services.

LGA view:

- The ability for local areas to take responsibility for bus services through the option of franchising will be a useful tool for councils struggling to avoid gridlock on their roads in the face of an estimated 42 per cent increase in local traffic by 2040.
- However, this option is needed urgently in all local areas including county councils who wish to improve bus services in specific towns that are poorly served at present. Franchising should be available to all local authorities without the need for mayoral elections.
- To be fully effective the option to franchise needs to go hand in hand with the devolution of bus subsidies, a commitment to fully-fund concessionary fares and effective traffic management powers.

Housing Bill

This Bill will extend the Right-to-Buy to 1.3 million housing association tenants. The legislation will also allow for 200,000 starter homes available for under-40s at a 20 per cent discount. The Bill will introduce a statutory register for brownfield land and simplify the neighbourhood planning system.

LGA view:

- The current Right-to-Buy system only allows councils to replace half or fewer of homes they have sold. The Government has rightly promised every home sold under the extension of Right-to-Buy will be replaced on a one-for-one basis and any new proposals must enable that to happen.
- Councils are ambitious to increase housebuilding across all tenures and support measures to help people into home ownership. At the same time we still have to deliver affordable housing for future generations and those already on waiting lists.
- Councils understand the need to provide more homes for first-time buyers and are already taking steps to make first-time homes more affordable. New starter homes cannot be built in isolation or without any wider community needs. They must come with the infrastructure needed and include a mix of housing.
- In order to deliver the homes and infrastructure desperately needed, councils must have a lead role in housebuilding. Local authorities could build half a million new homes and transform the lives of hundreds of thousands of families if given greater powers, resources and flexibility.
- We will work with Government on how these proposals could be funded without any unintended consequences on councils' ability to invest and ensure communities include a mix of homes.

Enterprise Bill

This Bill will extend and simplify the Primary Authority scheme, which allows a business to get advice on regulation from a single local council and that advice must be respected by all other councils. The legislation also introduces business rates appeals reform and allows for the Valuation Office Agency to share information with local government. The Bill is intended to cut red tape by 'at least £10 billion' in Whitehall and from independent regulators. The legislation will also create a Small Business Conciliation Service and cap the exit payments made to public sector workers.

LGA view:

- Councils work closely with LEPs and have been at the forefront of refocusing regulatory services to support business growth, provide advice and reduce burdens, including delivering the Primary Authority scheme and Better Business for All. Good regulation helps responsible businesses as well as protecting residents, consumers and businesses from the risk of potentially dangerous or irresponsible activities and rogue traders. The extension of the primary authority scheme will increase consistency for businesses and help councils target their limited resources.

- Primary authority is a relatively new approach to regulation, but is a positive step. But too many other regulatory frameworks have evolved in a piecemeal manner over many years, and the historic, fragmented and complex nature can still impose unnecessary burdens on councils and businesses. In 2014, the LGA set out proposals to reform licensing in Rewiring Licensing, and we urge Government to work with us to take forward these recommendations as part of the new Enterprise Bill.
- The LGA wants to see reforms to business rates appeals in order to limit the number of speculative appeals, which are a major cause of financial uncertainty to local government. We also welcome new powers for the Valuation Office Agency to share data with councils. This will be good for councils and ratepayers and be more efficient as it will potentially lead to less need to duplicate data collection. We also want the Government to take action on business rates avoidance at the same time.
- The LGA agrees that excessive redundancy payments are unacceptable and notes that the vast majority of councils have taken their own action to limit the scope for such payments in recent years in a way that puts local government well ahead of the NHS and other parts of the public sector. However, great care needs to be taken with legislation in this area to avoid penalising hard working experienced staff with many years of service behind them. The exact rules around capping will need to take account of pension entitlements and so forth and so will be extremely complex potentially.

Full Employment and Welfare Benefits Bill

The Bill will freeze the main rates of a number of working-age benefits, tax credits and Child Benefit, and reduce the level of the benefit cap. The legislation will replace Jobseeker's Allowance for 18 to 21-year-olds with a Youth Allowance time-limited to six months, after which individuals will be required to undertake an apprenticeship, training or community service; remove 18 to 21-year-olds' automatic entitlement to Housing Benefit; and provide Jobcentre Plus support in schools to supplement careers advice. The Bill also creates duties on ministers to report annually on job creation and apprenticeships.

LGA view:

- Councils and LEPs know the needs of businesses and young people locally. The national commitment to a Youth Allowance should be delivered through a single youth offer organised locally between councils and Jobcentre Plus. The offer would enable all 14 to 21-year-olds to access independent careers and employment advice and experience while in education, training and work. It would also guarantee every young person not learning or earning the support they need, building on the MyGo pilot in Suffolk.
- Local government supports the Government's aspiration to create 3 million apprenticeships. Recent research shows the most effective models allow employers to exercise genuine local leadership, embed opportunities into a local education offer, and prepare young people with the advice and experience to thrive. Councils and LEPs are best-placed to help deliver this and we call on the Government to devolve the Apprenticeship Grant for Employers. This will enable all places to develop apprenticeship hubs to create the opportunities.
- Councils have reduced 16 to 18-year-old disengagement over the last 15 years. They must have the influence to continue that success, particularly with Jobcentre Plus, which does not have experience of working with this age

group and will add to an already fragmented service landscape. Councils cannot continue to succeed as their funding and influence reduces, and Government should consider wider service reform in line with our local youth offer.

- To eradicate long-term youth unemployment and resolve stubborn skills mismatches we recommend the Government devolves the post-16 education budget to those areas that are ready to ensure 16 to 19 provision gives young people the skills for local jobs, and delivers better value for money.

Education and Adoption Bill

The Bill will contain new powers for the Secretary of State and Regional Schools Commissioners to more rapidly intervene in schools rated Inadequate or as Requiring Improvement. Schools that are unable to achieve Good within an acceptable timescale will be turned into academies. The legislation also contains measures to encourage councils to join together to create regional adoption agencies.

LGA view:

Education

- Councils have taken a proactive role in supporting schools to become academies where this will help improve their performance, but are concerned that the Department for Education is unable to effectively support the rapid expansion in schools converting to academy status. DfE has acknowledged it lacks the capacity and local knowledge to oversee the 4,400 academies already in England. Councils, with their role at the heart of their community, are able to hold all schools in their areas to account for the quality of the education they provide and should be given the powers to do this.
- Like-for-like comparisons of academies and maintained schools show that legal status on its own does not bring the improved performance we need to see. Four in five council-maintained schools are rated Good or Outstanding by Ofsted, a higher proportion than for other types of schools, and this demonstrates that councils know what they are doing and are best-placed to drive school improvement.
- The best way to intervene in struggling schools is to act swiftly and ensure there is strong leadership and good teaching. The focus of school improvement should be on the elements, like a great head teacher, which make up a good school, and what we can all do to make sure schools have access to these.
- Councils know what works best for their local areas and are ambitious for all children in their communities. We want to be able to intervene quickly in any school without having to wait for permission and we need the powers to be able to do this.

Adoption

- Finding loving homes for children is one of the most important jobs that councils do and there are already many excellent examples of councils working together on regional approaches to adoption across the country.
- It is important that we now build on the success of recent years, which have seen record numbers of children adopted and delays cut significantly. This has

been helped by the positive working relationship between independent adoption agencies and local and national government, and regional collaboration has been a strong feature of this success. But there continue to be delays in the courts and legal proceedings must be sped up to provide much-needed homes.

- Regional adoption boards are now in place throughout England, collecting and sharing examples of good local practice and encouraging stronger joint working wherever possible. Collaboration works best when it is driven by all those involved in adoption, so the Government's promise of financial and practical support for local areas to move forward with their own proposals is useful. Locally-led initiatives are far more effective than centrally-imposed structures and processes.
- It is important that the ongoing focus on adoption does not distract from the importance of other types of long and short-term care for vulnerable children. Adoption is not right for every child, and local and national government must continue to strive to improve the experience of all children in care – whether they are being looked after by friends or family, in foster care or a special guardianship arrangement, or in residential care.

Childcare Bill

The Bill will give families where all parents are working an entitlement to 30 hours a week of free childcare for three- and four-year-olds for 38 weeks of the year.

LGA view:

- To be able to improve the availability and quality of childcare for the under-5s, particularly in deprived areas, it is vital that the funding reflects the true cost of delivering places.
- Capital funding will also be required to allow councils to work with schools to expand provision where necessary to meet the commitment to 30 hours free childcare.

Psychoactive Substances Bill

This Bill will introduce a blanket ban on the sale of psychoactive substances, or 'legal highs' by making it an offence to produce, supply, offer, possess with intent, import or export psychoactive substances. A psychoactive substance will be any substance intended for human consumption that is capable of producing a psychoactive effect, with alcohol, tobacco, caffeine, food and medical products excluded from the scope of the offence. It will include prohibition notices and prohibition orders to enable the police and councils to adopt a proportionate response to the supply of psychoactive substances.

LGA view:

- The LGA has long argued that the current legislation is not fit for purpose. Legal highs are untested, unpredictable and a potential death sentence. Nobody can be sure of their contents or the effects that they could have. An outright ban on legal highs will enable the closure of 'head shops' and protect the public from devastating consequences.

Other Bills of interest:

Extremism Bill

The Bill will introduce extremism disruption orders designed to restrict those trying to radicalise young people, banning orders for extremist organisations which seek to undermine democracy or use hate speech in public places, and closure orders for the police and councils to close down premises used to support extremism.

LGA view:

- Local authorities have built up considerable experience in dealing with extremism and the impact of extremist activity on their communities. Councils need to be assisted in sharing the good practice that has built up and provided with the resources they need to build local capacity to counter extremist activity.
- Further legal powers will assist in tackling some extremist individuals and organisations and protecting communities from them. However, preventing people from being radicalised and engaging in extremist activity means understanding and building relations with communities, and a better understanding of the reasons why some people are vulnerable to radicalisation and what can be done to make them more resilient to extremist views and propaganda.
- This requires sustained work over time by local partners who know and understand the areas they are working in, with powers and responsibilities being devolved down to give multi-agency arrangements the freedom and flexibility to respond to local circumstances.

Policing and Criminal Justice Bill

This Bill will ensure 17-year-olds are consistently treated as children under the Police and Criminal Evidence (PACE) Act, provide enhanced protection for children by introducing sanctions on professionals who fail to take action on child abuse, cut the use of police cells for detaining people suffering from mental health issues by enabling more places in the community to be designated as places of safety, extend the remit of Her Majesty's Inspectorate of Constabulary, and overhaul the police complaints and disciplinary systems.

LGA View:

- Councils support the decision to treat 17-year-olds detained in custody as children under PACE, and for ensuring young people charged with an offence get the accommodation that is right for them. Local government is committed to working with the police to improve the accommodation of young people but it is critical Government fully understands and appropriately funds this extension. Around 30 to 40 per cent of arrested young people are 17 years old and it is not right that new duties be passed to councils without the funds to deliver them.
- The LGA believes that those who knowingly withhold information that a child is being harmed should expect to face the full weight of the law. Organisational reputation should never be prioritised above the safety of a child, and we agree that those who seek to cover up child abuse should be held fully responsible for their actions. We need to work with the Government to ensure any reform any reform does not have the unintended consequence

of overloading the system with cases where the child is clearly not in danger of abuse or neglect.

- Continued reductions in crime rates will depend on greater local collaboration between the police, local authorities and other partners like health. The Mental Health Crisis Concordat, to which the LGA is a signatory, is already starting to deliver better outcomes for people experiencing a mental health crisis so they are kept safe and helped to find the support they need, while reducing pressure on the police. Local areas need to be given the freedoms, powers and flexibility to build on the integration of services we are seeing around mental health and domestic violence so they can reduce demand on policing and community safety going forward.

Investigatory Powers Bill

This Bill will allow the police and security services to continue to access the communications data the Government believes they need to be able to investigate offences and bring prosecutions when communications technologies and services are changing fast, with more communications taking place on the internet. It will also respond to the independent review by the Independent Review of Counter-Terrorism legislation.

LGA view:

- Councils access communications data to tackle serious criminal behaviour that impacts local businesses and residents, as well as investigate fraud against local authorities. Increasingly this activity is facilitated or conducted over the internet or by mobile phones, and communications data can provide crucial evidence that enables a prosecution to be brought. It is vital that councils are allowed to continue to access communications data in order to tackle these crimes and the LGA will be pressing Government to ensure that remains the case.
- The review conducted by the Independent Review of Counter-Terrorism legislation examined the safeguards in place around councils' access to communications data, and the introduction of the Bill provides the opportunity to review these to ensure the processes are simpler and more efficient, while providing the public with the assurance that communications data is being sought and used appropriately

Energy Bill

The legislation is intended to give local communities greater powers to block onshore wind farm developments and will end subsidies for onshore wind farms from May 2016. It will give the powers to the Oil and Gas Authority to enable it to maximise the economic recovery of oil and gas from UK waters.

LGA view:

- It is right that local people should have a say on development that affects their areas and the local planning system provides a democratically accountable and effective means for councils to consult local people and take decisions based on evidenced local planning policies.

Trade Unions Bill

The legislation will ensure trade unions use an opt-in process for subscriptions to

political parties. It will also lift restrictions on the use of agency staff to replace striking workers.

LGA view:

- The LGA has always taken the view that it is vital to encourage good employment relations to create the right environment for improvements in services, better staff engagement and higher productivity. In this context, industrial action is always regrettable though the right to take it is part of the background that ensures employers and unions engage constructively with each other.
- Consequently we would want reform to be the result of a period of careful, detailed consultation in order to ensure that the law is properly framed and not open to challenge and interpretation.

Scotland Bill

This Bill will meet the Government's commitment to implement the recommendations of the Smith Commission, so that more than 50 per cent of the Scottish Parliament's budget will be funded from revenues raised in Scotland and gives significant new welfare powers to complement existing devolved powers in health and social care.

LGA view:

- Since the Scottish referendum, the call for new settlements for England and Wales has been growing. People in communities across the UK want more decisions that affect their lives to be taken closer to them. Through our Devo Next and Future Funding campaigns, the LGA is calling for the devolution of decision-making powers and funding that has benefited Scotland to be given to English local authorities. This includes multi-year settlements for all budgets for services delivered locally.
- The LGA is working together with COSLA, WLGA and NILGA to call for the freedom to work with our communities at a local level and to identify priorities that matter most to them. To achieve this we must move towards a presumption that power is transferred to the level of government closest to the people, secure and enhance the legal position of local government with a defined set of powers and responsibilities, and give greater responsibility for funding at a local level.

Wales Bill

Following the Government's St David's Day devolution agreement, the Bill is intended to grant the Welsh Assembly additional powers over energy, transport, the environment, and National Assembly and local elections.

LGA view:

- The LGA is working together with COSLA, WLGA and NILGA to call for the freedom to work with our communities at a local level and to identify priorities that matter most to them. To achieve this we must move towards a presumption that power is transferred to the level of government closest to the people, secure and enhance the legal position of local government with a defined set of powers and responsibilities, and give greater responsibility for funding at a local level.

EU Referendum

This Bill will enable a referendum with an in-out vote on the UK's membership of the European Union before the end of 2017.

LGA view:

- Local government also receives significant funding from the European Union, including through the European Structural and Investment Funds. Given the breadth of EU obligations affecting local authorities, the LGA has repeatedly called for a more robust, closer and structured involvement from the outset with Government Departments on EU issues involving the sector, including in any renegotiation of powers.

Housing Priorities and the New Government

Purpose of Report

This paper is intended to inform the Board's discussion on refreshing its housing policy positions following the general election.

Summary

Housing featured strongly as an election issue and in light of the government's manifesto commitments and the forthcoming Housing Bill announced in the Queen's Speech, it will be a subject of significant debate over the coming months. There is an opportunity for the LGA to influence this debate and government housing policy as it emerges and to promote the role councils can play in delivering the homes needed. There are also important links to make to other agendas of importance to local government such as skills and devolution.

To achieve this, there is a need to review and refresh the LGA's positions on housing to direct future policy and lobbying work. Subject to Members views, the positions set out here are intended as the priorities and positions for discussion with Ministers and wider lobbying activity. The paper sets the housing discussion in the context of devolution; outlines the housing commitments in the government's manifesto; highlights what councils can help to deliver; and, drawing on the existing positions developed by the Board, presents some proposals for what councils need to enable them to carry out this role. The paper also makes suggestions for next steps to take forward the proposals and lobbying activity.

Recommendations

That the Board:

- Provide a steer on the positioning to government of our messages on housing and planning.
- Comment on proposed LGA positions that will form the basis of a refreshed LGA policy on housing set out at paragraphs 11 to 26.
- Comment on the proposed next steps set out at paragraph 27.

Action

To take forward the proposed next steps subject to Members' views.

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Housing Priorities and the New Government

Introduction

1. There is now a strong recognition that national prosperity will be enhanced through devolution of decision-making to local areas. Through devolution we have the opportunity to deliver growth and jobs improving the wellbeing of communities and protecting the vulnerable. Housing is vital to these aims and it makes sense for councils to be central to expanding the supply of housing within the context of wider devolved responsibilities.
2. Local government is key to delivering a step change in housing supply. It has the capacity to use its estate and spending power to stimulate housing growth. In its 100 days campaign the LGA set out a bold ambition and a set of proposals that would enable half a million more homes to be built across all tenures so that people can find a place they can afford. The advent of a new government provides the opportunity to position councils as an essential partner in the drive to overcome the deficit in the supply of housing.
3. To achieve this we need to:
 - 3.1 Understand the details of the government's housing commitments, recognising that there is both an intention to see the housing market work more effectively and a particular view on how this can be best achieved.
 - 3.2 Work with government to deliver a range of housing supply solutions within a long term framework that provides a stable basis for increased investment.
 - 3.3 Continue to present the case for an increased role for local government in addressing the housing crisis.
 - 3.4 Recognise any risks for local government arising from the policies set out by government and to work with government to mitigate these risks (see Appendix A).

The Government's housing commitments

4. The government's commitments, as set out in the manifesto, recognise the need to improve the prospects for first time buyers and in addition set out a number of demand side measures aimed at improving access to housing. In its manifesto, the government committed to:
 - 4.1 Delivering 200,000 new starter homes to be built on brownfield land
 - 4.2 Extending Right to Buy to housing association tenants
 - 4.3 Funding the extension of Right to Buy to housing associations by requiring local authorities to sell their most expensive council housing
 - 4.4 Delivering an additional 275,000 affordable homes by 2020

- 4.5 Prioritising brownfield development by requiring councils to have a register of what is available and ensure that 90 per cent of brownfield sites have planning permission by 2020; creating a London Land Commission; and funding Housing Zones
- 4.6 Creating a brown field fund to unlock homes on brownfield sites also to be funded by the sale of the most expensive council housing
- 4.7 Taking forward the Right to Build, which will require councils to allocate land for self-builds
- 4.8 Continuing protection of the Green Belt
- 4.9 Extending Help to Buy to 200,000 homes by 2017 and introducing a Help to Buy ISA to support people saving for a deposit for a home
- 4.10 Support locally-led garden cities and towns in places where communities want them
- 4.11 Keep council taxes low by encouraging service integration and management of public land and buildings, including giving councils a 10 per cent stake in land sales in their area.

Councils can help to deliver

5. The LGA has long argued that local government has a central role to play in expanding the stock of housing, highlighting that the housing crisis cannot be solved by volume builders alone. Councils are ambitious to drastically increase the number of houses that are built and there are many examples across the country of the innovative ways in which councils are seeking to stimulate housing growth across all tenures. The ambition to increase house building can meet housing need across all tenures and chimes with the government's desire to expand home ownership.
6. The government is committed to a devolution programme. Housing will be a major strand of the investment and regeneration programmes that councils and their partners are developing and implementing over the next five to 10 years. It is only within these broader growth plans that housing development can meet the economic needs of businesses and communities. Housing needs to be aligned with jobs, education, skills, environmental and transport infrastructure.
7. Affordable housing remains important in the mix of housing tenure. Investing public money in housing supports:
 - 7.1 The needs of those who have ambitions to establish homes but can only do so if there is a subsidised option.
 - 7.2 The reduction the housing benefit bill, which is currently around £24bn annually, through investing in affordable housing as assets rather than increasing spending on housing benefit, 40 per cent of which goes to the private rented sector.

- 7.3 Future Right to Buy, which will meet the aspirations of future generations to own their own home.
8. There are other factors which make it an imperative that councils are central to the development of housing. There is a strong connection between the quality of housing and health, with estimates suggesting that the poor quality of some housing results in £2.5bn annual cost for the NHS. Councils are at the forefront of addressing this challenge and more can be done to ensure that the housing and health agendas are aligned.
9. The LGA's own work on skills and that of other organisations such as the CBI has highlighted that growth is at risk as a result of national and local skills gaps in the construction industry. By 2022 between 16% and 25% of growth could be lost if we do not bring skills up to the levels expected by employers. If this issue is not addressed the skills gap will impact on the ability to build the additional homes required in our communities. The LGA has championed the devolution of the responsibility for skills to councils so that skills and training can be managed locally and intelligently to meet the local growth profiles.
10. There is also a need to support home based suppliers (especially brick and block manufacturers) to reduce reliance on imports and maximise the benefits to the UK economy of an increase in house building. Every £1 of construction output generates £2.84 of demand in the wider economy. Supply chain benefits are one of the main reasons why construction output has a significant multiplier effect on GDP. Home based manufacturing has demonstrated that it can respond to short term spikes in demand, but will require assurance that UK housing output will be stable and sustained in order to invest in infrastructure and production capacity for the longer term.

What local government needs to deliver

A stable and long-term framework to support investment in housing

11. To deliver these outcomes local government requires **a stable framework which creates the conditions and confidence that enables councils to plan strategically, invest in housing and manage its assets** to increase housing supply and support local economies
12. Housing supply is a crucial element of strategies for economic growth and regeneration and to the devolution agenda. The City/Growth deals recognise that integrated management of local assets helps to unlock more land for economic growth or housing, use assets to lever in other public and private sector investment and generate operational efficiencies by co-locating services.
13. Currently funding for housing and infrastructure is fragmented across many funding streams to address specific housing issues or government initiatives. This works against a strategic approach to investment, dilutes economies of scale and wastes time and resources in bidding processes. **Devolution of funding for housing and infrastructure as a central feature of the Government's approach to devolution through further City and Growth Deals** would help drive innovation, encourage bold and ambitious proposals and partnerships to ensure that funding is better

targeted to meet local housing challenges and leverage substantial amounts of private investment.

14. Government grant funding is reducing and councils are exploring new and alternative financing models as part of long term investment plans for housing. Policy, legislative and regulatory certainty will be crucial in enabling local government to access the private finance it requires to deliver. **For councils to be able to invest in housing they need the ability to manage their assets independently and over the long term.** This includes allowing them to retain all receipts from the sales of their properties and additional flexibility to enable them to borrow prudentially to invest in new homes. The disposal of assets can support the delivery of new homes as part of local public asset management strategies. Councils have a good record in managing their property portfolios and this includes selling assets as required and with a long term asset management framework (Council asset sales are forecast to total £13.3 billion in just three years 2015/16-2017/18).
15. Greater stability and flexibility over the control and disposal of assets extends to the Right to Buy scheme. Proposals that would require councils to sell their assets to fund the extension of the right to buy to Housing Association tenants risks undermining local plans for investment in housing and regeneration (discussed further in annex 1). In addition **restrictions on how councils can use receipts from Right to Buy sales to invest in replacement homes need to be removed and all receipts from sales should be retained locally to reinvest in new homes.**
16. The proposed Housing and Finance Institute (HFi), which emerged from the Elphicke/House review, is an important initiative which will support councils and businesses to develop new financing models and unlock new investment opportunities. This will include developing capacity, skills and accessing expertise needed to set up local housing companies and developing investment vehicles. **Government, local government and the housing sector should engage with and maximise opportunities created by the the HFi.**
17. The government has highlighted the potential to develop starter homes on brownfield sites. This could be an important initiative (although there are risks see annex 1) however it may not address all the issues that prevent development of Brownfield land, in particular the costs of remediation and provision of infrastructure. These sites can be complex, often with multiple owners and **streamlined and more effective compulsory purchase powers would enable councils to assemble and take forward suitable packets of brownfield land for development.**
18. We know that public land can be managed more effectively to: free up land and property to help create local economic growth to facilitate more integrated public services; reduce the running costs of the public estate; raise capital receipts for re-investment or deficit reduction. The Open Public Estate initiative is working to achieve these aims. **Giving councils a Power of Direction to enable the assembly of land, plans for development and/or accelerate the sale of redundant / surplus public land in their area, as recommended by the Elphicke-House Report; and retaining a proportion of receipts to reinvest in the local area would speed up the process of delivering housing in addition to generating and using capital receipts for affordable and starter housing projects.**

Local strategies, plans and decision making to support housing and growth

19. Planning strategically for housing and growth, where necessary across local government boundaries is crucial to supporting strong local economies. The advent of combined authorities and City Deals provides a context in which councils and business partners are working closely together on regeneration, growth which will support increased strategic planning and smoother operation of the duty to cooperate. We want to work with government to bring forward the deals for non-metropolitan areas which give an impetus for greater cross-boundary working across the country.
20. A locally delivered planning service is essential if councils are to contribute effectively to the expansion of housing. The NPPF provides the framework in which local people and their local councils can produce their own distinctive plans, reflecting their own priorities. **Councils are making good progress in implementing local plans and there is a need to avoid further fundamental reform of the planning system which would undermine progress towards long-term strategic planning.**
21. **A locally driven planning system must allow for local planning authorities to apply fees that reflect local costs to ensure properly resourced and effective services.** Currently 32 per cent of the costs of processing planning applications is subsidised by the tax payer.

Infrastructure

22. Councils and developers are often portrayed as being on opposing sides, but this is seldom the case. Both have a common aim which is to see good quality homes provided within sustainable communities. The infrastructure required by communities to ensure that they are sustainable is paid for from a number of sources. The planning process is based on the principle that some of the infrastructure and affordable housing costs will be funded through “development gain”, or put simply the increase in value of land that can be used for development. While the principle is sound we know that in practice negotiations can be challenging. There are measures which could support both councils and developers in their shared aim to bring forward housing.
23. **Streamlining and simplifying CIL regulations and guidance so that schemes can more easily be adopted by local areas without an existing CIL would benefit all parties.**
24. In addition, **removing the restriction on pooling section 106 contributions for strategic sites identified in local plans would enable local authorities to pool contributions from multiple development partners.**
25. The process of viability assessment is an area which is of concern to both councils and developers. Reform is required. **The viability assessment process needs to be more transparent and the Existing Use Value (plus premium) mode should be used as a basis for the valuation, rather than the Market Value, as this provides a more objective assessment.**

26. A robust and transparent viability assessment would help ensure that new development contributes to supporting infrastructure and affordable housing to benefit local communities and would make national exemptions to local planning policies unnecessary.

Proposed next steps

27. It is proposed that over the coming months, the Board should seek to engage with Ministers and officials to influence the debate on the forthcoming Housing Bill and engage on the detail of government policies on housing and planning on the basis of the refreshed LGA positions agreed by the Board. This should include developing clear links to the LGA's work on skills, devolution and growth in local economies.
28. Subject to Members views, the following further work is proposed:
- 28.1 Commission a piece of work to develop workable proposals for the **Right to Buy** proposals that enable receipts to be directly invested into new housing in the locality by either the council or housing association without centralising the money, avoids increased bureaucracy in bidding for funding and avoids unintended consequences for local investment in housing.
 - 28.2 Develop LGA position on **funding infrastructure** for development including proposals for a robust approach to viability assessments, to influence the review of CIL, and to make the case for the removal of national exemptions from infrastructure and affordable housing contributions.
 - 28.3 Take forward discussions of proposals for **a new deal with central government on public land** and property to drive a more joined up approach to disposal of public land including giving councils a power to direct use of surplus public land and retain a proportion of receipts for reinvestment locally. A high level seminar to discuss these proposals with senior officials from DCLG, HMT, Cabinet Office and Councils is planned for 9th June.
 - 28.4 We will also work with Lead Members to develop the priorities and the approach to take in discussions with Ministers and officials.

Annex 1: Government Commitments: Key issues and Risks

Proposals for extension of Right to Buy to Housing Association Tenants

1. To extend the Right to Buy to Housing Association tenants to enable more people to buy their own home. Stock sold through the extension of the Right to Buy will be replaced with new affordable housing. This will be funded by requiring councils to sell their most expensive properties when they become vacant and replace them with cheaper affordable housing.
2. According to Conservative Party briefings surrounding the manifesto announcement, the policy would extend the Right to Buy to 1.3 Housing Association tenants (over and above those who already have the preserved Right to Buy as former council tenants). It is expected that 15,000 high value council properties would become vacant annually and proceeds from these sales will release £4.5bn a year (£17.5bn over the lifetime of the Parliament). These proceeds would fund replacement build new affordable property, the discounts to Housing Associations tenants and the creation of a £1bn brownfield regeneration fund.

Issues and risks

3. In response to the announcement, Housing Associations, the wider housing sector (including many homelessness charities), investors and business representative organisations, including the CBI have expressed concerns about the practicability and the impact of the proposed policy.
4. Concerns and risks for councils include:
 - 4.1 That the policy will not assist in achieving the aim of increasing housing supply and may lead to depletion of affordable housing stock. There is scepticism that the financial assumptions will stack up leaving councils unable to replace homes sold, leading to additional pressure on affordable housing to meet the needs of tenants who cannot afford to buy, the 1.4 million households on social housing waiting lists and future generations in need of affordable housing.
 - 4.2 There is a significant question over whether the assumed level of receipts to be raised is achievable. The aim is to raise £4.5 billion per year from the sale of council properties however DCLG statistics show that currently £100 million is raised per year from non-right to buy sales of council homes other than right to buy.
 - 4.3 The policy would establish a precedent that government can dictate the sale of council assets and the use of the receipts could have wider implications in terms of financial independence and control for councils.
 - 4.4 The proposals would undermine councils' investment plans and the business case for councils to build new homes. Under the new self-financing regime, Councils have in place long term investment plans for their housing stock and use asset sales to invest in improving existing homes, pay off debt and invest in new homes. A proportion of receipts from councils' assets would be transferred to Housing Associations to fund the discount and to fund the Brownfield regeneration fund.
 - 4.5 It is likely that the proposals will require homes sold to be replaced with homes for "affordable rent" at up to 80% of market rents. Some councils and

Housing Associations have raised concerns that there is a continued need for homes for social rent and the replacement homes will not meet the needs of those on the lowest wages.

- 4.6 With the most valuable properties sold off, there are concerns that high value areas will have little or no social or affordable housing resulting in a lack of affordable homes for low paid workers in these areas. Replacing homes in cheaper areas risks leading to sink estates and works against mixed communities.

Proposed LGA position

5. Councils support measures designed to help people into home ownership, but this must not come at the expense of affordable housing for future generations and those on the housing waiting list. **It is imperative that any homes sold under the right to buy are replaced on a 1 for 1 and like for like basis.** The evidence shows that this has not been the case to date¹.
6. Our proposals to allow councils to set the Right to Buy discount locally, retain 100 per cent of the receipts and greater flexibility over how the receipts can be used will mean more replacement homes.
7. Any proposal to fund the extension of the Right to Buy to Housing Association tenants from the sale of council housing assets would undermine councils' plans for housing investment and stifle ambition to deliver a step change in the number of homes being built. We would welcome further discussions about alternative means of funding this policy should it go ahead.

Proposal to build 200,000 Starter Homes over the next Parliament

8. This is an extension of the Coalition Government's policy (announced in March 2015) to build 100,000 starter homes on under-used or unviable commercial or industrial sites that would not otherwise be released for housing on both public and private sector land. These Starter Homes will only be available to first time buyers under 40 years old and sold at 20 per cent below open market value (with a resale restriction period to ensure the policy does not lead to short term speculation). To help enable developers to deliver the minimum 20 per cent discount, the developments will be exempt from paying section 106 affordable housing and tariff-style contributions for Starter Homes, and from the Community Infrastructure Levy. Starter Homes sites will still be subject to section 106 contributions for site specific infrastructure needed to make the development acceptable in planning terms.

Issues and risks

9. In response to the consultation on the Coalition Government's proposals, the LGA raised a number of issues about effectiveness of the policy in bringing forward suitable sites that are by their nature, problematic and impact of the policy on affordable homes and infrastructure. These include:

¹ See LGA report Keeping Pace - Replacing Right-to-buy sales April 2015
http://www.local.gov.uk/media-releases/-/journal_content/56/10180/7167873/NEWS

- 9.1 Normally brownfield land has significant reasons such as the cost of remediation or infrastructure which can render the site unviable. It is not clear whether the proposed exemptions to planning policy obligations would reduce the cost sufficiently on these difficult sites to enable this remediation as well as delivering a 20 per cent discount on the market value for the completed homes.
- 9.2 The policy assumes that the lower land values for under-utilised commercial and industrial land yet to be identified for housing will help to cover some of the 20 per cent discount. There are questions as to whether this will be attractive enough for developers to bring forward schemes on these sites. In addition there is a risk that land values will be pushed up once development becomes a realistic possibility.
- 9.3 There is also a risk that exempting Starter Homes development from affordable housing contributions will result in homes being built for one type of tenure (home ownership) at the expense of another – homes for affordable rent.
- 9.4 Similarly these new developments will put additional pressure on local infrastructure beyond the site itself but the exemption from CIL will mean they will not contribute to the costs of that infrastructure. Councils are concerned about the cumulative impact of a number of national exemption policies on their ability to fund infrastructure required to support the delivery of new homes and provide affordable housing.

Proposed LGA position

10. Councils share the government's concern about providing more homes for first time buyers and ensuring that wherever possible brownfield land is brought into use for housing. We are keen to work with Government to assess whether the measures proposed will be sufficient to bring forward 200,000 Starter Homes whilst ensuring that the new homes are supported by the infrastructure and housing mix required to make them successful communities.
 - 10.1 To assist in this we recommend improved and streamlined compulsory purchase powers that would enable councils to more easily package up parcels of land that could assist with the viability of individual sites enabling more sites to be brought forward.
 - 10.2 Devolving funding for infrastructure to local areas would also support the delivery of land for housing and other development key for delivering local economic growth.
 - 10.3 A "Power of Direction" as proposed by the Elphike-House Review would give councils greater ability to assemble and take forward plans for development of redundant public sector land buildings which could include bringing brownfield land into use for starter homes.

Proposal to encourage accelerated use of public sector land

11. Presented as one of the measures designed to keep councils taxes low, the manifesto includes a commitment to help councils manage public land and buildings and proposes to give councils at least a 10 percent stake in public sector land sales in their area.

Issues and risks

12. There is a need to cut through organisational barriers to enable a more joined up approach to public land in an area. Working with the One Public Estate councils, the LGA has developed proposals to give councils stronger levers over public land, building on our proposals in “100 days”. Allowing councils to retain a proportion of receipts from land sales in their area could provide an incentive for councils to take forward proposals and help unlock land owned by other public bodies.
13. Measures that increase leverage and flexibility on public land are also likely to come with requirements for increased transparency and reporting of land holdings and valuation.

Proposed LGA position

14. Councils share government’s ambition to increase the scale and pace of public sector land release. Local government is set to achieve £13.3bn land & property sales between 2015-18, compared to Central Government’s target of £5bn between 2015-2020. Councils have demonstrated how working more closely in partnership with central government councils on a more joined up approach to public land would accelerate its productive use and allow development to be brought forward more quickly.
15. The government’s proposals to give councils a stake in public sector land reflects the LGA’s calls for councils to retain a proportion of receipts from sales of land owned by other public sector bodies to support opportunities for regeneration, savings and improvements to public services. **We would recommend that Government offers flexibility in the stake offered to local authorities and that this is calculated in the business case for any particular disposal up to a maximum of 30%.** This could be taken by the authority directly as a receipt, or reinvested into the site, to underwrite development risk. This programme of brownfield development with demonstrable sufficient infrastructure may encourage other communities, outside of Ebbsfleet and Bicester to consider and lead the development of garden cities and towns.
16. We also recommend further changes that would support the better use of public assets, including for new homes, including:
 - 16.1 Cut through the organisational complexity and lengthy negotiations by giving councils the “Power to Direct” over surplus public land so they can assemble land for development
 - 16.2 This could include the ability to “option” land held by other bodies and take it through the planning process.
 - 16.3 Simplify the rules governing capital controls and put funding for capacity to deliver public land on a longer term basis.

Funding infrastructure

17. **The current system of Planning Gain is likely to feature as an area for review and reform for the new government.** The previous government committed to a review of the Community Infrastructure Levy (CIL) in 2015. There remains substantial

concern amongst the development industry about the cost of CIL and its effectiveness in delivering infrastructure needed to facilitate development. Over the last 18 months, successive government policies have introduced a number of exemptions to the requirement to contribute to infrastructure and affordable housing (including for small sites, vacant building and starter homes as well as those exempted through permitted development).

Issues and risks

18. Further significant reform of CIL policy could lead to further restrictions on councils' ability to raise funding for infrastructure or add to the complexity and cost of putting a CIL in place, making it more difficult for councils to implement CIL.
19. The introduction of more exemptions from Section 106 requirements for affordable housing and from CIL will negatively impact on councils' ability to provide affordable housing and infrastructure and increase community resistance to development. The LGA has conducted a survey on this (not yet published) which finds that 77 % of councils expect it to impact on their ability to fund affordable housing.

Proposed LGA position

20. Work is underway for the Economy, Environment, Housing and Transport board on developing a refreshed position on planning gain and funding infrastructure based on robust viability assessments rather than blanket national policies.
21. **Streamlining and simplifying CIL regulations and guidance so that schemes can more easily be adopted by local areas without an existing CIL would benefit all parties.**
22. In addition, **removing the restriction on pooling section 106 contributions for strategic sites identified in local plans would enable local authorities to pool contributions from multiple development partners.**
23. The process of viability assessment is an area which is of concern to both councils and developers. Reform is required. **The viability assessment process needs to be more transparent and the Existing Use Value (plus premium) mode should be used as a basis for the valuation**, rather than the Market Value, as this provides a more objective assessment.
24. A robust and transparent viability assessment would help ensure that new development contributes to supporting infrastructure and affordable housing to benefit local communities and would make national exemptions to local planning policies unnecessary.

Other areas of risk and priority

25. Against the back drop of significant reform to the planning system since 2010, the consensus in the housing and development sectors is that further fundamental reform would be unhelpful and that the current system needs time to bed in. However, councils continue to face criticism over progress with getting plans in place and in planning across local authority boundaries through the Duty to Cooperate.

Councils are making steady progress with plan making and over 80 per cent of councils now have a published plan. Support for councils to get plans in place and to update existing plans will continue to be a priority for the Planning Advisory Service. The emerging landscape of City and Growth Deals and Combined Authorities create conditions for greater cross boundary working on strategic planning for housing and other forms of development.

26. As pressures on public services intensify, resourcing of the planning system is increasingly a concern for developers as well as councils. There is an opportunity to pursue the LGA's arguments for planning fees to be set locally and at a level that reflect the costs of delivering the planning service. This would lead to better services for developers and reduce the burden on the tax payer for funding the service.

EU Circular Economy Proposals and Meeting EU Recycling Targets

Purpose of Report

1. This report provides an update on work carried out following discussion at the last Board meeting to influence the agenda on the future of waste and recycling services. It also provides copies of the LGA position papers which will form the basis of discussion with ministers and further lobbying work.

Summary

2. The Board has identified two key opportunities to influence the agenda on the future of waste and recycling which are high on councils' agenda. The first relates the existing EU targets the UK is subject to – to reduce landfill by 65 per cent landfill and to increase recycling to 50 per cent by 2020. The UK is expected to exceed its landfill targets due to the extensive efforts of local authorities, but despite significant improvements we are not yet on track to meet the recycling target, which could lead to EU infringement fines. This is despite the efforts of councils to increase recycling rates by 400 per cent since the turn of the century.¹
3. The second development is the recent withdrawal of the European Commission circular economy legislative proposals. The original proposals contained a range of top down waste requirements and targets that would have had significant implications for local authorities, including a new recycling target of 70 per cent and other requirements on collection of bio (organic) waste and landfilling. The Commission are now revising their proposals following criticism that they were too focussed on waste with insufficient policy on waste reduction through changes to the way products are designed and manufactured.
4. At the Board meeting in March, Members agreed a twin-track programme of work to influence future EU legislation on waste and recycling and to develop proposals that would help meet the existing EU recycling target.
5. Further to the Board's discussion, work has included:
 - 5.1 Delegation to Brussels led by Cllr Jones to discuss our proposals for the Circular Economy with MEPs, UK government representatives, the Commission official leading the work on the proposals and the CBI team in Brussels (a further verbal update will be provided at the Board meeting).
 - 5.2 Meeting to discuss the proposals with previous Defra Minister with responsibility for waste and in more detail with Defra officials.
 - 5.3 LGA policy position papers on Circular Economy and meeting EU recycling targets (these are attached to this paper).
6. The Commission representative confirmed that they will consult on new proposals in the near future. These are expected to bring back the majority of the waste related proposals but add in more on the top half of the circle (design, manufacture and consumption) which would be welcome.

¹ The percentage of household waste recycling in 2003/04 was 17.8 per cent and in 2013/14 it was 43.5 per cent

7. The next steps for this work are to:

- 7.1 meet with new Defra Ministers to present both sets of proposals;
- 7.2 respond to the revised consultation on the EU Circular Economy proposals;
- 7.3 potentially send another delegation to Brussels in autumn at the end of the consultation period; and
- 7.4 develop further media strategy to support the work on recycling targets.

Recommendation

That the Board note the policy positions set out in the two policy papers attached at Appendix A and B and comment on the proposed next steps outlined above.

Action

To take forward the proposed project subject to Members' views.

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Local Government Association EU Circular Economy position paper

April 2015



Executive summary

The Local Government Association (LGA) is the voice of English local government. Our mission is to help support, promote and improve local authorities in England.

A circular economy makes best use of waste and resources, which is a high priority for English local authorities as key delivery agents for municipal waste collection, reuse, recycling and disposal services. These are the most recognised service councils offer making them a key doorstep issue for householders.

We welcome the review of the original EU circular economy package and offer a range of suggestions to inform the revised proposals. Our suggestions seek a more rounded approach that includes all waste produced across the economy, a greater focus on waste prevention that builds on councils' commitment to the principles of the waste hierarchy and avoiding the disposal of waste to landfill.

Reductions in existing and future English local authority budgets and the opportunity to advance the polluter pays principle necessitates a rebalancing of responsibilities. Achieving a more circular economy will only be possible if there is a more equitable contribution by those at the top of the supply chain to supplement the current reliance on those collecting and disposing of material at tax payer expense once it enters the waste stream.

We are calling for revised circular economy proposals that:

- 1. ensure that circular economy ambitions don't result in increased burdens on tax payers** through targets that are achievable, avoid undermining committed infrastructure investments, and apply as broadly as possible to all circular economy participants rather than relying on a default tax payer contribution;
- 2. set a minimum level of responsibility for producers towards achieving a more circular economy.** To better enshrine the 'polluter pays' principle through requiring a minimum 50 per cent producer contribution by 2025 and a full cost contribution to the costs of waste collection and disposal by 2030;
- 3. design out waste** by setting out expectations on product design for greater waste prevention, reuse and recycling through an overarching suite of product specific targets delivered through a broadened Ecodesign Directive;
- 4. drive demand for secondary materials** and improve the financial viability of recycling collection through product and material specific requirements to use recycled content in product manufacture.

Explanatory memorandum

1. Context

Revising the circular economy proposals provides the opportunity to update existing EU legislation on waste and resources, which to date has been predominantly focussed on material that has entered the waste stream. There are clear benefits from achieving a more circular economy, including greater competitiveness for the EU from increasing the value obtained from the existing resources in the economy. A more circular economy would also offer increased employment potential with estimates suggesting that it could help create more than 200,000 additional jobs in the UK by 2030.¹

Household waste collected by local authorities makes up only a small proportion (14%) of the total amount of UK waste, with the vast majority coming from commercial sources. Councils are currently directly involved in working towards two EU targets – on landfill and recycling. The UK is firmly on course to exceed its landfill targets as a result of the extensive efforts of local authorities. This has seen a radical reduction in landfill per household by 78 per cent since 2002/3 (see Annex for details), brought about through the delivery of a range of waste treatment infrastructure by councils up and down the country.

The recycling target has seen similar levels of commitment from English local authorities with recycling collections now the norm for almost all homes across England, which has delivered a 400 per cent increase in recycling levels since 2000.² However, despite this improvement the UK is not yet on track to meet the 50 per cent target in 2020. To do so will require further changes and a significant increase in investment at a time of reducing central and local government budgets.

The LGA is working with local authorities to focus on actions and opportunities to help meet the existing recycling target and to help achieve this we are presenting a range of proposals to the UK government. These will use the position we set out in two previous publications - *Wealth from Waste*³ and *Routes to Reuse*.⁴ These reports inform this submission and seek a change in the terms of the debate on waste and resources to maximise the potential of the waste and resources sector to generate jobs and growth and reduce the burden on tax payers.

2. Circular economy proposal themes

Revising the original circular economy proposals offers an opportunity to take a more holistic view of what is needed to ensure greater resource efficiency. This will naturally include a focus on the material captured from households and businesses as waste. English local authorities are ambitious to continue to improve and develop their services based on what they can deliver locally, but there is a limit to what can be achieved by the collectors of waste alone. The real opportunity, following the principles of the waste hierarchy, is to influence the amount and nature of material long before it reaches the waste stream and in

¹ WRAP and Green Alliance study: Employment and the Circular Economy – Job creation in a more resource efficient Britain

² The percentage of household waste recycling in 2003/04 was 17.8 per cent and in 2013/14 it was 43.5 per cent

³ Wealth from Waste report: http://www.local.gov.uk/c/document_library/get_file?uuid=a9ae477e-e0cf-4665-862e-ed01caa810f6&groupId=10180

⁴ Routes to Reuse report: <http://www.local.gov.uk/documents/10180/5854661/LGA+Routes+to+Reuse+FINAL+FINAL.PDF/5edd19ba-7c13-47c5-b019-97a352846863>

some cases before it even exists at all.

The EU proposals should provide long term certainty about the role of all, not just publicly funded, participants in the circular economy. The focus should be on measures that encourage innovation in product design and shaping a stronger market for reuse and recycling to support new, more efficient processes. There is scope for the proposals to combine increased resource efficiency and security with a reduction in the burden on tax payers while also obtaining the associated benefits of increased value and jobs in the green economy.

The following themes provide suggestions on how this could be achieved (see the annex for a summary of our suggestions against the waste hierarchy).

2.1 Decoupling circular economy ambition from additional tax payer burden

The pursuit of existing EU waste targets since 2000 has required a doubling of spend by English local authorities to £3.28 billion.⁵ This makes collection and disposal of waste and recycling the third highest cost service for English local authorities. Our estimates show that current spending on waste by English authorities would need to increase significantly to include additional collection services (in particular organic waste) just to meet the existing 50 per cent target. This will be unachievable since councils are under extreme pressures to reduce spending in response to a 40 per cent reduction in government grant to English local authorities since 2010,⁶ a level of reduction that is projected to be repeated over the next parliamentary period to 2020.

English local authorities will continue to drive improvement in collection of waste and recycling, not least because English householders so value the service they receive, on which they report consistently high satisfaction levels.⁷ This will continue to involve further evolution of service that reduces landfill and collects more material for reuse and recycling as efficiently as possible. However, increased levels of ambition in recycling performance will become progressively more expensive to achieve above the existing target level, and will be increasingly difficult for tax payers to bear. The initially proposed incremental ban on landfilling would also be challenging to achieve and will imply additional costs for material that cannot be cost effectively recycled, unless accompanied by corresponding producer contributions.

There are also practical limitations on what can be realistically achieved. English local authorities have committed many hundreds of millions of pounds to underpin the delivery of waste treatment infrastructure to radically reduce landfill by 2020. This treatment capacity will process a volume of waste that will make meeting a suggested 70 per cent recycling target unachievable.⁸ Unless Member States' committed investments are taken into account in target setting there is a risk that these expensive and long term facilities are made redundant leaving public authorities with large liabilities.

⁵ Total for waste and recycling collection and disposal 2013/14

⁶ LGA Future Funding Outlook 2014 <http://www.local.gov.uk/documents/10180/5854661/L14-340+Future+funding+-+initial+draft.pdf/1854420d-1ce0-49c5-8515-062dcca2c70>

⁷ LGA resident tracker shows 83 per cent of residents were very or fairly satisfied with their waste collection (Oct 2014)

<http://www.local.gov.uk/documents/10180/11719/October+2014+Resident+Satisfaction+Polling+-+Final+Report.pdf/dd57f664-443f-4bf7-9455-4506614bee6c>

⁸ Eunomia 7th Residual Waste Infrastructure Review shows that committed waste treatment infrastructure in the UK when operational will mean that the maximum achievable recycling rate would be 66 per cent.

Achieving the EU ambition for a more circular economy will require action to reduce the burden on tax payers. The revised proposals should recognise that additional top down targets and landfill bans will not be affordable if meeting them, or liabilities associated with them, requires additional funding by tax payers. The focus should therefore be on intervention and associated targets that require all circular economy participants to contribute to greater resource efficiency.

The EU proposals should be ambitious in seeking a more circular economy that achieves greater resource efficiency and the benefit of additional jobs in the green economy. However, proposals should be affordable and care taken to minimise the reliance on targets on member states that will predominantly be met through tax payer funded intervention. Where targets are necessary they should be achievable, avoid undermining committed infrastructure investments, allow realistic lead times and apply as broadly as possible to all circular economy participants.

2.2 Minimum levels of participation by all circular economy actors

The existing EU waste legislation rightly follows the principles of subsidiarity and places responsibility for achieving targets with member states. In most cases member states have found it difficult to share that responsibility sufficiently across their supply chains given a wish to avoid disadvantaging businesses that have transnational interests. It is therefore understandable that most member states have focussed on the waste stream and for the majority of associated costs to be borne by tax payers. However, as the level of ambition increases the benefits of the circular economy and higher levels of resource efficiency will be increasingly difficult to achieve through activity in the waste stream at the 'end of pipe' alone.

The inclusion of extended producer responsibility conditions in the original circular economy proposals was a positive step, and should be included in the revised proposals to ensure all member states have comprehensive schemes. This will be particularly important for the UK, which raises the lowest level of contribution from producers amongst all EU member states at less than 20 Euro per tonne of material compared to 200 Euro in Austria and over 150 Euro in France and Spain.⁹ To further illustrate this the UK's limited packaging producer compliance scheme generated £111 million of compliance revenue in 2013, only £37 million of which went towards collection.¹⁰ This compares to the £550 million cost to local authorities for collection and sorting of packaging material.¹¹

Clearly scheme design should be the responsibility of the member state, but across the EU there is a consistently high proportion of the burden of meeting waste targets carried by tax payers as opposed to producers of packaging and other waste streams.

The 'polluter pays' principle invests responsibility for dealing with the cost of disposal of a product with the producer (and by association the consumer). Where the majority of these costs are routinely paid by the tax payer there will be insufficient incentive for the producer to design and manufacture a product that minimises the cost of disposal. To address this we suggest that firm direction is provided at the EU level to require all member states to establish or improve producer responsibility regimes that raise the full cost of collecting and sorting material put on the market by producers. Action at the EU level should provide

⁹ European Commission report: Development of Guidance on Extended Producer Responsibility (EPR), Final Report 2014

¹⁰National Packaging Waste Database

¹¹ LGA Wealth from Waste report
http://www.local.gov.uk/c/document_library/get_file?uuid=a9ae477e-e0cf-4665-862e-ed01caa810f6&groupId=10180

long term certainty and ensure a minimum level of consistency across member states, so that a level playing field is established for businesses across Europe.

To enshrine the ‘polluter pays’ principle and better share of responsibility for the cost of achieving a more circular economy, the EU should establish a minimum level of producer contribution based on the costs of collection and subsequent reuse, recycling or disposal of their products. This should be sufficiently ambitious and work towards, via a series of stages, at least 50 per cent of cost by 2025 and full contribution to costs by 2030. This would allow the EU to demonstrate its ambition to achieve the benefits of the circular economy and would formally bind producers into its principles while better balancing costs with tax payers.

2.3 Designing out waste

At present a large proportion of material that finds its way into the waste stream cannot be cost effectively reused or recycled. While innovative techniques continue to be developed to disassemble, refurbish, repair and recycle different products it can be challenging to create financially viable markets for secondary resources across all materials and product types. This can be exacerbated where there has been insufficient interest at the product design and manufacture stage to make reuse and recycling economic. The market for recycled plastic demonstrates the challenge of increasing resource efficiency. Recycling plastic is largely only financially viable in relation to plastic bottles made of PET or HDPE. Recycling other plastics is at best financially marginal and in cases where a product combines plastics with other materials the prospect of viable recycling will be limited.

Equally, there are many products that have very limited scope for reuse, cost effective refurbishment or disassembly for component reuse or recycling. For example waste electrical and electronic equipment (WEEE) can have some of the higher values of material in the waste stream and provide significant potential for reuse. However, in 2012 only 9 per cent of the household WEEE collected through producer compliance arrangements in England was reused, while 200,000 tonnes was disposed of in residual waste costing tax payers millions of pounds.¹² Estimates suggest that 77 per cent of WEEE disposed of at English local authority household waste and recycling centres is not able to be reused, due to a product being either beyond or too costly to repair.¹³ Achieving a significant increase in reuse and refurbishment of WEEE will require new business models and a commitment to design products that have greater longevity and are cost effective to repair and refurbish.

Achieving greater resource efficiency should be a shared responsibility between the designer, manufacturer, consumer and reuser/ recycler. Investing the vast majority of responsibility at material collector level ignores the potential for innovation in design and material use to realise savings in effort, cost and minimisation of waste once a product has entered the waste stream.

While it should not be the role of EU to specify exactly how each product sold in the EU market is designed and manufactured, there is an opportunity for the EU to align existing legislation by developing strategic principles on product design. These should use the principles of the waste hierarchy to ensure waste is minimised at the end of life and more material can be cost effectively reused or

¹² WRAP estimates from ‘Realising the Value of Household WEEE’ calculated for England minus WEEE reused through the WEEE compliance scheme in 2012.

¹³ WRAP ‘Realising the Reuse Value of Household WEEE’ estimates that up to 23 per cent of WEEE disposed of at household waste and recycling centres has potential to be reused (calculated for England minus WEEE reused through the WEEE compliance scheme in 2012). The report also states that 78 per cent of broken WEEE is either broken beyond repair or too costly to repair.

recycled. The realisation of such an approach would significantly reduce waste, its associated cost, and boost EU based refurbishment and remanufacturing industries and the jobs they provide.

The EU should use the circular economy proposals to set out its expectations on product design for greater waste prevention, resource efficiency, reuse and recycling. This could be achieved through an overarching suite of product specific targets that bring together existing legislation. Implementation could be achieved through a broadened Ecodesign Directive within its 2015-17 workplan with an expectation that scheme design and monitoring is carried out at member state level.

2.4 Driving demand

Intervention designed to create a more circular economy should balance supply with demand side measures to help create a self-sustaining market for secondary material streams. The current EU Packaging Directive targets require the recycling of particular materials, but make no requirements for the use of recycled material in product manufacture. This gap means, as is currently seen across the EU, that secondary material reprocessors have to compete in a volatile market that is often undermined by lower cost virgin materials.

UK plastics reprocessors, for example, have been experiencing severe difficulties as a result of the recent oil price slump which has made virgin plastic cheaper than the recycled product.¹⁴ If this leads to closure of important UK reprocessing facilities it will remove a proportion of the UK plastic reprocessing capacity, which will lead to job losses and a reduced domestic market for recycling plastic bottles collected by local authorities. This is likely to increase overseas export, which would run counter to the EU proximity principle in terms of waste treatment as close to source as possible. It would also lower the value of collected plastic undermining the business case for its collection.

A focus on resource efficiency needs long term certainty and viable markets for secondary materials to attract and maintain investment. The manufacture of many products already make use of significant but varying proportions of recycled content such as glass, paper, some plastics and various metals. A commitment to increase resource efficiency and reduce reliance on primary material extraction will need to build in demand to overcome short term material price volatility. This could be achieved by ensuring that a minimum amount of recycled content is used in product manufacture. Specifically this could start with key materials commonly used in product manufacture. This would help to increase the certainty of demand and help to support secondary material value, which would in turn help to underpin the financial viability of collection, sorting and reprocessing.

Procurement policy can also drive demand. If coupled with improvements in product design it can help a more mature market for reused, refurbished and recycled products to develop. Such a market would also help to support the price and collection of end of life cycle products. However, procurement policy can support many considerations such as social responsibility; fair trade and ethical issues; public health, innovation; support for SMEs; fostering public-private partnerships, or support for community organisations etc. Along with environmental ambitions all these goals can be taken into consideration in addition to price and ensuring the best use of tax payers' money. Given the range of goals that can be influenced by procurement policy care should be taken to avoid binding requirements on public authorities that would significantly increase

¹⁴ For example Eco Plastics in Hemswell went into administration in 2014 and Closed Loop Recycling in London issued a statement in March 2015 that the drop in oil prices may cause it to go into administration

costs for tax payers. The EU must not therefore mandate the use of any one of these public procurement criteria in isolation making it more important than the others.

Decisions on the policy goals to be achieved by each public contract, and the balance between them, must be left to democratically elected local authorities, as outlined in the new EU public procurement Directive (2014/24). An alternative to binding procurement proposals to support the circular economy would be for the EU to facilitate the development of a market in reused, refurbished and recycled products through design requirements as outlined above and encouraging public authorities through good practice and guidance on procurement strategies.

To drive demand for secondary materials and improve the financial viability of recycling collection the EU should develop product and material specific requirements to use recycled content in product manufacture. A phased recycled content requirement for European manufacturers and those wishing to access the European market would help to support the price of secondary materials, better offset collection costs and secure a vibrant market in material reprocessing helping to support and sustain EU member states' green economies. Green procurement can also help to support demand, but should not establish binding requirements on public authorities and increased costs to tax payers at the same time as excluding other important issues.

Whole system approach to the circular economy

<u>Data (2013/14)</u>	<u>English performance</u>
	Local authority collected waste reduced by 8.6% since 2000, but is increasing again
160,000 tonnes of reuse (2012/13)	
10.9 million recycled tonnes	Material recycled has increased by 400% since 2000
6.2 million tonnes to energy from waste	Energy from waste has increased by 61% since 2000
7.9 million tonnes landfill	Landfill per household has reduced by 78% since 2002/3 On target to exceed EU 2020 landfill target
25.5 million tonnes of local authority collected waste	



LGA EU circular economy suggestions

- Minimum EU levels of participation by all circular economy actors**
based on 'polluter pays' principle
- EU requirements on product design** for reusability and recyclability
- EU policy to drive demand for secondary material** in product manufacture.
- EU recycling targets to avoid undermining committed waste treatment infrastructure investments**
- Decoupling increased ambition from additional tax payer burden** - English local authority costs have doubled since 2000

Meeting EU recycling targets May 2015



Executive summary

Meeting recycling targets is a key issue for local authorities which have delivered a transformation in service offered to households over the last decade with recycling collections now the norm for almost all homes across England. Despite delivering a 400 per cent increase in recycling rates since the turn of the century the UK is not yet on track to meet the 50 per cent EU target by 2020.

Meeting the target will be challenging, but the following practical suggestions could be implemented in relatively short order after the 2015 election to deliver a significant improvement in recycling rates by 2020.

Redistribute landfill tax back to councils via Revenue Support Grant as originally intended when landfill tax was initiated. This will allow local authorities to use the funds for capital investment in infrastructure to improve recycling rates.

Better balance costs with packaging producers by reforming the current packaging compliance system to increase transparency, incentivise use of recyclable material, increase contribution from producers and ensure more is channelled to collection.

Make collection of food waste more cost effective through better incentivising anaerobic digestion, broadening producer compliance contributions and drive demand for composted food waste.

Raise the profile of recycling of the core materials collected by the overwhelming majority of councils through a comprehensive national recycling campaign.

Revise the waste measurement criteria, alongside efforts to increase the capture of recycling from households and businesses, to better reflect the waste material that is currently recycled.

Better target support to enable urban councils to develop cost effective means to improve their recycling rates through council and Combined Authority partnerships with WRAP and other support organisations.

Submission

1. Introduction

The Local Government Association (LGA) is the voice of English local government. Our mission is to help support, promote and improve local authorities in England.

Meeting recycling targets is a key issue for local authorities which have delivered a transformation in service offered to households over the last decade. Waste and recycling are the amongst the most recognised services councils offer making them a key doorstep issue for householders.

This paper offers a range of suggestions that if implemented would make a material contribution towards meeting the 50 per cent EU recycling target by 2020. Our suggestions build on councils' commitment to the principles of the waste hierarchy and offer a proactive and deliverable approach that recognises the budgetary challenges for local authorities. These suggestions are also consistent with those we have made to the European Commission to inform their review of EU circular economy proposals,¹ which consider the approach from 2020 onwards.

2. Context

Local authorities are currently directly involved in working towards two EU targets – on landfill and recycling. The UK is firmly on course to exceed its landfill targets as a result of the extensive efforts of local authorities. This has seen a radical reduction in landfill per household by 78 per cent in the last decade, brought about through the delivery of a range of waste treatment infrastructure by councils up and down the country.

The recycling target has seen similar levels of commitment from local authorities with recycling collections now the norm for almost all homes across England. This effort has delivered a 400 per cent increase in recycling levels since the turn of the century² (see Annex for data summary). However, despite this improvement the UK is not yet on track to meet the 50 per cent target by 2020.

Since 2000 the pursuit of EU waste targets has required a doubling of spend by English local authorities to £3.28 billion.³ This makes collection and disposal of waste and recycling the third highest cost service for English local authorities. We estimate that current spending would need to increase significantly to include the additional collection services necessary to meet the 50 per cent target, which will be unachievable due to the extreme pressure councils are under to reduce spending. This is in response to a 40 per cent reduction in government grant funding since 2010,⁴ a level of reduction that is projected to be repeated over the next parliamentary period. Consequently the 2020 target will not be met if it relies solely on further increases in local government spending, which means alternative options will need to be considered in order to provide a realistic chance of meeting the target.

The LGA has set out its position on waste and recycling in two previous

¹ Add URL for EU paper

² The percentage of household waste recycling in 2003/04 was 17.8 per cent and in 2013/14 it was 43.5 per cent

³ Total for waste and recycling collection and disposal 2013/14

⁴ LGA Future Funding Outlook 2014 <http://www.local.gov.uk/documents/10180/5854661/L14-340+Future+funding+-+initial+draft.pdf/1854420d-1ce0-49c5-8515-062dcca2c70>

publications *Wealth from Waste*⁵ and *Routes to Reuse*.⁶ These reports inform this submission and seek a change in the terms of the debate on waste and resources to maximise the potential of the waste and resources sector to generate jobs and growth and reduce the burden on tax payers.

3. Meeting recycling targets

The following suggestions could be implemented in relatively short order in order to help meet the 2020 recycling target (see the annex for a summary of our suggestions against the waste hierarchy).

3.1 Redistribute landfill tax back to councils

Local authorities paid approximately £570 million in landfill tax to the Treasury in 2013/14, which will rise to over £600 million in 2015/16, despite reducing landfill by over three quarters per household in a decade. These receipts could provide investment capital that would contribute towards increased recycling levels and help councils to deliver infrastructure that would not otherwise be affordable. This could include the costs of new receptacles, collection vehicles, sorting facilities, reuse storage capacity and organic treatment facilities. All of which could be delivered in time to influence recycling rates by 2020.

To achieve this we suggest a return to the original principles of redistribution of landfill tax via the Revenue Support Grant. This would allow councils to decide locally how to invest in infrastructure that could be delivered quickly to improve recycling performance by 2020.

3.2 Better balance costs with packaging producers

Packaging fulfils an important function and helps to reduce food waste, but it is costly for local authorities to collect and sort at approximately £550 million each year.⁷ This is compared to the annual compliance funding from packaging producers of £111 million of which only £37 million is spent on collection.⁸ The current model lacks transparency on the flow of funding and is predicated on cost subsidisation by tax payers through council recycling collections.

The UK packaging compliance regime raises the lowest level of contribution from producers of all EU member states at less than 20 Euro per tonne of material compared to 200 Euro in Austria and over 150 Euro in France and Spain.⁹ The limited contribution raised by the UK producer compliance arrangements coupled with ongoing reductions in local authority budgets presents a direct risk to meeting the recycling target and the associated EU Packaging Directive targets.

An alternative model is required that enables more packaging material to be captured for recycling at sufficient quality, allows the UK to meet its EU targets, and ensures a more reasonable producer contribution to costs currently borne by

⁵ Wealth from Waste report: http://www.local.gov.uk/c/document_library/get_file?uuid=a9ae477e-e0cf-4665-862e-ed01caa810f6&groupId=10180

⁶ Routes to Reuse report: <http://www.local.gov.uk/documents/10180/5854661/LGA+Routes+to+Reuse+FINAL+FINAL.PDF/5edd19ba-7c13-47c5-b019-97a352846863>

⁷ LGA estimate from Wealth in Waste report

⁸ Environment Agency National Packaging Waste Database figures for the packaging compliance system for 2013

⁹ European Commission report: Development of Guidance on Extended Producer Responsibility (EPR), Final Report 2014

tax payers. The packaging producer compliance system should be reformed to bring it more in line with other EU member states and achieve the following outcomes:

- greater transparency on the flow of finance from obligated producer to reprocessor and collector
- packaging material that is cost effective to recycle is incentivised
- increased overall packaging producer contribution based on meeting a greater proportion of the costs of collection and sorting
- increased proportion of producer compliance costs are channelled towards sustaining additional local authority high quality recycling collections

To achieve this we suggest reform of the current packaging compliance system to achieve the above principles based on a zero based review launched in autumn 2015. A revised and more comprehensive compliance system could be re-launched in time for April 2017 providing nearly three years of improved performance to support recycling levels by 2020.

3.3 Incentivise collection of food waste

Increasing collection of the 7 million tonnes of food waste householders throw away each year¹⁰ will make an important contribution to meeting recycling targets. Currently about half of English local authorities collect food waste which has a marginal business case due to the low value of material. Nearly half of councils offering a food waste collection do so together with garden waste which an increasing number of councils, due to budgetary pressures, are having to introduce a charge for. For logistical and treatment reasons this is often accompanied by withdrawal of the food waste element further reducing capture.

Given reducing local authority budgets it is unlikely that enough councils will either be able to maintain or add collection of food waste unless it becomes most cost effective to do so.

We suggest that the Government develops a range of incentives to make organic waste collection more cost effective. This should include:

- **Increasing the incentive for generating energy through anaerobic digestion of food waste¹¹**
- **Broadening the current producer contribution regime to include a food waste element to better share the burden of additional collections**
- **Driving demand and helping support the price of composted food waste. This could include requiring a proportion of recycled compost to be included in non-recycled compost products**

3.4 Raise the profile of recycling

Local authorities and their contractors continue to carry out communications campaigns in their areas with tailored messages, which have been successful to date in increasing resident recycling. However, one of the consequences of reduced local authority budgets has been a squeeze on the number of dedicated officers and resources for recycling communication activity.

Following the roll out of extensive kerbside recycling services the overwhelming majority of councils now collect all the core materials for recycling.¹² This now

¹⁰ WRAP estimate from 2012

¹¹ For example Renewable Obligation Certificates could be increased for Anaerobic Digestion

¹² WRAP data shows the coverage of core material collection (with percentage of councils collecting: metal cans (100%), paper (100%), plastic bottles (98%) card (96%), glass (85%)

provides sufficient coverage to justify a national awareness campaign to increase recycling rates. Government, WRAP and local authority communications channels could be used to help increase awareness of recycling around a national message. Local authorities would have an important role in supporting national messages by establishing locally tailored campaigns to encourage their residents to recycle.

To take this forward we suggest that the Government and WRAP with input from the LGA develop the content and timing for a comprehensive national recycling campaign, which could be delivered from early 2016.

3.5 Revise the waste measurement criteria

Currently many hundreds of thousands of tonnes of recycled material is not counted towards targets due to historic means of calculation. For example, a large proportion of street sweepings and other waste organic material collected by councils is recycled as part of land restoration projects.¹³ In addition, the ash by-product that forms at the bottom of residual waste incinerators is also routinely recycled to produce aggregate for the building industry. If this material was appropriately verified and counted as recycling, as is the case in some other EU member states¹⁴, it could contribute up to an additional 7 percentage points by 2020.¹⁵

We suggest, alongside efforts to increase the capture of recycling from households and businesses, that the recycling measurement criteria is adjusted to better reflect the waste material that is currently recycled including street sweepings and the by-product of waste incineration.

3.6 Better targeted support

The national recycling rate hides significant variation in performance by different areas which shows a strong correlation between high levels of urban density and low recycling rates. For example the overall recycling rate in London is 34 per cent and is 35 per cent on average for the eight English Core Cities¹⁶, both approximately ten percentage points below the national average.

Increasing recycling in dense urban areas can be challenging, but will be necessary if recycling targets are to be met. To achieve this, better targeted support from government and support organisations¹⁷ will be required to enable urban councils, to develop cost effective means to improve their recycling rates. This should include timely advice to councils with low recycling rates on short term deliverable options for improvements and greater efficiency in service delivery, establishing infrastructure and communicating to residents.

We suggest that the intensive support model focussed on efficiencies delivered by the London Waste and Recycling Board in partnership with WRAP, Local Partnerships and Improvement and Efficiency South East has potential for wider application.¹⁸ Such an approach with equivalent

¹³ Known as Compost Like Output (CLO)

¹⁴ For example Sweden, France and Germany have provision to allow certain uses of incinerator bottom ash to be counted as recycling.

¹⁵ Based on an Environmental Services Association estimate of 3 million tonnes of incinerator bottom ash by 2020 and an assumption that overall waste levels remain at approximately the same level as 2013/14

¹⁶ Birmingham, Bristol, Leeds, Liverpool Manchester, Newcastle, Nottingham, Sheffield

¹⁷ Defra, WRAP, the Chartered Institute of Waste Management and Resources and Waste UK, including input from the LGA

¹⁸ <http://www.lwarb.gov.uk/page/?identity=efficiencies-programme>

resources should be rolled out to other urban areas, which could be delivered in partnership with metropolitan authorities or via the recently established Combined Authorities.¹⁹

¹⁹ Greater Manchester, North East, West Yorkshire, Sheffield, Liverpool and potential future combined authorities in Derbyshire, Nottinghamshire, Tees Valley, Birmingham/ Black Country

Whole system approach to meeting the 2020 recycling targets

Data (2013/14)	Performance			Meeting 2020 recycling target
	Local authority collected waste reduced by 8.6% since 2000, but is increasing again	Prevention		Increase packaging producers requirements to support recycling collections
160,000 tonnes of reuse (2012/13)		Preparing for re-use		High profile national communications campaign on reuse and recycling
10.9 million recycled tonnes	Material recycled has increased by 400% since 2000	Recycling		Incentivise collection of organic waste
6.2 million tonnes to energy from waste	Energy from waste has increased by 61% since 2000	Recovery		Redistribute landfill tax back to councils for investment in recycling infrastructure
7.9 million tonnes landfill	Landfill per household has reduced by 78% since 2002/3 On target to exceed EU 2020 landfill target	Disposal		Revise the waste measurement criteria to include all recycled material - street sweepings and incinerator ash
25.5 million tonnes of local authority collected waste				

EEHT Work Programme Update

Purpose of Report

For information and discussion.

Summary

This paper provides an update for EEHT Board members on developments related to the Board's work programme, including Task and Finish Groups.

Recommendation

That the Board note the updates on the Work Programme.

Action

Officers to take actions as directed by the Board.

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EEHT Work Programme Update

1. The purpose of this paper is to update EEHT Board members on developments related to the Board's work programme, including Task and Finish Groups:

Economy:

Apprenticeships

2. The Apprenticeships Task and Finish group have helped inform and develop an LGAs apprenticeship project with a range of councils and the think tank IPPR, including a valuable workshop with a range of employers, provider groups, councils and government on 9 March.
3. The final report sets out an offer for helping the new government achieve its ambition to create 3 million apprenticeships over the course of the parliament, building on councils' unique relationship with local businesses, schools and colleges. The report was trailed in the media on Sunday 24 May ahead of the Queens Speech, with the [final report published soon afterward](#).
4. The research highlights concerns that apprentices are more likely to be existing employees rather than new starters, that they are more likely to be over 25 than school leavers, and that they are more likely to be associated with low skills and low pay.
5. Based on the learning and activity of councils, the report recommends reform that focuses on giving all employers a platform to exercise genuine local leadership, on embedding all opportunities into a coherent local education landscape so that students are aware of them, and on equipping youngsters with the skills and experience to thrive in them.
6. It then makes the case for better enabling councils to build on their local partnerships of schools, colleges, and young people, to bind them together with local employers, to focus everyone's attention on around the joint ambition to create and fill quality apprenticeships that transform lives and boost growth.
7. To be achieved by enabling new models such as apprenticeship hubs and devolving the Apprenticeship Grant for Employers to all local areas, and returning the duty and levers for providing impartial advice and guidance to council-led local partnerships.
8. The LGA will take forward these recommendations with government and other partners as it seeks to boost the number of apprenticeships.

Energy task and finish group

9. The Energy task and finish group approved proposals for a project to be developed jointly by the LGA policy and productivity teams. The two themes of the project are the potential for financial savings through better management of energy in council properties, and for raising revenue through renewable energy projects.

10. Verco, an external company with experience in energy management, have been appointed to develop the research and present the results to councils in a short publication (approximately 20 pages).
11. The project will be reporting back to the task and finish group as the research takes shape. The first draft of the report is expected in July, with a view to publish in the Autumn.

Climate Local

12. Further funding for the programme was secured from the EA/Defra to continue the full time secondee arrangements into 2015/16. Currently, 102 councils are signed up to the programme, with a wider network of 440 members. Following the 3rd annual conference which was successfully held on the 23rd March 2015, priorities for the programme going forward will include further awareness raising of the initiative, including promoting the various support tools the programme provides and working with climate change partners in promoting the business case for council action in embedding climate resilience into core activities. Identifying the future delivery model of Climate Local post 2015/16, will also form a key work area for the programme for this financial year.

Transport:

Parking

13. The ban on CCTV enforcement came into force on 1 April. LGA lobbying (working closely with the British Parking Association) secured four exemptions: bus lanes, bus stops, school entrance markings and red routes.
14. Initial feedback from councils is that, thanks to these exemptions, the changes have had limited detrimental impact. Officers will continue to monitor this and to consider opportunities to secure the other exemptions members have called for.
15. The Government made a number of changes to parking regulations in March, including transferring responsibility for off-street parking to DCLG, introducing a community right to challenge parking policies and a mandatory 10 minute grace period at the end of paid-for and time-limited-free parking.
16. Most councils already operated a voluntary grace period and the rest of the changes appear insignificant. LGA lobbying persuaded the government not to apply the grace period to yellow lines, as the potential impact on traffic management would have been chaotic and prohibitively costly.
17. DCLG also issued a discussion document covering off-street parking and cashless payment. The deadline for responding is 27 May; the draft response will be circulated to lead members and the response submitted before the Board meets.

Highways England

18. Members were informed at their last meeting that continued pressure from the LGA and other stakeholders had resulted in the new requirement in the licence under

which Highways England operates to create a Stakeholder Advisory Panel. The license states that: "The Licence holder [Highways England] must establish a stakeholder advisory panel to provide advice to the Licence holder's Board on issues directly affecting local authorities and communities, and ensure that:

- a. The membership of the panel includes representation from a credible range of local government and other stakeholders, including environmental and safety groups, as appropriate;
 - b. The Licence holder seeks advice from the panel on a regular basis."
19. It is important that the Panel is able to provide feedback at a strategic level on a broad range of issues operating at the interface between the local and national network. Members previously highlighted issues such as litter, approach to planning, community engagement and growth as possible issues for further exploration by the Panel. Other emerging issues may include how the industry is able to respond to the nationwide increase in infrastructure investment in a way that contains costs and avoids crowding out the needs of smaller local authorities. LGA officials have therefore sought to influence the terms of reference at an early stage in order to ensure that the panel reflects a balanced and constructive input from local government both at a professional and elected member level.

Active Travel

20. A survey of highways authorities on council good practice and barriers relating to the promotion of active travel was undertaken over April and May by the Active Travel Task and Finish Group. The survey was completed by 57 councils, a response rate of 38%. The final full results will be made available from the LGA website, although a more detailed summary is found in the annex of this report. Headline findings include:
- 20.1 The overall picture shows that councils are taking the promotion of cycling and walking seriously; driven by a wide range of factors, with the most significant being to improve public health, followed by enhanced travel choices, reduction of traffic congestion and economic/ regeneration reasons.
 - 20.2 Most responding councils are currently undertaking activities/ initiatives to promote cycling and walking, ranging from promoting cycling and/or walking through schools, implementing a cycle investment programme, providing secure cycle parking and/or changing facilities and cycle proofing new transport infrastructure.
 - 20.3 Capacity for future spending varied from place to place but there is expected to be an impact in some places from capital reductions and transfer of LSTF funding to LEPs. Overall there were more respondents who expected an increase (28%) in spending in 15/16 for cycling compared to those who expect a decrease (20%).
 - 20.4 Councils fund activities that promote cycling from a range of sources: council core funding, via the LEP, highways maintenance, Local Sustainability Transport Fund (LSTF), public health, and cycle city ambition grants; over half were not aware of EU funding opportunities.
 - 20.5 LEPs appear to be favourable to, a moderate or small extent to the promotion of cycling in their submitted strategic economic plans; however this was not followed through in the final local growth deals in two-fifths of places.
 - 20.6 In terms of changes to national policy, respondents called for clarity on long term national strategies as being valuable to provide certainty of commitment. There

was also a call for streamlining of funding, and less reliance on competitive bidding processes to give certainty of future funding levels.

21. The findings from the report will help inform the LGA's submission for the next spending review and supports councils' calls for a more certain and long-term funding settlement for our roads and transport infrastructure investment. They also support the LGA's call for further devolution, demonstrating the unique role that councils play in joining up policy areas and funding opportunities, which cannot be undertaken by central government. The survey also highlights areas for improvement, such as the lack of awareness of EU funding opportunities, which LGA officers will follow up with local authority networks.
22. LGA officials have also inputted to the work of the Active Travel Consortium (led by Living Streets and Sustrans) on behalf of DfT in shaping the Government's future approach to supporting cycling and walking. Through the new Infrastructure Act the Government is already committed to producing an Active Travel Strategy and how they intend to fund that strategy over the next 5 years. It will be important that the LGA engages with the development of this strategy in order to ensure that it is done in a way that supports local action and maximises value-for-money and the LGA's active travel survey will be helpful in this regard.

Buses/ Community Transport

23. The Task and Finish group established by the Board has begun research into how councils have addressed the pressure on bus funding in the past five years and how they see bus policy developing over the next five years. Early indications suggest that the Total Transport approach currently being piloted may prove effective although there is concern that the Government's focus on devolution may not extend outside cities. Councils have found a variety of innovative ways to protect service outcomes from the impact of cuts, but initial indications are that further pressures on council supported bus provision cannot be mitigated in this way.
24. It is intended that the Board will be given a final report at the next meeting.

Annex 1

Active Travel survey – detailed summary

1. The survey was completed by 57 councils, a response rate of 38%. The final full results will be made available from the LGA website. A detailed summary of findings follows.
2. The overall picture shows that councils are taking the promotion of cycling and walking seriously; driven by a wide range of factors:
 - 2.1 Three quarters of respondents have cycling and/or walking plans (75%) and of these nearly half (47%) have been refreshed within the last 2 years.
 - 2.2 When asked about the key drivers for investment in cycling and walking 98% considered improvement in public health, to a great or moderate extent, followed by enhanced travel choices (93%) and then reduction of traffic congestion (87%) and economic/ regeneration reasons (77%).
 - 2.3 Respondents said they were currently undertaking a wide range of activities: Three quarters (75%) were currently promoting cycling and/or walking through schools, 65% were currently implementing a cycle investment programme, 63% were currently providing secure cycle parking and/or changing facilities and 60% were cycle proofing new transport infrastructure. Other notable 'initiatives' included walking investment programme (46%) and employing a cycling/ walking officer (42%).
3. Future spending levels are expected to vary from place to place, in some places, future spending is expected to reduce because of capital reductions and transfers of LSTF funding to LEPs.
 - 3.1 A balance of respondents (28%) expected an increase in spending in 15/16 for cycling compared to 20% who expect a decrease with 32% expecting it to be broadly the same.
 - 3.2 Where there is to be a reduction, 55% of respondents said this was due to transfer of LSTF funding to the LEP.
 - 3.3 Councils fund activities that promote cycling from a range of sources: councils core funding (35%), via the LEP (31%), highways maintenance (25%), LSTF (25%), public health (21%) and cycle city ambition grants (21%).
 - 3.4 Over half (51%) were not aware of EU funding opportunities.
 - 3.5 LEPs are an important source of funding for transport projects. A third of respondents (33%) felt they were able to influence their LEP to a moderate extent, a quarter (26%) to a small extent. Of the 30 respondents who had proposed measures, 90 per cent (27 authorities) said that their measures did feature in the final submission of their LEP's growth plan, although only 60% were agreed by the Government in the final growth deal.
4. Councils were also asked about barriers that prevent them doing more to promote cycling and walking.
 - 4.1 Of those that felt there were barriers, lack of capital (61%) and revenue funding (65%) were considered barriers to a great extent as was uncertainty of future funding (58%).

- 4.2 Cycle-proofing existing main carriageways remains difficult with 86% stating there are barriers. Of these 65% felt insufficient funding to be a barrier to a great extent, followed by space conflicts with moving traffic (57%) and space conflicts with bus stops and/or parking (47%).

5. Authorities were asked, other than increased funding, what changes if any, to national policy on local transport would make it easier for their council to invest more in cycling and/or walking. There were a number of suggestions from over 40 authorities.
 - 5.1 The approach most cited was for clarity on long term national strategies to provide valuable certainty of commitment;
 - 5.2 Other suggestions included streamlining funding and less reliance on competitive bidding processes to give certainty of future funding levels.

EEHT End of Year Board Report

Purpose of report

For information and discussion.

Summary

This report provides an overview of the issues and work the Board has overseen during last year in relation to the priorities for the Environment, Economy, Housing and Transport Board in 2014/2015.

Recommendations

Members are invited to:

- (a) Note the work of the Board in 2014/2015; and
- (b) Note the programme of meetings for 2015/16.

Action

As directed by members.

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Position: Head of Policy
Phone no: 020 7664 3101
E-mail: ian.hughes@local.gov.uk

EEHT End of Year Board Report

Background

1. The Environment, Economy, Housing and Transport Board provides strategic oversight of the LGA's policy, regulatory and improvement activity in relation to the economy and environment, including transport, employment and skills, economic development and business support, housing, planning, waste and climate change, in line with the LGA priorities and any specific regulatory and LGA European lobbying priorities as they relate to this activity.
2. The Board was formed in 2014 by combining the remits of the former Economy & Transport and Environment & Housing Boards.
3. At its first meeting, the Board took a decision to develop Task and Finish Groups to ensure that there was wider involvement in the work of the Board that the four meetings per year would allow. Four T+F Groups have been running and their work is detailed in this report.

Economy

4. The Board commissioned research to examine the success of the Government's intention to join up local economic funding into a single pot. Whilst there was recognition that Growth Deals were a good first step in devolving funding, research showed that there continued to be over 120 separate funding streams for growth in local areas. This research has been presented to civil servants in BIS and other relevant Government departments. This research has also been used by councils in the development of local deals to provide an evidence base for the joining up of local growth resources.
5. The Task and Finish Group on Apprenticeships has worked with a range of partners to explore how councils can support employers to create apprenticeship opportunities for young people. The Group worked with the Federation of Small Businesses, Construction Industry Training Board, Federation of Master Builders, the Engineering Employers Foundation, Association of Colleges, the Department for Business, Innovation and Skills, training providers, and an apprentice. To finalise its work, the Group fed into a report commissioned from IPPR which is detailed in the work programme update (Item 6). This report has recently been published and has been presented to Government to influence the implementation of the manifesto commitments on apprenticeships.

Environment

6. In order to influence future EU regulation on waste and recycling, the Board has been working in Brussels to ensure that local government's views are considered early as the Commission consider the next generation of waste regulation. A separate report on this agenda details this work. Further lobbying on these issues will continue, with consultation on new proposals in the near future.

7. The Task and Finish Group on Energy has led a project to highlight councils work on developing renewable and low carbon energy schemes and explore and promote opportunities for councils to secure revenue and community benefit from renewable energy, including a case study library to promote action taken by councils and a report examining the potential for councils to reduce their energy costs through energy efficiency and generation and what is needed to enable councils to realise the benefits. Proposals for the project, to be delivered in conjunction with the Innovation and Improvement Board, will be completed by Summer 2015.
8. Further funding for the Climate Local programme was secured from the EA/Defra to continue the full time secondee arrangements into 2015/16. Currently, 102 councils are signed up to the programme, with a wider network of 440 members.
9. New national policy on Sustainable Drainage Systems (SuDS) took effect from 6 April 2015, with Lead Local Flood Authorities (LLFAs) becoming statutory consultees to provide technical advice on surface water drainage and SuDS. The Board has lobbied against new unfunded duties on councils, securing £10 million in upfront funding.

Housing

10. As part of its work on influencing manifestoes of all parties, Sir Michael Lyons attended the EEHT Board in December 2014 to discuss his housing review. His report contained proposals on planning for housing, large scale development, community engagement, quality and sustainability.
11. The work on housing is detailed in a full report to this Board meeting.

Transport

12. The Infrastructure Bill became law on 12 February 2015. Following extensive LGA lobbying, it includes the requirement for the successor to the Highways Agency, Highways England, to produce route strategies on which to base future investment plans. Statutory guidance and license terms set out how it must consult and work with councils.
13. Secondary legislation in the Deregulation Act 2015 outlined a ban on CCTV for issuing automated fines except in no-parking areas around schools, bus stops, bus lanes and red routes. These exemptions were secured through LGA lobbying supported by the British Parking Association, Living Streets and disabled groups.
14. Following formal consultation, the Department for Transport announced individual allocations of funding for highways maintenance in January 2015. LGA lobbying ensured that there was a greater level of funding certainty than in previous years with 80% (£4.8 billion) allocated on a needs based formula basis, and at 10% of total funding (£580 million), the amount subject to competitive bidding is smaller than the original 25% of total funding proposed.
15. The work of the Task and Finish Groups on Active Travel and Community Transport is ongoing and further reports to the Board will be considered in due course.

Board Cycle

16. The following dates for Board meetings in the 2015/16 cycle have been proposed:

Thursday 3 September 2015	Councillors' Briefing
Thursday 1 October 2015	11.00am
Wednesday 2 December 2015	11.00am
Wednesday 16 March 2016	11.00am
Thursday 2 June 2016	11.00am

Financial Implications

17. All work programmes are met from existing budgets and resources.

Note of last Environment, Economy, Housing & Transport Board meeting

Title: Environment, Economy, Housing & Transport Board
Date: Wednesday 18 March 2015
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	Action
1	Declarations of Interest No declarations of interest were made.	
2	Chair's Report The Chair introduced the report, which was for information, without further comment. The report summarised work which had been undertaken by the Chair, Lead Members and the Board since the previous meeting. Decision: <ul style="list-style-type: none">The Board noted the report.	
3	Waste and Recycling Opportunities The Vice-Chair introduced the report and highlighted that the LGA had an opportunity to influence the agenda on the future of waste and recycling in relation to two developments; the first concerned meeting the existing EU recycling target, which the UK was not currently on course to achieve, and the second was to influence the next set of EU legislation which was currently being revised following the recent withdrawal of European Commission proposals. The Vice-Chair commented that the LGA was working with WRAP to support and improve councils in meeting recycling targets, but there should be a whole system approach to reduction. The Board discussed the report and in particular the following points: <ul style="list-style-type: none">Councils which already were achieving a high level of recycling could be penalised if the UK did not meet waste and recycling targets.The Government and EU colleagues should be lobbied to explain that councils should be able to decide to collect waste in whichever way was most appropriate for their area, and that there should be an emphasis on outcomes rather than operational detail.	

- A redistribution of Landfill Tax back to Councils would be welcomed, as would revision of requirements on packaging, and there should be increased local and national communications on these issues.
- Councils should be given greater incentives for reducing the amount of waste sent to landfill and improving recycling rates.
- Councils should be encouraged to use new technologies to deal with waste.
- There should be a reduction in the amount of waste which was exported from the UK.

Decision:

- The Board agreed that the approach proposed in the report to influence the agenda on the future of waste and recycling services should be progressed.
- It was also agreed that a delegation of Members and officers from the Board meet with colleagues at the European Commission to discuss waste matters. Cllrs Mike Jones and Tim Moore would attend as representatives of the Board.

Action:

- Meeting to be arranged with colleagues in Brussels to discuss the waste agenda.

4 Transport Update

The Chair introduced the report which provided an update on key transport related developments in relation to the Board's work programme, specifically regarding the Highways Agency and the Infrastructure Bill, highways maintenance, and parking.

Kamal Panchal, Senior Advisor, explained that the Infrastructure Bill had become an Act on 12 February and, following LGA lobbying, included a requirement for Highways England (HE), the successor Government owned company to the Highways Agency, to produce route strategies on which to base future investment plans. This would effectively lock-in council engagement on future discussions on route strategies and subsequent HE investment plans. Members noted that the LGA would be able to influence Highways England through a new Stakeholder Advisory Panel. A further update to the Board on what form this panel would take would be provided in due course.

Regarding highways maintenance it was highlighted that the Government had announced in January the allocations that each highways authority could receive for maintenance. The LGA had lobbied to provide councils greater certainty of this funding, and as a result had ensured that 80% of funding would be allocated on a needs based formula basis, and 10% would be subject to competitive bidding (rather than 25% which was originally proposed). A further 10% was top-sliced for council commitment to efficiency and good asset management principles.

The Deregulation Bill had recently passed its third reading in the House of

Lords and was expected to receive Royal Assent shortly. The Government had now published draft secondary legislation on parking which would come into effect when the Bill became an Act, which would enable the ban on CCTV for issuing automated fines except in no-parking areas around schools, bus stops, bus lanes and red routes from April 2015. Further lobbying of the Government and discussions with partners on these matters would continue.

In the discussion which followed the following points were raised:

- The maintenance of strategic roads was the responsibility of the Government and not Councils, but Councils were still required to collect litter. There was an argument that the authority responsible for highway maintenance of a road should also be responsible for collecting litter on the road.
- Government announcements on parking, specifically related to a supposed Council 'war on motorists', were unhelpful and did not reflect public opinion.
- The fact that Councils would be consulted by Highways England in the planning of route strategies was welcomed.
- Highways England should be invited to a future meeting of the Board to discuss how they would work with Councils individually and the LGA.

Decision:

- Representatives of Highways England should be invited to a future meeting to discuss how they would engage with Councils and the LGA.

Actions:

- Further information on the Stakeholder Advisory Panel, and detail on who should sit on the Panel and its remit, should be provided for consideration at a future meeting.
- Highways England to be invited to a future meeting.

5 Task and Finish Group Updates

The Chair introduced a report which provided the Board with updates on developments related to the work of the four EEHT Task and Finish Groups on Active Travel, Community Transport, Energy, and Apprenticeships for Young People.

The Chair of the Task and Finish Group on Active Travel explained that the Group had met on 26 February and considered the results of a survey on living streets undertaken by Surrey County Council, and had also met with representatives of Sustrans and Living Streets. The survey would be important to identify barriers to the promotion of cycling and walking, and what councils could do to overcome these. Further updates would be provided for the Board in due course.

The Chair of the Task and Finish Group on Energy explained that the Group was at an earlier stage. The work was being undertaken jointly with

the Improvement Board and was looking at revenue generation from energy, increased resilience and reductions on environmental impact.

Decision:

- Members noted the report and agreed that updates on the various Task and Finish Groups should be included in future Chair's reports to the Councillors' Forum.

Action:

- Further updates on Task and Finish Groups to be reported to the next meeting of the Board in June 2015.

6 Minutes of the Previous Meeting

Members agreed the notes of the meeting held on 2 December 2014 as correct.

Decision:

- Members agreed that a Minister from a relevant Government department be invited to the next meeting of the Board in June 2015 following the General Election.

Action:

- Lead Members to discuss possible topics for the next Board meeting and to decide which Minister would be appropriate to invite.

Appendix A -Attendance

Position/Role	Councillor	Authority
Chairman	Cllr Peter Box CBE	Wakefield Metropolitan District Council
Vice-Chairman	Cllr Mike Jones	Cheshire West and Chester Council
Deputy-Chairman	Cllr John Northcott	Mole Valley District Council
Members	Cllr / Dr Joan Dixon	Derbyshire County Council
	Cllr Tony Newman	Croydon Council
	Cllr Ed Turner	Oxford City Council
	Cllr Jim Harker OBE	Northamptonshire County Council
	Cllr Steve Count	Cambridgeshire County Council
	Cllr Martin Tett	Buckinghamshire County Council
	Cllr Geoffrey Theobald OBE	Brighton & Hove City Council
	Cllr Roger Symonds	Bath & North East Somerset Council
	Cllr Julian German	Cornwall Council
Apologies	Cllr Brenda Arthur	Norwich City Council
	Cllr James Lewis	Leeds City Council
	Cllr Timothy Moore	Liverpool City Council
	Cllr Deborah Croney	North Dorset District Council
	Cllr Ann Steward	Breckland Council
	Cllr Keith House	Hampshire County Council
In Attendance		
LGA Officers		
Ian Hughes		
Helen Murray		
Caroline Green		
Kamal Panchal		
Dan McCartney		
Paul Goodchild		

LGA location map

Local Government Association

Local Government House
Smith Square
London SW1P 3HZ

Tel: 020 7664 3131

Fax: 020 7664 3030

Email: info@local.gov.uk

Website: www.local.gov.uk

Bus routes – Millbank

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

For further information, visit the Transport for London website at www.tfl.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 (Circle and District Lines), **Westminster** (Circle, District 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 stops in Horseferry Road close to Dean Bradley Street.

Bus routes – Horseferry Road

- 507** Waterloo - Victoria
- C10** Canada Water - Pimlico - Victoria
- 88** Camden Town - Whitehall - Westminster - Pimlico - Clapham Common

Cycling facilities

The nearest Barclays cycle hire racks are in Smith Square. Cycle racks are also available at Local Government House. Please telephone the LGA on 020 7664 3131.

Central London Congestion Charging Zone

Local Government House is located within the congestion charging zone.

For further details, please call 0845 900 1234 or visit the website at www.cclondon.com

Car parks

- Abingdon Street Car Park (off Great College Street)
- Horseferry Road Car Park
- Horseferry Road/Arneway Street. Visit the website at www.westminster.gov.uk/parking

