

Environment, Economy, Housing and Transport Board

Agenda

Wednesday, 16 March 2016
11.00 am

Rathbone Rooms 1&2, 7th 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

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Environment, Economy, Housing & Transport Board
16 March 2016

There will be a meeting of the Environment, Economy, Housing & Transport Board at **11.00 am on Wednesday, 16 March 2016** Rathbone Rooms 1&2, 7th 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.

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.

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Conservative:	Group Office: 020 7664 3223	email: lgaconservatives@local.gov.uk
Labour:	Group Office: 020 7664 3334	email: Labour.GroupLGA@local.gov.uk
Independent:	Group Office: 020 7664 3224	email: independent.group@local.gov.uk
Liberal Democrat:	Group Office: 020 7664 3235	email: libdem@local.gov.uk

Location:

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

LGA Contact:

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Environment, Economy, Housing & Transport Board – Membership 2015/2016

Councillor	Authority
Conservative (7)	
Cllr Martin Tett (Vice Chairman)	Buckinghamshire County Council
Cllr Jason Ablewhite	Huntingdonshire District Council
Cllr Steve Count	Cambridgeshire County Council
Cllr Jim Harker OBE	Northamptonshire County Council
Cllr Simon Cooke	Bradford Metropolitan District Council
Cllr David Westley	West Lancashire Borough Council
Cllr Peter Fleming OBE	Sevenoaks District Council
Substitutes	
Cllr Mark Mills-Bishop	Broxbourne Borough Council
Cllr Catherine Rankin	Tunbridge Wells Borough Council
Labour (7)	
Cllr Peter Box CBE (Chair)	Wakefield Metropolitan District Council
Cllr Timothy Moore	Liverpool City Council
Cllr Tony Newman	Croydon Council
Cllr Ed Turner	Oxford City Council
Cllr Alyson Barnes	Rossendale Borough Council
Cllr Gillian Campbell	Blackpool Council
Cllr Simon Greaves	Bassetlaw District Council
Substitutes	
Cllr Sarah Russell	Derby City Council
Independent (1)	
Cllr Julian German (Deputy Chair)	Cornwall Council
Substitutes	
Cllr Andrew Cooper	Kirklees Metropolitan Council
Cllr Mike Haines	Teignbridge District Council
Cllr Anne Hawkesworth	Bradford Metropolitan District Council
Cllr Geoff Knight	Lancaster City Council
Liberal Democrat (2)	
Cllr Keith House (Deputy Chair)	Eastleigh Borough Council
Cllr Adele Morris	Southwark Council
Substitutes	
Cllr Simon Galton	Harborough District Council

LGA Environment, Economy, Housing & Transport Board Attendance 2015-2016

Councillors	1/10/15	02/12/15				
Conservative Group						
Martin Tett	Yes	Yes				
Jason Ablewhite	Yes	No				
Steve Count	Yes	No				
Jim Harker OBE	No	No				
Simon Cooke	Yes	Yes				
David Westley	Yes	Yes				
Peter Fleming OBE	Yes	Yes				
Labour Group						
Peter Box CBE	Yes	Yes				
Timothy Moore	Yes	Yes				
Tony Newman	Yes	Yes				
Ed Turner	Yes	No				
Alyson Barnes	Yes	Yes				
Gillian Campbell	Yes	Yes				
Simon Greaves	No	Yes				
Independent						
John Northcott	Yes	No				
Julian German	No	Yes				
Lib Dem Group						
Keith House	Yes	Yes				
Adele Morris	Yes	Yes				
Substitutes						
Rob Blackman	Yes	Yes				
Mike Haines	Yes					
Andy Hall	Yes					
Stephen Parker		Yes				
Catherine Rankin		Yes				
Graham Whitham		Yes				
Andy Hull		Yes				

Agenda

Environment, Economy, Housing & Transport Board

Wednesday 16 March 2016

11.00 am

Rathbone Rooms 1&2, 7th Floor, Local Government House, Smith Square, London, SW1P 3HZ

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Date of Next Meeting: Thursday, 2 June 2016, 11.00 am, Smith Square 1&2, Ground Floor, Local Government House, Smith Square, London, SW1P 3HZ

National Infrastructure Commission

Purpose

For discussion and direction.

Summary

At the last Board members agreed to a discussion on the role of the National Infrastructure Commission (NIC) and its relationship with local government and local infrastructure. Lord Adonis, the interim chair of the NIC will attend the Board meeting and provide his perspective on how the NIC will operate. His attendance will provide an opportunity for Board members to engage with Lord Adonis on the current and future work of the NIC and how it will engage with councils and local partners.

Recommendations

That the board:

1. Notes the purpose for which the NIC has been created and the LGA's response to the Treasury's consultation on the Commission's design specification (**item 2a**);
2. Highlights further potential opportunities and issues in working with the NIC; and
3. Endorses the proposed further work on funding and financing of infrastructure.

Action

To be taken forward as directed.

Contact officer: Kamal Panchal
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National Infrastructure Commission

Background

1. The purpose of the National Infrastructure Commission (NIC) is to identify the UK's strategic infrastructure needs over the next 10 to 30 years and propose solutions to the most pressing infrastructure issues, in order to:
 - 1.1 foster long-term and sustainable economic growth across all regions of the UK;
 - 1.2 improve the UK's international competitiveness; and
 - 1.3 serve the well-being of UK citizens.
2. The NIC was created on 5 October 2015 on an interim basis and the Government plans to put it into statute. It is intended to be independent of Government and is tasked with delivering a long-term plan and assessment of national infrastructure needs early in each parliament, setting out what a government is expected to do over the next five years. It will be overseen by a small board, appointed by the Chancellor, and able to commission research and call for evidence from public sector bodies and private sector experts. Lord Adonis, the former Cabinet Minister and Transport Secretary, has been appointed as the Commission's first chair.
3. The Commission will also be asked to undertake specific focused reviews. The findings and recommendations from the first of these reviews, Smart Power, a report on the electricity sector, was published on 4th March. Two further reports, on the connectivity of Northern cities, and on London public transport, are expected to be published shortly.
4. The Treasury are leading on a consultation of the [design specification](#) of the NIC, inviting feedback on the governance, structure and operation of the new organisation. The Government intends to provide the Commission with a broad mandate to examine all sectors of economic infrastructure including transport, energy, water and sewage, waste, flood defences, and digital communications. It will also be required to assess the effects of options on other parts of the infrastructure system. This is welcome given the vital role of councils in helping to meet the local and sub-regional infrastructure needs of people and businesses in their areas.
5. The LGA's full response to the consultation is attached to this report (**item 2a**) for information and to aid further discussion with Lord Adonis.

Lord Adonis Biography

6. Lord Andrew Adonis was appointed as chairman of the National Infrastructure Commission on 5 October 2015. He was a member of the independent Armitage Commission, which recommended an independent National Infrastructure Commission in 2013. Andrew Adonis was formerly the Transport Secretary from 2009 to 2010, Minister of State for Transport from 2008 to 2009 and Minister for Schools from 2005 to 2008. He was Head of the No10 Policy Unit from 2001 to 2005.

Funding and financing infrastructure

7. In the LGA's response to the consultation on the NIC (item 2a), we have highlighted the different way in which local infrastructure is funded compared to national infrastructure projects - funding tends to be more fragmented and there is less long-term certainty. Any local sources of funding will usually depend on a council's ability to finance any borrowing as well as their appetite for risk.
8. Given the continued demand for new and upgraded local infrastructure over the coming years, for which central government funding will only satisfy to a limited extent, it is proposed that the LGA undertakes further work to:
 - 8.1 provide elected members and member councils with an update on current sources of funding and financing, highlighting risk profiles associated with each; and
 - 8.2 work with the LGA's Resources Board to create a debate on the adequacies of existing financing models (i.e. revenue sources) with a view to developing proposals to Government to aid local ambition.

National Infrastructure Commission Consultation – LGA Response

9 March 2016



Introduction

1. The Local Government Association (LGA) is the national voice of local government. We work with councils to support, promote and improve local government.
2. We are a politically-led, cross party organisation that works on behalf of councils to ensure local government has a strong, credible voice with national government. We aim to influence and set the political agenda on the issues that matter to councils so they are able to deliver local solutions to national problems. The LGA covers every part of England and Wales, supporting local government as the most efficient and accountable part of the public sector.
3. We welcome the opportunity to comment on the design specification of the proposed new National Infrastructure Commission however our comments are more focussed on how the Commission will support our local economies and interact with city-regions and non-metropolitan areas in its work.

LGA response

4. The LGA welcomes the creation of the National Infrastructure Commission and the potential it has to provide an independent and long-term, 10-30-years, articulation of the country's strategic infrastructure. In particular, councils welcome that for the first time there will be an evidence-based assessment and recommendations which will inform public debate and that Government decisions and investment will be supported by greater consensus than there has been to date. The Commission should help improve the long-term competitiveness of UK Plc.
5. The Government intends to provide the Commission with a broad mandate to examine all sectors of economic infrastructure including transport, energy, water and sewage, waste, flood defences, and digital communications. It will also be required to assess the effects of options on other parts of the infrastructure system. This is welcome given the vital role of councils in helping to meet the local and sub-regional infrastructure needs of people and businesses in their areas.

The role of local government and local infrastructure.

6. We welcome the importance that the consultation document gives to engaging with local bodies and would like to take this opportunity to illustrate the several ways in which councils and local partners can help:
 - Councils have an excellent understanding of existing and future infrastructure needs of their communities and businesses. Thorough Local Enterprise Partnerships (LEPs) they have worked with business and

Insert page number e.g. 1 of 3

Submission

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developed strategic economic plans which set out longer term economic vision for their areas and how they will achieve it, identifying key infrastructure needs.

- Councils, LEPs and Combined Authorities increasingly work across sub-regional boundaries, developing plans and partnerships at sub-national level. Local government across the country is strengthening its ability and capacity to shape the needs and priorities at the sub-national level, with established bodies such as Transport for the North and emerging ones such as Midlands Connect and England's Economic Heartland.
 - Councils deliver vital infrastructure at the local level, without which national infrastructure would provide poor value for money for tax-payers. For example, 98% of the UK's road network are local roads, managed by local highways authorities. Almost every motorway journey starts or ends on a local road – without efficient traffic management, local capacity or well-maintained roads, the value of motorways would be severely eroded. Councils also provide flood defences, waste and recycling facilities and many of them also provide broadband and energy services where there has been market failure.
 - Through providing information on new housing allocations and extensions to existing developments. Better coordination and timing of new infrastructure should enable maximum benefits for new and existing communities.
7. Early engagement with local authorities will enable the NIC to set out robust recommendations and reach its full potential. We believe there are other aspects of infrastructure planning that the Commission should take into account that will help the country deliver better infrastructure at greater value for money:
- a. **Demand management** – we are pleased that the Government has set an expectation for the NIC that its recommendations should not be restricted to new infrastructure being built or renewed. More effective demand management, more efficient practices and behavioural or regulatory solutions may be cheaper and effective and local authorities have a major role to play.
 - b. **Understanding the different ways that councils fund infrastructure** – in most cases councils' ability to fund new infrastructure or major upgrades is different from central government and its agencies - it is more fragmented and has less long-term certainty. This is important for the Commission to appreciate when assessing the delivery options and dependencies on local infrastructure. For example, on roads funding – Highways England has a single source of funding for the strategic roads network, and which from 2021 will be fully funded from Vehicle Excise Duty income. Local roads are funded through a variety of DfT grants with different access rules, some of which is diverted through the Local Growth Fund, as well as local authority own funding and borrowing, and through planning gain (Community Infrastructure Levy and Section 106). The Government have proposed that newly directly elected Mayors will also be allowed to raise business rates by 2p in the pound to pay for new infrastructure projects.

- c. **Through respecting and recognising the importance of role of local planning** – public backing for new development is best secured through a stable, locally accountable decision making process. The Government and the NIC must fully consider the impact of any recommendations on the status of Local Plans to ensure that they do not undermine or destabilise existing local policies for growth. It will also be important for the Commission to recognise the wider funding context of local planning authorities, which are significantly under-resourced as a result of funding reductions and restraints of fee charging.
- d. **Through having the ability to assess the country's complete infrastructure needs** – it is important that the NIC can conduct a proper and full independent assessment of the country's long-term infrastructure needs. There is a risk that the Government could dictate and constrain its remit thereby stifling its ability to carry out its role effectively.

Spending and affordability.

- 8. The Government are also asking for views on the Commission's fiscal remit and affordability. Whilst we see sense in giving the Commission an indicative financial envelope within which to make its recommendations we are not convinced that total UK government spending on infrastructure should be a specific percentage of the OBR projection of GDP for the period under consideration. The Government's favoured approach risks missing one of the key reasons for the Commission – that carefully selected infrastructure projects should be increasing the wealth of the nation. Perhaps the NIC should be allowed a more flexible cost-benefit analysis of proposals, providing forecasts on the impact on GDP.
- 9. As for the NIC itself, it is critical that it has access to high quality expertise and strong research capacity and sufficient resources to liaise with the range of organisations that have an interest in improving the country's infrastructure.
- 10. We hope you find this a valuable contribution to the future of the National Infrastructure Commission. The LGA wishes the NIC a strong future and looks forward to working with it.



**Environment, Economy,
Housing and Transport
Board**

16 March 2016

Transport paper for Leadership Board

Purpose

For discussion and direction.

Summary

At their last meeting the LGA's Leadership Board agreed to have a discussion on key transport issues affecting local government and the LGA's work in supporting council's interest, which is led by the EEHT Board. The following is a draft report setting out key issues to help the Leadership Board's discussion, which will be led by the Chair of the EEHT Board. This is an opportunity for members of this board to reflect on the draft report and to highlight any issues that they would welcome the Leadership Board's support or views on.

Recommendations

1. To consider the report and work being led by EEHT Board; and
2. To ask for any further steer/input from the leadership board into priority areas of work on transport.

Action

To be taken forward as directed.

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Transport paper for Leadership Board

Introduction

1. Local authorities play a vital role in maintaining and improving local transport for the communities and local economies they serve, spending a total of £7.3 billion on transport in 2014/15. With a projected increase of up to 55% in traffic by 2040, the LGA's Economy, Environment, Housing and Transport (EEHT) Board has been leading on work on behalf of the LGA to promote the role of local transport, protect services and ensure relevant powers and funding are devolved to councils. Key live transport priorities include:

- 1.1 funding;
- 1.2 devolution;
- 1.3 buses bill; and
- 1.4 air quality

Funding

2. Local funding sources for transport are currently a mix of a range of government grants, competitive funds (including the Local Growth Fund via LEPs), council's core funding, other local sources, developer contributions and prudential borrowing. The EEHT Board has supported councils call for more simplified and flexible funding arrangements that enable them to:
 - 2.1 deliver the right transport infrastructure investment that is based on the long-term needs of local communities and business, and not skewed to short term projects;
 - 2.2 tackle the £12billion road repairs backlog and focus on preventative measures to make highways more resilient, rather than more expensive reactive repairs;
 - 2.3 shape bus provision so that public subsidies are targeted according to local priorities;
 - 2.4 deliver a locally more joined-up approach to future transport needs, ensuring that other modes of travel, such as cycling and walking can be promoted in a way that makes sense locally; and
 - 2.5 influence strategic transport spending in recognition of its impact on local growth (such as the Highways Agency).
3. The November 2015 Spending Review/ Autumn Statement largely protected local transport budgets as well as the Bus Services Operators Grant (BSOG) and confirmed the Government's commitment to fund the rest of the £12billion Local Growth Fund. However, fragmentation of funding remains and a growing revenue/capital mismatch make it more difficult for local areas to maximise the benefits of their investment.

Devolution

4. The LGA's independently researched report from September 2014, Better Roads for England, provided supporting evidence that the way transport is funded and decisions are made in England is broken and that there are lessons to be learned from other countries. Councils have responded with a call for greater devolution of funding and powers so that they can prioritise and fund the long-term improvements needed to

transport infrastructure and service. In response to the Government's invitation for devolution deals ahead of the 2015 Spending Review/Autumn Statement, 28 of the 34 have included significant transport asks, which included:

- 4.1 further bus franchising powers and control of resources, including bus subsidies;
 - 4.2 a single, smart-ticketing system;
 - 4.3 multi-year funding and consolidated transport budgets;
 - 4.4 moving traffic management powers;
 - 4.5 memoranda of understanding/strategic partnerships with Highways England and influence spending from RIS 2 (Roads Investment Strategy); and
 - 4.6 more influence over rail assets, operations and future investment (see below under the Rail update).
5. 'Devo deals' announced since Autumn 2015 have included significant transfer of funding and decision making, recognising many of the asks listed, with greater control over bus services making the biggest headlines. However, LGA members have highlighted concerns with the slow pace of progress on deals in non-metropolitan areas after the early success in Cornwall. The LGA will continue to develop the evidence base on devolution and to push for progress in non-metropolitan areas through the media and other opportunities for influencing national politicians. There is more on the Buses Bill below.
6. Councils have also been seeking powers to enforce moving traffic offences similar to those already enjoyed by Wales and London, for a long time. Such powers give local areas the ability to deal more effectively with congestion, air quality, and road safety hotspots as well as enforcement of weight restrictions. The Chair of the EEHT Board wrote to the Transport Minister last year with proposals of how the powers could be adopted by English councils in a way that would deal with Government's concerns that some councils may misuse such powers to raise revenue. This is now being followed up at officer level.

Buses policy and the Buses Bill

7. The EEHT Board commissioned a report, *Missing the Bus?*, on the status of bus provision in non-metropolitan areas in order to understand the pressures on council's ability to support bus provision, how they are responding to budget reductions and what further measures would help them. The report made a number of recommendations:
- 7.1 a suite of regulatory reforms to help the bus network deliver better value for the financial support it receives. This includes the availability of franchising powers to all areas, changes to the role of Traffic Commissioners, changes to make smart-ticketing easier and the moving traffic enforcement powers referred to above to aid bus journey times by reducing congestion;
 - 7.2 that there are no further reductions to the Bus Services Operators Grant and that the grant is devolved to councils;
 - 7.3 the lessons from the Total Transport pilots are rapidly disseminated and that councils are empowered to build on them; and
 - 7.4 fully funding the cost of operating The English National Concessionary Transport Scheme.

8. There have been some notable successes. The Buses Bill will make available bus franchising powers potentially to all areas, however, the Government's current policy is to restrict it to combined authorities with a mayor, although Cornwall is the current exception. We anticipate that it will also require bus operators to make data on fares more accessible, reform the licensing system, strengthen statutory bus partnerships and make smart ticketing easier to implement – all of which the LGA have previously lobbied for. The latest spending review confirmed that BSOG would continue. The LGA will continue to call for full funding of the concessionary fares scheme, devolution of BSOG and councils to be given moving traffic enforcement powers, as well as the early sharing of the Total Transport pilots. Officers will also continue to scrutinise the Buses Bill, which is expected to be published shortly, in favour of councils' interests.

Air Quality

9. Transport is a major contributor to poor air quality – for example, road transport still accounts for just under one third of total Nitrogen Dioxide (NO_x) emissions. Emissions of NO_x can cause breathing problems, trigger asthma, reduce lung function and cause lung diseases.
10. Following the launch of infraction proceedings by the European Commission for breach of NO_x limit values, and a Supreme Court ruling, the Government consulted on its draft plans for tackling the air pollution problem, to which the LGA responded.
11. Subsequently, in its response, the Government proposed a Clean Air Zone framework that would allow local authorities to introduce one of four types of Clean Air Zones (CAZs)¹ under a framework designed to ensure the same standards are set for each class of vehicle in each CAZ.
12. One change from the draft plans was for CAZs to be compulsory in five cities: Birmingham, Leeds, Nottingham, Derby and Southampton. For example, in Birmingham and Leeds this will mean that buses, heavy goods vehicles, taxis and light goods vehicles that do not meet the Euro standard 6 (the latest standard on exhaust emissions of NO_x and other pollutants) will have to pay to enter a CAZ. Cars can only be considered after measures are taken on these on other types of vehicles. Other areas would also be able to introduce Clean Air Zones.
13. At the same time, the LGA was invited to give evidence to the Environment, Food and Rural Affairs Committee evidence session on air quality and on Defra's plans. Through our oral and written response the LGA made the following points:
- 13.1 we do not support the Government's plan to 'impose' CAZs on some councils. CAZs should be optional and further we do not believe they will allow the UK to meet its air quality obligations unless they are introduced as part of a wider package of measures at the national and local level (including moving traffic enforcement powers);

¹ CAZs can cover (type A) buses and taxis; (B) buses, taxis and HGVs; (C) Buses, taxis, HGVs and vans; or (D) buses, taxis, HGVs, vans and cars. They cannot only target cars or only target HGVs.

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- 13.2 at national level, the Government should incentivise a move away from the most harmful cars and consider what contribution vehicle manufacturers should make to the cost of reducing nitrogen dioxide pollution;
 - 13.3 we would welcome more flexibility to deal with cars as the Government acknowledges that “around 80 per cent of NOx emissions in areas where the UK is exceeding NO2 limits are due to transport... the largest source is emissions from diesel light duty vehicles (cars and vans)”; and
 - 13.4 greater flexibility is needed for buses, for example to exempt infrequent visitors and target frequent zone-entrants, or to set different standards (national standards are not needed as bus services tend to operate very locally, unlike HGVs etc).
14. It is expected that the Government will consult in summer with a view to introducing secondary legislation in 2017. Scoping studies will also be undertaken in the affected places.
15. Under Part 2 of the Localism Act the government could require councils to pay all or part of an infraction fine. The LGA will continue to make the case that there is no justification for the government to pass on fines to local authorities for air quality infractions.



**Environment, Economy,
Housing and Transport
Board**

16 March 2016

EEHT Update Report

Purpose

For discussion.

Summary

The report provides updates on a number of areas of work within the EEHT work programme which do not appear elsewhere on the agenda.

Recommendation

That the Board note the updates included in the report.

Action

Any actions to be taken forward as directed by members.

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EEHT Update Report

Housing and Planning Bill

1. The Housing and Planning Bill is currently at the Committee Stage in the House of Lords. The LGA continues to work with Peers and partners to support the drafting and tabling of amendments that mitigate the unintended consequences of the proposal on councils and their communities.
2. The Board continues to focus on key issues for councils and their tenants, covered in the [Bill briefing](#). The Board has also begun to make its case more publicly. Since the last meeting, the Board has gained significant national coverage for its analysis on the impact of reforms on the supply of [council homes](#), affordability of [starter homes](#), 'high income' [council tenants](#), and the welfare bill. It also had significant national coverage for research highlighting the number of [unimplemented planning permissions](#).
3. The Board continues to progress discussions with government and councils on the detail of proposals so that councils have the powers they need to meet local need. The scale of the Bill's impact will be heavily determined by detail in its regulations, for instance the LGA is encouraging all stock holding councils to consider the financial impacts of legislation requiring payments based on their vacant high value properties, because Government has not committed to defining 'high value' for different areas or to a level of funding councils might retain to replace homes sold.

Housing Commission

4. The Housing Commission is focusing on four themes around which the LGA can provide additional value: council's role in housebuilding, place-making and growth, employment and housing, and housing an ageing population. Further information on the areas of focus is available on the [Housing Commission](#) webpage. Board Lead Members are each hosting a session on each of the four themes. Sessions have already been held on house-building and on place-making and growth. Sessions on employment and housing, and housing an ageing population will be hosted in April 2016.
5. The call for evidence closed on 26 February 2016 and we have received over 90 submissions from a wide range of local government, and key partners such as National Housing Federation, Shelter, Crisis, Chartered Institute for Housing, British Property Foundation, Royal Town and Planning Institute, Federation of Master Builders, National Health Service, Age UK, and many more. These are currently being independently assessed and summarised for the Board.
6. In the lead up to publishing a report at the LGA Annual Conference, the Housing Commission is funding a range of research (for instance around the skills and employment prospects of those in need of affordable housing) and peer improvement work (for instance in supporting councils to increase their housebuilding outside the Housing Revenue Account) to help evidence its case.

LGA Transport and Local Growth Conference

7. Transport and local growth was the theme of an LGA conference that took place on 8th March, chaired by the Vice-chair of the EEHT Board, Cllr Martin Tett. The event was an opportunity for member councils to discuss a wide range of transport issues ranging from the very strategic, such as devolution, collaboration on plans, and making the most of Highways England and Network Rail investment, to local issues such as the role of parking and bus services to support growth and healthy high streets.
8. Nottingham City Council gave a presentation on the Workplace Parking Levy and how it was working to support their transport plans as well as local businesses. John Dowie, the Acting Director General at DfT, also provided a departmental and Government perspective on future public investment on transport. All slides are available from the events page from the events section of the LGA's website <http://tinyurl.com/hu7gnzk>.

Flooding

9. With December 2015 being a record breaking month for rainfall in some parts of England and exceptional amounts of rain falling onto already saturated ground, councils have been at the forefront of activity to ensure communities are resilient and protected as far as possible. Cumbria, Lancashire and Northumberland were the main areas to be badly hit by flooding in early December, spreading across other parts of Yorkshire over the Christmas and New Year break.
10. The LGA's strategy has focused on promoting the work of councils and councillors working with the fire and rescue service and other partners on the ground through the media, our webpages and our engagement with government. The role of councils has been widely commended by national politicians and the widespread community spirit in order to help neighbours has been widely welcomed.
11. We set up a dedicated response and recovery team and in particular have been working behind the scenes to help councils deal with their immediate challenges. For example assisting local authorities with their requests for sourcing sandbags to shore up flood defences to minimise flooding in a number of areas. Whilst the LGA has not been formally involved in the national co-ordination mechanism (COBR) in relation to the flooding, we have worked with DCLG to put together a protocol on how LGA mutual aid arrangements regarding sandbags (and other resources) can be actioned following future emergencies. We circulated LGA guidance on communicating with residents during extreme weather and ran regional workshops on managing severe weather outbreaks and other emergencies in February. There will also be a plenary session on flooding at the LGA Annual Conference.
12. There have been multiple announcements about additional government funding for affected areas, totalling almost £200 million. In particular, previous LGA lobbying has meant that capital funding has been made available to repair roads and bridges in a number of places and small steps have been taken to introduce a more streamlined recovery package for Communities and Businesses – this includes business rates relief, council tax relief and £5000 flood resilience grants for affected properties. We have pushed for a firm commitment from government that councils will be reimbursed for flood recovery funding schemes and worked with councils to ascertain the total costs of repair

to infrastructure across those areas affected - calling on government to ensure that councils continue to receive the support they need. Current estimates are that infrastructure repair costs alone, for example for damaged roads, bridges and public rights of way, are around £250 million, with the final cost likely to be higher as local authorities are still undertaking assessments.

13. Following calls from councils, the government has also recently confirmed it will apply to the EU Solidarity Fund, which will, if successful, provide vital financial support to help councils return their communities back to normal. We have submitted evidence to a number of government inquiries on flooding. This included attendance at the Environmental Audit Committee inquiry by Calderdale Council (supported by the LGA). In particular we continue to call for increased flexibility in the current approach to funding for flood protection infrastructure funding through devolution of both capital and revenue funding into a single place-based pot. Lead Members are also finalising a letter to the Rt Hon Oliver Letwin MP to feed into the National Flood Resilience Review which he is chairing and is due to report in Summer 2016.

Unlocking growth through partnership

14. The British Property Federation and the LGA are undertaking a joint visit of Southampton City Council to explore how the public and private sector can work together to unlock growth. The purpose of this work is to revisit previous joint work from 2012 and to reflect on changes to the policy landscape and councils' resources. The visit takes place on 17th March and the outputs will help inform good practice resources on the LGA website as well as updating recommendations that support the funding and financing of infrastructure and development critical to local growth.

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

Housing Lobbying

1. The LGA has been working hard behind the scenes to try and influence the [Housing and Planning Bill](#) and the [Welfare Reform Bill](#), but is now clear that some of our key concerns remain. Our public and private efforts will now be fully focused on improving legislation so that councils can play their lead role in increasing housebuilding, enabling home ownership, and reducing homelessness and benefits. This has included calls for additional flexibilities to prevent the loss of 80,000 council homes widely covered in the national press.

CLG Committee Inquiry into National Planning Policy

2. The Communities and Local Government Committee took oral evidence on national planning policy from key stakeholders, including Vice-Chairman of the LGA Environment, Economy, Housing and Transport Board Cllr Martin Tett. During the session Cllr Tett set out that the introduction of the NPPF was a positive step and there should now be a proper review of the Framework. He used the opportunity to raise concerns about the lack of proper resourcing in local planning departments and around proposals for Starter Homes in the Housing and Planning Bill, and also called for new settlements to be determined locally.

Employment and Apprenticeships

3. The Work and Health Programme, announced in the November 2015, will support claimants with health conditions or disabilities and those unemployed for over two years, replacing Work Programme and Work Choice. The LGA was pleased it reflects many of our [own proposals](#) submitted to Government, but believes for the WHP to be effective, it must be locally commissioned across England, with appropriate funding levels. [Click here](#) for information about LGA activity to influence it.
4. The Government has committed to creating three million new apprenticeships by 2020, with two primary measures to achieve this – a public sector target and an Apprenticeship Levy. Local authorities will be subject to both. You can feed into the LGA response to the Apprenticeship targets for public sector bodies consultation [here](#) The LGA will host a roundtable with Whitehall and councils on 23 February to discuss practical measures local areas are considering.

Buses legislation

5. Councils are hoping that the Government's new buses legislation will allow bus services outside London to be provided in the same way as they are in London, giving local transport authorities the powers to plan, develop and regulate bus services, offering passengers simpler, integrated Oyster-style ticketing and guarantees on service quality. Most devolution deals include the powers to pursue a franchising model. We understand the Government's Buses Bill will aim to do this, however we feel there are other measures which could be taken, including devolving Bus Services Operators Grant to councils, which will help ensure public subsidy is better targeted. The LGA's ['Missing the Bus?'](#) report outlines how councils have responded to reduced funding and DfT have provided a helpful [Buses Bill Update](#).

Air Quality

6. The LGA presented both [written](#) and [oral](#) evidence to the Environment, Food and Rural Affairs Committee enquiry into air pollution. The enquiry is looking into Defra's role for reducing emissions of key pollutants, including NO₂, and whether they go far enough and fast enough to meet EU standards; and whether Government departments should intervene further to reduce emission. The LGA believes that Defra has insufficient input into on policies implemented by other government departments, notably Department for Transport and that Government should do more nationally to address air quality, such as making industry-wide changes to influence a switch from petrol and diesel vehicles to ultra-low emission vehicles and other alternative modes of transport. This should be further supported by giving local authorities the powers and funding to manage traffic and provide alternatives to the car.

Climate Local Annual Conference

7. [The Climate Local Annual Conference](#) will be held in London on Tuesday 22 March 2016. This event will bring together councils, partners and Government representatives to debate issues, hear details of pioneering council led projects to reduce carbon emissions and increase resilience to a changing climate.

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

Title:	Environment, Economy, Housing & Transport Board
Date:	Wednesday 2 December 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	Housing and Planning Update	
	<p>The Chairman introduced the report which updated the Board on the implications of the recent Spending Review announcements and asked for a steer on current lobbying work on the Housing and Planning Bill and the Welfare Reform and Work Bill.</p> <p>Neal Hudson, Executive Director of Research at Savills, addressed members on research the Board had commissioned on the impacts of housing reforms on housing supply and tenure of stock. The research presented a wide range of housing data including homeownership, average value of a first mortgage deposit, and the difference in income between social and private renters. The report on stage 1 work had recently been released and focussed on those excluded from market housing, pay to stay, and starter homes. Stage 2 work would consider housing price growth over the forthcoming five years, and create a model for government policy implications based on construction of new homes and housing market transactions.</p> <p>In the discussion which followed members made a number of comments including:</p> <ul style="list-style-type: none"> • Local government was being pressured on both private and shared ownership, and strong cross-party lobbying on the Housing and Planning Bill should continue so that local authorities were in a stronger position in future. • It was unclear how the government would implement the sale of high value council housing, and ministers should be asked to provide further clarity on this area. • The absence of public sector house building had led to the housing gap, and it would be vital to collate as much evidence as possible 	

to influence government policy to close the gap.

- Local government's ability to provide and maintain infrastructure should be considered alongside house-building.
- Current government housing policy, including sale of high value housing, would have unintended negative consequences on local authority business plans and Local Plans.
- The LGA should publicise that local authorities were not obstructive in granting planning permissions.
- The shortage of materials and skilled workers had impacted on the housing gap in recent years, and the LGA should continue its lobbying on the skills agenda to influence the importance of this to the housing agenda. The Board was working with the Construction Industry Training Board to further evidence the need to adapt to the increasing demand for construction skills.
- Local government would have to work closely with housing associations to address the increased need for housing.
- The Lead Members of the Board would collectively issue a statement on planning consents, specifically on the issue of availability. This would articulate and further publicise the role of local government in housing. Representations on the Housing and Planning Bill by of the Leadership Board to Ministers were continuing and the Board agreed that the notes of these meetings should be circulated to the EEHT Board so that they could continue to be updated on all lobbying work.

Decision

- The EEHT Board agreed that a joint statement by Lead Members of the Board be released on planning consents, specifically on the issue of availability.
- Ongoing lobbying work which was highlighted in the report was noted.

Action

- Joint statement to be drafted and circulated to lead Members for approval.
- Notes of meetings between members of the Leadership Board and government ministers to be circulated to the EEHT Board for information.

3 Councils and Housing Associations - Future Collaboration Around Meeting Local Housing Need (CONFIDENTIAL)

The Chair introduced the report and welcomed David Orr, Chief Executive of the National Housing Federation (NHF), who would address the Board on the NHF's agreement with government to voluntarily deliver the extended Right to Buy scheme, as well as on how housing associations and local authorities could work together effectively to meet housing needs.

David Orr highlighted that in 2014 housing associations had built 50,000 new homes, which was 40% of all new homes in the economy. The NHF's submission to the Spending Review had stated that in the right circumstances, and through working with local authorities, they would be able to build up to 70,000.

Members noted that the NHF wanted to continue strong working relationships with local government and wanted to make common cause on rent cuts, as a 1% per annum cut set by the government was unhelpful, opportunistic and not strategic. If rents continued to be cut there would be less money for investment in future housing stock. Local government and housing associations were accountable to the public and should be setting rents in their areas.

In the discussion which followed, members raised the following points:

- Members welcomed David Orr's comments on joint working and locally set rents. It was agreed that decisions on rents should be made by local authorities and housing associations who were locally accountable.
- There was concern that if housing associations sold high value property, replacement housing could be built a long way away from the area, leading to a decrease in housing. Replacement houses should be built in the same local area where houses had been sold. David Orr stated that housing associations had the ability to trade and sell under the voluntary Right to Buy scheme, and in some cases may sell in one area and invest in another.
- The government should be aware that the best value housing was not the same as the highest priced housing. Best value should relate to what delivered most effectively in the long term. The NHF would continue to sell high value assets and use the money for internal cross subsidy.
- There was a challenge for housing associations and local authorities as funding for housing support from the government came with a requirement that it be used for affordable rents or shared ownerships. This made it difficult to continue to bring forward affordable housing. Both housing associations and local authorities should have the freedom to set their own rents.

Decision

- The EEHT Board thanked David Orr for attending and addressing the Board, and agreed that there should continue to be regular dialogue between the Board and the NHF through meetings with Lead Members.

Action

- Regular meetings between Lead Members and the NHF to continue, as well as regular collaboration between LGA and NHF officers.

4 Maintaining Momentum on Local Growth

The Chair introduced the report and invited David Marlow, independent consultant and expert on local growth policy, and Cllr Paul Watson, Leader of Sunderland City Council, to address the Board on growth and what was required to maintain momentum on progress following Spending Review announcements and devolution deals.

David Marlow stated that, following the Spending Review, councils should

focus on building more interest and engagement of longer term leadership. There should be an evolution of the status quo, with areas acquiring more land assets and taking advantage of national regimes for drivers of growth and radical local authority fiscal and devolution revolutions. There were many risk factors, including the forthcoming EU referendum and the context of continuing limits on local government finances.

He highlighted the example of Kettering, which was an area of rapid population growth and would have to balance that with economic growth. They were in the process of building the ninth biggest housing development in the country and a carbon neutral business park, and were looking for government investment to advance this. He also highlighted that Sunderland and Wakefield had restructured as areas of economic growth, and each had purposeful city partnership boards.

Cllr Watson highlighted examples of how the 'Make it Sunderland' scheme had attracted over 200 investments in the city since 2012 and created 6,850 new jobs in the area. The project had required a great deal of capital expenditure, but was required to make sure the economy grew and jobs were created. Local authority and business leaders had met with companies to convince them that investing in the area was sustainable and would be successful. He highlighted that it had been beneficial to have independent people from the local business community to communicate the message. Sunderland had enabled first tier suppliers, particularly in the car industry, to build in the area, as it was more economically viable than shipping products from elsewhere in the world.

In the discussion which followed, members discussed the following points:

- Councils should ensure that devolution deals empowered places to grow. Deals should focus on long term sustainability and not just quick wins.
- Local and economic success was built on cities and regions having much greater fiscal responsibility through growth deals and devolution deals.
- Councils should focus on where they were involved in structuring business rate retention or devolution deals. There should be a process on how individual deals impacted upon the national system.
- Despite financial difficulties, councils had been at the forefront of economic growth over the previous five years.
- The Board should have more engagement with the devolution work being undertaken by the City Regions and People and Places Boards. The Chairman suggested that feedback from other Boards be included in the Chair's report or update paper.

Decision

The Board **noted** the report and **agreed** to continue to oversee work on local economic growth, with more cross-working with the City Regions and People and Places Boards.

Action

Officers to include feedback from City Regions and People and Places Boards as part of the EEHT Board agenda.

5 EEHT Update Report

The Chair introduced the report which provided updates on a number of other areas of work within the EEHT work programme.

In the discussion which followed the following points were raised by members:

- It was highlighted that the introduction of statutory sub-regional transport bodies, and the creation of the National Infrastructure Commission were significant developments in local government transport policy. The LGA should consider how the aims of these supported the wider devolution agenda and the work of the Board in the future.
- In response to a question on winter weather preparedness, the Chair confirmed he had already been approached to give interviews on the subject, and that local government was in a good position to support communities.
- It was highlighted that the LGA had responded to the government's draft plans on 'tackling nitrogen dioxide in our towns and cities'. The response included a call for the government to do more to address air quality, including industry-wide changes to influence changes to ultra-low emission vehicles, and by giving local authorities powers and funding to manage traffic and provide alternatives to cars.
- Members agreed that the next Board meeting should focus on topics from the Board's work programme other than housing. The next meeting would have a particular focus on transport and infrastructure.

Decision

The Board **noted** the report.

Action

Officers to include items on transport and infrastructure to the agenda for consideration at the next meeting.

6 Chair's Report

The Chair presented the Chair's report, which was for information.

Decision

The Board **noted** the report.

7 Minutes of the previous meeting

Decision

The minutes of the meeting held on 1 October 2015 were **agreed**, subject to the addition of Cllrs Rob Blackman and Stephen Parker to the attendance list.

Appendix A -Attendance

Position/Role	Councillor	Authority
Chairman	Cllr Peter Box CBE	Wakefield Metropolitan District Council
Vice-Chairman	Cllr Martin Tett	Buckinghamshire County Council
Deputy-chairman	Cllr Keith House	Eastleigh Borough Council
Members	Cllr Adele Morris	Southwark Council
	Cllr Timothy Moore	Liverpool City Council
	Cllr Tony Newman	Croydon Council
	Cllr Simon Cooke	Bradford Metropolitan District Council
	Cllr Peter Fleming OBE	Sevenoaks District Council
	Cllr David Westley	West Lancashire Borough Council
	Cllr Alyson Barnes	Rosendale Borough Council
	Cllr Gillian Campbell	Blackpool Council
	Cllr Simon Greaves	Bassetlaw District Council
	Cllr Rob Blackman	Lewes District Council
	Cllr Stephen Parker	Hart District Council
	Cllr Andy Hull	Islington Council
	Cllr Catherine Rankin	Tunbridge Wells Borough Council
	Cllr Graham Whitham	London Borough of Sutton
Apologies	Cllr John Northcott	Mole Valley District Council
	Cllr Ed Turner	Oxford City Council
	Cllr Steve Count	Cambridgeshire County Council
	Cllr Jim Harker OBE	Northamptonshire County Council
	Cllr Julian German	Cornwall Council
	Cllr Jason Ablewhite	Huntingdonshire District Council

LGA location map

Local Government Association

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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

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

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

