



# **Executive Advisory Board**

Agenda

Thursday, 20 October 2022  
2.15 pm

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

There will be a meeting of the Executive Advisory Board at **2.15 pm on Thursday, 20 October 2022** Smith Square 1&2, Ground Floor, Local Government House, Smith Square, London, SW1P 3HZ.

### **LGA Hybrid Meetings**

All of our meetings are available to join in person at [18 Smith Square](#) or remotely via videoconference as part of our hybrid approach. We will ask you to confirm in advance if you will be joining each meeting in person or remotely so we can plan accordingly, if you wish to attend the meeting in person, please also remember to confirm whether you have any dietary/accessibility requirements. 18 Smith Square is a Covid-19 secure venue and measures are in place to keep you safe when you attend a meeting or visit the building in person.

[Please see guidance for Members and Visitors to 18 Smith Square here](#)

### **Catering and Refreshments:**

If the meeting is scheduled to take place at lunchtime, a sandwich lunch will be available.

### **Political Group meetings and pre-meetings for Lead Members:**

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.

<b>Conservative:</b>	Group Office: 020 7664 3223	email: <a href="mailto:lgaconservatives@local.gov.uk">lgaconservatives@local.gov.uk</a>
<b>Labour:</b>	Group Office: 020 7664 3263	email: <a href="mailto:labgp@lga.gov.uk">labgp@lga.gov.uk</a>
<b>Independent:</b>	Group Office: 020 7664 3224	email: <a href="mailto:independent.grouplga@local.gov.uk">independent.grouplga@local.gov.uk</a>
<b>Liberal Democrat:</b>	Group Office: 020 7664 3235	email: <a href="mailto:libdem@local.gov.uk">libdem@local.gov.uk</a>

### **Attendance:**

Your attendance, whether it be in person or virtual, will be noted by the clerk at the meeting.

### **LGA Contact:**

Amy Haldane  
07867 514938 /[amy.haldane@local.gov.uk](mailto:amy.haldane@local.gov.uk)

### **Carers' Allowance**

As part of the LGA Members' Allowances Scheme a Carer's Allowance of £9.00 per hour or £10.55 if receiving London living wage 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.

## Executive Advisory Board – Membership

[Click here for accessible information on membership](#)

### Executive Advisory Board – Membership 2022/23

Councillor and Role	Authority
<b>Conservative 9</b>	
Cllr James Jamieson OBE (Chairman)	Central Bedfordshire Council
Cllr Izzi Seccombe OBE (Vice Chairman)	Warwickshire County Council
Cllr John Fuller OBE (Deputy Chairman)	South Norfolk District Council
Cllr Robert Alden (Deputy Chairman)	Birmingham City Council
Cllr Teresa O'Neill OBE (Deputy Chairman)	Bexley Council
Cllr David Fothergill (Board Chair)	Somerset County Council
Cllr David Renard (Board Chair)	Swindon Borough Council
Cllr Kevin Bentley (Board Chair)	Essex County Council
Cllr Abi Brown (Board Chair)	Stoke City Council
<b>Labour 9</b>	
Cllr Shaun Davies (Senior Vice-Chair)	Telford and Wrekin Council
Cllr Tudor Evans OBE (Deputy Chair)	Plymouth City Council
Cllr Michael Payne (Deputy Chair)	Gedling Borough Council
Cllr Georgia Gould (Deputy Chair)	Camden Council
Cllr Anntoinette Bramble (Deputy Chair)	Hackney London Borough Council
Cllr Nesil Caliskan (Board Chair)	Enfield Council
Cllr Louise Gittins (Board Chair)	Cheshire West and Chester Council
Cllr Andrew Western (Board Chair)	Trafford Metropolitan Borough Council
Mayor Marvin Rees (Board Chair)	Bristol City
<b>Liberal Democrat 3</b>	
Cllr Joe Harris (Vice-Chair)	Cotswold District Council
Cllr Bridget Smith (Deputy Chair)	South Cambridgeshire District Council
Cllr Gerald Vernon-Jackson CBE (Board Chair)	Portsmouth City Council
<b>Independent</b>	

<b>3</b>	
Cllr Marianne Overton MBE (Vice-Chair)	North Kesteven District Council
Cllr Hannah Dalton (Deputy Chair)	Epsom and Ewell Borough Council
Cllr Paul Woodhead (Balancing Member)	Cannock Chase District Council
<b>Regional Representatives</b>	
<b>8</b>	
Cllr Robert Stewart	LAB WLGA
Cllr Marc Bayliss	CON West Midlands
Cllr Matthew Hicks	CON East of England LGA
Cllr John Hart	CON South West Councils
Cllr Graeme Miller	LAB North East of England
Cllr Nicolas Heslop	CON South East Councils
Cllr Christopher Poulter	CON East Midlands Councils
Cllr David Baines	LAB North West Regional Leaders' Board
<b>Named Substitutes</b>	
Cllr Ralph Bagge	CON South East Councils

#### **Non-voting Members of LGA Executive**

<b>Councillor</b>	<b>Representing</b>
Alderman Sir David Wootton	INDE Local Partnerships
Sir Stephen Houghton CBE	LAB SIGOMA
Cllr Sam Chapman-Allen	CON District Councils Network
Cllr Tim Oliver	CON County Councils Network

## Agenda

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### Executive Advisory Board

Thursday, 20 October 2022

2.15 pm

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

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1. Welcome, Apologies and Declarations of Interest	
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5. Anticipated upcoming key issues for housing and planning	7 - 18
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**Date of Next Meeting:** Thursday, 8 December 2022, 1.30 pm, Smith Square 1&2, Ground Floor, Local Government House, Smith Square, London, SW1P 3HZ



## **Membership, Terms of Reference and Appointments to the LGA's Governance Structures for 2022/2023**

### **Purpose of report**

For information.

### **Summary**

The Executive Advisory Board is asked to note its Membership and Terms of Reference for 2022/23.

The Executive Advisory Board's [Membership](#) (**Appendix A**) and Terms of Reference (**Appendix B**) are attached to this report for noting.

For information, a list of appointments to the LGA's Boards for 2022/23 is set out at [here](#).

### **Recommendations**

That the Executive Advisory Board notes:

1. The Executive Advisory Board's membership for 2022/23.
2. The Executive Advisory Board's Terms of Reference.
3. Appointments to the LGA's governance structures for 2022/23.

### **Action**

No further action necessary.

**Contact officer:** Amy Haldane  
**Position:** Assistant Member Services Manager  
**Phone no:** 07867 514938  
**E-mail:** [Amy.Haldane@local.gov.uk](mailto:Amy.Haldane@local.gov.uk)





## Appendix A

### Executive Advisory Board – Membership 2022/2023

Councillor and Role	Authority
<b>Conservative</b> <b>9</b>	
Cllr James Jamieson (Chairman)	Central Bedfordshire Council
Cllr Izzi Seccombe OBE (Vice Chairman)	Warwickshire County Council
Cllr John Fuller OBE (Deputy Chairman)	South Norfolk District Council
Cllr Robert Alden (Deputy Chairman)	Birmingham City Council
Cllr Teresa O'Neill OBE (Deputy Chairman)	Bexley Council
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Cllr Abi Brown (Board Chair)	Stoke City Council
Cllr Kevin Bentley (Board Chair)	Essex County Council
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Cllr Michael Payne (Deputy Chair)	Gedling Borough Council
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Cllr Tudor Evans OBE (Deputy Chair)	Plymouth City Council
Cllr Georgia Gould (Deputy Chair)	Camden Council
Cllr Louise Gittins (Board Chair)	Cheshire West and Chester Council
Mayor Marvin Rees (Board Chair)	Bristol City Council
Cllr Nesil Caliskan (Board Chair)	Enfield Council
Cllr Andrew Western (Board Chair)	Trafford MBC
<b>Liberal Democrat</b> <b>3</b>	
Cllr Joe Harris (Vice-Chair)	Cotswold District Council
Cllr Bridget Smith (Deputy Chair)	South Cambridgeshire District Council

Cllr Gerald Vernon-Jackson CBE (Board Chair)	Portsmouth City Council	
<b>Independent 3</b>		
Cllr Marianne Overton MBE (Vice-Chair)	North Kesteven District Council	
Cllr Hannah Dalton (Deputy Chair)	Epsom and Ewell Borough Council	
Cllr Paul Woodhead	Cannock Chase District Council	
<b>Regional Representatives</b>		
Cllr Matthew Hicks	CON	East of England LGA (EELGA)
Cllr Simon Henig CBE	LAB	North East
Cllr John Hart	CON	South West Councils
Cllr Georgia Gould	LAB	London Councils'
Cllr Chris Poulter	CON	East Midlands Councils
Cllr David Baines	LAB	North West Regional Leaders Board
Vacant	LAB	Yorkshire and Humber
Cllr Nicolas Heslop	CON	South East England Councils (SEEC)
Cllr Marc Bayliss	CON	West Midlands LGA
Cllr Robert Stewart	LAB	Welsh Local Government Association (WLGA)

**Members of Executive Advisory Board**

<b>Councillor</b>	<b>Representing</b>	
Alderman Sir David Wootton	INDE	Local Partnerships
Sir Stephen Houghton CBE	LAB	SIGOMA
Cllr Tim Oliver	CON	County Councils Network
Cllr Sam Chapman-Allen	CON	District Councils Network

## Appendix B

### Executive Advisory Board Terms of Reference

The Executive Advisory Board provides strategic direction to the work of the Local Government Association and a mechanism to listen and influence national government legislation and public opinion. It supports councils and councillors to serve their communities in the best ways possible and is responsible for:

1. Ensuring that the LGA is focused on serving councils and councillors across England and Wales
2. Maintaining strong links with the sector, including through the sub-national groupings of councils, to ensure LGA priorities are based on the views of members and member councils.
3. Agreeing the LGA's vision and priorities through the LGA business plan, taking advice from the LGA Board.
4. Determining LGA policy for cross-cutting policy issues, including the localism agenda.
5. Holding the Boards to account and providing a steer on complex policy issues.
6. Setting the annual LGA budget and subscriptions, taking advice from the LGA Board.
7. Appointing members to relevant European and International Bodies in accordance with the LGA's Political Conventions.
8. Co-ordinating growth and transport policy on the advice of City Regions, People & Places and Environment, Economy, Housing & Transport Boards.
9. Determining finance and workforce policy on the advice of the Resources Portfolio.
10. Maintaining corporate oversight of equalities issues across the LGA.

The Executive Advisory Board can allocate responsibility to one or more of its members for particular areas within its remit and/or establish member task groups.

It can invite Chairs of Special Interest Groups (SIGs) to attend meetings.

#### Quorum

One third of the members, provided that representatives of at least 2 political groups represented on the body are present.

#### Political Composition

Conservative group: 9 members

Labour group:	9 members
Liberal Democrat group:	3 members
Independent group:	3 members

Substitute members from each political group may also be appointed.

### **Frequency per year**

Seven meetings to be held per year.

### **Reporting Accountabilities**

The Executive Advisory Board provides strategic direction to the work of the LGA, having regard to any advice from the LGA Board.



**Meeting:** Executive Advisory Board

**Date:** 20 October 2022

## Anticipated upcoming key issues for housing and planning

### Purpose of report

For information

### Summary

This report provides an update on recent and upcoming policy changes in housing and planning, as well as ongoing challenges for the sector. The following areas are covered: planning reforms; council housebuilding; the future sustainability of housing revenue accounts (HRA); social housing regulation reform, as well as further pressure on housing and homelessness services.

### Recommendation

That the Board note this update and provide any comments to the Environment, Economy, Housing and Transport Board on the identified issues and the future direction of the LGA's lobbying and influencing work in this area.

### Contact details

Contact officer: Jo Allchurch

Position: Senior Adviser – Housing, planning and homelessness

Phone no: 07974 170810

Email: [jo.allchurch@local.gov.uk](mailto:jo.allchurch@local.gov.uk)

# Anticipated upcoming key issues for housing and planning

## Background

1. The supply and quality of all tenures of housing (across the social and private sector – both for rent and sale), including the role of the planning system in delivery remain high on the government’s agenda, as does decarbonisation – both forming key elements of the levelling-up and net zero agendas.
2. The availability, affordability and security of housing is also gaining high interest and importance in the context of the current cost-of-living crisis. There is also the crucial opportunity to strengthen environmental protections – but it will also be vital that this is carefully implemented to ensure that councils can still deliver the new homes and supporting infrastructure that the country needs.
3. For councils, the greatest challenge over the next few years will be the skills, flexibility, capacity and funding to deliver on these significant national priorities in a way that also delivers local place-based ambitions. Without these, councils will be under increasing pressure to make trade-offs locally, which could lead to difficult political decisions having to be made. We anticipate this resulting in some key challenges for our membership over the next couple of years and beyond. These are outlined in further detail in paragraphs 5 to 45.
4. The Environment, Economy, Housing and Transport (EEHT) Board oversee the LGA’s policy work on housing, planning and homelessness. The last 12-18 months has seen some significant wins including:
  - 4.1. National Right to Buy reforms giving councils greater flexibility on use of receipts to build replacement homes
  - 4.2. Ending of the government’s proposal to update the nationally-set housing need targets (albeit it subject to a 35% uplift for London and 19 other cities and urban centres).
  - 4.3. Government recognition of need for more social housing and commitment to review how to support councils to deliver more council homes.
  - 4.4. A revised set of national planning reform proposals which have taken into account a number of the concerns that we have raised on behalf of the sector.
  - 4.5. A government commitment to remove the requirement for a rolling five-year land supply to reduce speculative development applications
  - 4.6. A government commitment to increase planning application fees: major applications by 35%; minor applications by 25% (albeit subject to an enhanced planning performance regime)

- 4.7. A government commitment to a new non-negotiable, locally-set Infrastructure Levy to replace existing development contribution systems
- 4.8. A government commitment to further announcements on supporting faster build out rates
- 4.9. Scrapping of government's proposal to lift the small sites threshold below which developers do not need to contribute to affordable housing
- 4.10. Introduction of natural light and space standard requirements for housing allowed under permitted development rights

## Key Issues

### Planning reforms

5. In May 2022, the Department for Levelling Up, Housing and Communities set out the [direction of travel](#) for planning reforms – some of which will be delivered through the [Levelling Up and Regeneration Bill](#), which is currently making its way through parliament and the rest through secondary legislation or policy change.
6. Our most recent briefing on the Bill can be found [here](#). We will continue to work with parliamentarians and civil servants to try and secure changes to the Bill that meet our objectives, as agreed by the EEHT Board.
7. The proposed reforms are a welcome improvement from those proposed in the August 2020 [Planning for the Future White Paper](#). The LGA has continued to raise [concerns](#) about a number of the proposed measures, as well as making a series of recommendations for positive change. It is positive to see that many of the proposals being taken forward reflect a number of our key lobbying asks and policy positions.
8. In particular there is a greater focus on democratic input and community engagement; measures that intend to strengthen the weight of Local Plans and reduce speculative development, as well as proposals to increase planning application fees. Most significantly the proposal for development 'zones', linked to an automatic permission, have been scrapped.
9. We produced a comprehensive briefing on the proposed reforms (available [here](#)) which sets out our views on the different aspects of the reforms. These can be summarised as follows:
  - 9.1. Proposals that seek to simplify and standardise the local plan process and limit speculative development applications are welcome. It is good that the new development plan system will be underpinned by greater legal force. We are concerned that National Development Management Policies could undermine a genuinely local, plan-led system.
  - 9.2. We are concerned about the proposal to deploy Local Plan Commissioners to take over plan-making in some cases. An approach that seeks to

understand what the blockages are and seeks to resolve them, for example through a mutually agreed sector-led approach, will be more beneficial in the long-term than the imposition of a plan on an area.

- 9.3. The Government must review the resource implications on councils as a result of the new plan-making framework and provide the necessary support to councils. The Government also needs to consider how the Standard Method is currently used and whether it fits with their messaging on involving communities in planning decisions.
- 9.4. The removal of the requirement for a rolling five-year land supply as it will curb speculative development and it will give more weight to local plans when making decisions on planning applications. However, to truly strengthen the role of Local Plans, we are pressing the government to urgently revoke permitted development rights.
- 9.5. We welcome the commitment that the new proposed Infrastructure Levy will be non-negotiable and set at a local level. We will want to work with Government to ensure that it is a success and that it delivers more affordable housing and infrastructure contributions at a local authority level than the existing systems for developer contributions (namely section 106 and Community Infrastructure Levy)
- 9.6. We want to see tangible powers brought forward in the Bill to enable councils to encourage developers to build-out.
- 9.7. Proposals to increase planning application fees at a national level are welcome, but we want government to go further by allowing councils to set planning fees locally, in case where national fees do not allow for full cost recovery.
10. There is much to welcome in the new proposals. We are also seeking to ensure effective engagement with the sector on the detailed policy development. The accompanying skills and capacity strategy, as well as appropriate levels of funding will also be fundamental to success.
11. One specific element that we envisage will need the most sector input is the proposal for a new non-negotiable, locally-set Infrastructure Levy which will replace the two main mechanisms for securing developer contributions (Community Infrastructure Levy and section 106).
12. The government's ambition is for the new Levy to secure 'at least as much affordable housing as now'. This is laudable, however there is concern that there will inevitably need to be trade-offs between affordable housing and infrastructure, as the 'pot' is likely to be insufficient to cover everything. This could present a challenge for local areas.
13. There is an expectation from government that councils will be the main funder of upfront infrastructure, for example through borrowing, ahead of Levy receipts being paid by developers following the sale of homes. This is a big concern for



councils as it potentially brings with it significant risk and additional borrowing implications. We will be bringing our local authority finance experts into discussions with DLUHC officials (in addition to our planning practitioners).

14. The 'Test and learn' approach being proposed for the new Levy is welcome and we will want to ensure that the Planning Advisory Service (PAS) are involved in any support package.
15. Another key concern for councils is the immediate and significant pressures being placed on them through their role as local planning authorities in relation to both water neutrality and nutrient neutrality.
16. In England, Natural England monitors the condition of special habitats and provides advice to local planning authorities. Special habitats are protected by international law, set out in the Habitats Directive, and where habitats are threatened by this nutrient pollution, local planning authorities are being directed to pause all planning decisions in affected areas. This advice is now impacting a significant number of councils (74).
17. Protected habitats are also threatened by water extraction leading to low water levels, which can also lead to advice to pause planning decisions. A small number of councils are impacted by advice on water neutrality, but the challenges of dealing with this issue are significant and may become more prevalent due to the impact of climate change. The LGA is currently running a policy enquiry led by a cross-party group of councillors, reporting into the Environment, Economy, Housing and Transport Board. This will gather information from stakeholders to examine what can be done across the whole environment and water system to reduce the stresses on fragile habitats. Findings and recommendations will be reported in early Autumn 2022.
18. On 23 September, the Chancellor [delivered](#) the Government's [Growth Plan](#), setting out measures which seek to deliver growth. This included:
  - 18.1. Investment Zones which will provide "time limited tax reliefs and planning liberalisation to support employment, investment and home ownership", for which an Expression of Interest process has been launched and further detail is to follow. Specified sites in England will benefit from a range of time-limited tax incentives over 10 years. There will be designated development sites to deliver growth and housing. Where planning applications are already in flight, they will be streamlined and the government will work with sites to understand what specific measures are needed to unlock growth, including disapplying legacy EU red tape where appropriate. The LGA will continue to promote Local Development Orders as a key planning tool to incentivise development and make investment more attractive, as they are flexible and most importantly locally-determined (as opposed to national permitted development rights).
  - 18.2. A series of infrastructure projects will also be accelerated as fast as possible, aiming to get the vast majority starting construction by the end of 2023. The Plan says that these projects may benefit from acceleration through planning

reform, regulatory reform, improved processes or other options to speed up their development and construction, including through development consent processes.

18.3. New legislation - the Planning and Infrastructure Bill - will be introduced to accelerate priority major infrastructure projects across England, by minimising the burden of environmental assessments; making consultation requirements more proportionate; reforming habitats and species regulation; and increasing flexibility to make changes to a Development Consent Order once it has been submitted. It also announces sector-specific changes to accelerate infrastructure delivery, including bringing onshore wind planning policy in line with other infrastructure and reforms to accelerate road delivery through more streamlined consent processes.

19. A number of further supply-side announcements relating to planning are also expected which may supersede the direction of travel announced earlier this year. The Environment, Economy, Housing and Transport Board will reflect on any new announcements and review and update its policy positions accordingly.

#### Council house building

20. The LGA has been campaigning for a number of years for additional government support to enable and empower a national renaissance in council housebuilding to meet the housing needs of local communities.

21. The most recent recognition from government of the need to support councils to build more homes in the Levelling Up White Paper is welcome and there are positive signs that the lifting of the borrowing cap in 2018 is starting to support increased delivery. It will be important given recent political changes in government, to maintain the momentum on our campaigning work in this important area.

22. Right to buy reforms announced last year are expected to help further, but we are yet to see increased completions. Delivery is happening both through Housing Revenue Accounts and through Local Housing Companies (in some places through both) and we are also seeing councils who have not had stock for many years, starting to build again.

23. There is concern that despite local ambitions to deliver more, the council housing system is the scene of a perfect storm of pressure resulting from national, global and local pressures, which will impede the ability of councils to scale up new delivery (this is covered further in the next section). Demand for council housing also continues to rise with almost 1.2 million on housing waiting lists, as well as the additional need to find suitable housing for increasing numbers of refugees so that they can live independently.

24. There also remain a number of existing factors that continue to limit councils' ability to deliver at scale, and at pace. These include: remaining restrictions on use of right to buy receipts; rent caps; access to land and skills and capacity.

25. Proposed changes to the Minimum Revenue Provision legislation could also potentially impact on future housing delivery, particularly where councils are delivering housing through Local Housing Companies – schemes may cease to be viable and therefore not be built out. This is an issue that we are continuing to raise with government and we await the consultation on the new draft regulations, which we hope will address the concerns that we have raised.
26. Councils will also need to continue to demonstrate use of new flexibilities and their appetite to build. As well as continuing to influence the Department for Levelling Up we will also need to make the case for further flexibilities, powers and funding to both the Treasury and Homes England. Our [Future Foundations campaign](#) is helping to promote the benefits of building more council housing.

#### The future sustainability of Housing Revenue Accounts (HRA)

27. This remains a concern for stock-holding authorities. The self-financing settlement in 2012 distributed debt to stock-holding local authorities on the assumption that anticipated rent income would be sufficient to fund works to raise all homes to the Decent Homes Standard (DHS) and maintain them there, and to pay off debt over a 30-year period. The settlement is now ten years old, and its underlying income and expenditure assumptions have both been superseded.
28. To illustrate there a number of new and additional expenditure needs that have arisen since 2012 including:
- 28.1. Works and continuing management expenditure to ensure fire and building safety as required by the Fire Safety and Building Safety Acts
  - 28.2. Works to raise all local authority homes to at least EPC Band C by 2030, paving the way for full decarbonisation by 2050;
  - 28.3. The additional requirements recently proposed to be added to the Decent Homes Standard (Government consultation expected later this year)
  - 28.4. Additional costs currently arising from materials shortages in the aftermath of COVID, energy cost increases exacerbated by the Ukraine conflict, and rising inflation more generally.
29. The 2012 settlement also assumed HRA income based on annual rent increases of RPI + 0.5% plus an allowance for convergence to formula rents where this had not yet been achieved. This assumption was altered by Government decisions to end convergence and to reduce rents by 1% a year for four years from April 2016, which resulted in an estimated 12% reduction in average rents by 2020-21. Current Government policy limits increases to the Consumer Price Index (CPI) + 1% until 2025.
30. The government has recently published a [consultation](#) which will apply a new ceiling to maximum rent increases due to the very high rate of CPI inflation.

Inflation is placing considerable pressure on many households, including those living in social housing and is likely to continue to do so for many months ahead.

31. The proposal is for a 5% cap, whilst also seeking views on a 3% or 7% cap. This is because CPI was 10.1% in July 2022. If CPI remains at or above this level in September, this would permit social housing rent increases from 1 April 2023 to 31 March 2024 of 11.1% or more. Government consider that making a temporary amendment to the CPI+1% policy for 2023-24, which will apply to all Registered Providers will provide a backstop of protection for social housing tenants from significant nominal-terms rent increases.
32. In our [response](#) to the consultation launch we recognised the impact that rising living costs are having on social housing residents, but also raised concerns that a new cap on rent increases will significantly impact on housing providers' ability to provide critical services for residents and invest in new and existing homes. We have called for the government to commit to compensate for the impact of lower incomes as a result of any new cap both for 2023/24 and for future years. We will be responding to the consultation and have written to members of the EEHT, People & Places and City Regions Boards to capture further evidence on the impact of the proposals..
33. To illustrate, the impact assessment published alongside the consultation estimates that local authority rental income will be £2.5 billion lower in the 5% rent cap scenario over the period 2023-28. Adding in housing associations providers, the total rental income across all registered providers will be £7.4 billion lower. This is the consequence of the 5% ceiling being triggered in 2023-24 and costs continuing into subsequent years due to the effect of compounding. In contrast, there will be a £4.6 billion monetised benefit for the government arising from lower welfare expenditure (Housing Benefit or the housing element of Universal Credit).
34. In summary, the additional expenditure needs outlined in paragraph 26, combined with the government's policies on rent setting and Right to Buy are increasingly impacting on councils' ability to deliver their responsibilities as local housing authorities, as well as their housing delivery ambitions. As outlined above, it is likely that trade-offs will need to be made between these competing priorities in the current financial climate. Councils would need additional government investment or increased flexibilities to raise additional monies e.g. through increased rents if they were to deliver on all of these government agendas.
35. Council plans to build new genuinely affordable homes, including those for social rent, could also be impacted by the inflationary squeeze at a time when home ownership is becoming more unaffordable, and rents in the private rented sector are going up in many parts of the country. This is likely not only be an issue for councils, but also housing associations, and therefore could impact overall additional affordable housing stock levels across the piece.

36. We have commissioned research to provide a deeper understanding of the scale and cumulative impact of each of these challenges to Housing Revenue Accounts, looking primarily at the next 10 years. This research will provide further evidence to support our ongoing lobbying activity.

#### Social Housing regulation reform

37. Councils manage more than 1.6 million homes, carry out millions of repairs each year and invest billions in housing services.

38. Through our Future Foundations campaign, we are promoting the benefits of social housing and best practice in social housing management and tenant engagement.

39. The Government is now taking a [Social Housing Regulation Bill](#) through parliament which will strengthen the powers of the Social Housing Regulator to improve standards by taking a more proactive, regulatory approach. Our briefing on the second reading of the Bill can be found [here](#).

40. In particular, this will enable the Regulator to undertake periodic inspection of landlords with more than 1,000 homes. We are working closely with government and the Regulator to ensure that there is a proportionate, risk-based approach to any inspection regime.

41. As part of our support offer to councils on this agenda, we launched our [Social Housing Management Peer Challenge](#) offer at the LGA Annual Conference with an Innovation Zone presentation by [South Holland District Council](#), who took part in the pilot peer challenge. This support is being funded by UK government. We have already had a number of approaches from councils interested in taking up this offer.

42. We are making the case to government that a sector-led improvement approach, for example, through use of peer challenges and performance benchmarking, could provide a complementary, or alternative approach to formal inspection.

#### Further pressure on housing and homelessness services

43. In addition to the impact that Covid-19 has had on economic stability, the current cost of living crisis, in particular the rapid and ongoing escalation in energy costs, means that financial pressures for many tenants and homeowners will be further exacerbated. This could result in increasing numbers of people losing their housing, which will put increasing pressures on council homelessness services.

44. Additional pressures are also arising from increasing numbers of homelessness presentations as a result of breakdowns from the Ukraine family visa and sponsorships schemes, which members will be aware of. The most recent [data](#) shows that councils have now accepted homelessness duties for more than 1300 households. We are continuing to make representations to government for policy changes around rematching and funding, which we hope will go some way to alleviating these pressures. On 6 July 2022, the Prime Minister committed to

ensuring that Ukrainian families are able to cross over from one visa scheme to another.

45. A number of councils are also raising concerns about increasing private sector rents in many areas across the country, which combined with other inflationary pressures, could result in further presentations from households who can no longer afford to pay their rent. Furthermore, the government is currently [consulting](#) on the introduction of the Decent Homes Standard which currently applies in the social housing sector, to the private rented sector. Whilst the aims to improve the quality of the private rented sector are to be commended and broadly welcomed, there is real concern that if there are not appropriate transition arrangements for implementation, that this could result in an exodus of landlords from the private rented sector. This could have a significant impact on supply, which is already under pressure in many parts of the country, and likely further drive up private rents.
46. There were just over 95,000 households in temporary accommodation at end of March 2022, compared to 92,190 pre-pandemic. Increased levels of homelessness presentations will make an already creaking system worse.
47. The proposed abolition of Section 21 “no-fault” evictions has been welcomed by the LGA and will level the playing field between landlord and tenant. It will allow tenants to challenge poor, and unfair practice, without fear of retaliatory eviction. We welcome this reform, and in addition to providing a fairer PRS through enhanced security of tenure, we are hopeful this will help to prevent many cases of homelessness. The ending of a private rented tenancy was the most common reason for homelessness, accounting for 36.6 per cent of households owed a prevention duty between October and December 2021.
48. However, we have stressed that there need to be effective mechanisms in place to enable landlords the flexibility to recover their property when needed. We have welcomed the reformed grounds for possession for landlords who wish to sell their property and to allow landlords and their close family members to move into a rental property.
49. Members have had recent discussions on the cost-of-living crisis in which the work we are doing to ensure that councils can effectively support struggling households has been explored in detail. One of the key elements to help address this from a housing supply perspective would be an urgent step change in the delivery of council homes, which has been described earlier in this paper.

## **Implications for Wales**

50. Housing, planning and homelessness are devolved functions and therefore there are no implications for Welsh local authorities.

## **Financial Implications**

51. There are no immediate financial implications for the LGA.

## **Equalities implications**

52. This paper covers a broad range of policy issues, which in turn are likely to raise a range of equalities issues. The LGA continues to engage with government to make clear that it is vital that they undertake and publish equalities impact assessments for all proposed policy changes at the outset.

53. The government has not yet published an equalities impact assessment for its proposal to introduce a new ceiling on social housing rent caps. The impact of a ceiling could be widely felt by social housing tenants through reduced services, if appropriate financial mitigation is not provided for social housing providers. A [greater proportion](#) of more vulnerable groups live in the social housing sector compared to other tenures.

## **Next steps**

54. That the Board note this update and provide any comments to the Environment, Economy, Housing and Transport Board on the identified issues and the future direction of the LGA's lobbying and influencing work in this area.

55. Officers will proceed with delivery of the LGA's work on housing and planning, as directed by the EEHT Board.





## Climate change

### Purpose of report

For direction.

### Summary

This report summarises the LGA's policy and improvement programmes on climate change mitigation and adaptation.

### Recommendation

1. The Executive are asked to consider:
  - 1.1. Feedback on priority issues for future climate change policy and improvement activity, and how the LGA delivers those priorities

### Action

To be taken forward by officers as directed.

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## Climate change

### Background

1. Local government has recognised climate change as a significant and urgent issue and councils are leading impactful action. Councils are taking forward action to decarbonise their own operations and to lead decarbonisation across the wider community.
2. Councils and fire and rescue authorities have:
  - 2.1. some influence over 80 per cent of emissions from their places – including through leadership, behaviour change, community engagement
  - 2.2. direct influence over around 30 per cent of emissions – including through levers in housing, planning, transport, energy
  - 2.3. direct responsibility for 3 to 5 per cent of emissions – including through buildings, transport fleets
  - 2.4. direct responsibility for planning for and responding to extreme climate events such as floods, heatwaves and the associated risk of wildfires.
3. Councils and fire and rescue authorities report a wide range of significant challenges and opportunities to realise their full potential in both reducing emissions and supporting communities to adapt to the impacts of a changing climate. Primarily the challenges call for a framework for action, facilitation and support, funding, and local flexibility of delivery.
4. The LGA seeks to support councils and fire and rescue authorities with this effort, to promote the work with Government and partners, and to deliver on the vast opportunities for sector-led improvement.
5. **Progress to date - the role of councils is recognised in words though not action**
6. The LGA and our partners have had some success in ensuring councils are recognised as crucial to responding to climate change, and the need for action to realise this potential. For instance, within in the last year:
  - 6.1. LGA leaders at COP26 spearheaded the international effort to ensure the final international agreement of national governments included a recognition of the importance of local and regional government in reducing emissions, which wasn't present in the previous agreement.
  - 6.2. LGA political and senior officer engagement with Government Departments across Whitehall secured a chapter in the Government's Net Zero Strategy dedicated to local net zero, acknowledging the importance of councils and committing to address a range of issues the sector has identified, including on providing a simpler more

consistent funding landscape, providing clarity of the delivery ambition, supporting councils to build capacity, and developing data and understanding.

- 6.3. LGA are working closely with Government to shape and provide policy input on a range of issues including roles and responsibilities, funding, data, and capability and capacity.
7. Further, a range of influential voices have pressed for more local approaches including the National Audit Office, the Climate Change Committee, UKRI, CBI and many others.
8. There is positive national policy exploration on the role of councils and we need to ensure this leads to significant policy and funding change.
9. **Building on progress – headline policy offers and asks**
10. There is a national strategy for achieving emissions reductions and is taking forward a range of activity. The Climate Change Committee’s latest progress report to Parliament found the UK did not have a clear plan for reducing around 62 per cent of UK emissions. This includes issues on which councils have a critical leadership and delivery role, such as decarbonising heat and buildings. Further, last year the Climate Change Committee found that adaptation action was not at pace with the worsening reality of climate risk<sup>1</sup>.
11. ***Local government’s offer - headlines***
12. ***Councils can help lead place-based approaches to hit net zero targets in ways that cost three times less than a centralised approach and deliver twice the social and financial returns.***
13. New research has revealed dramatic benefits of joined-up, place-based approaches which can achieve significantly greater returns on investment, achieved primarily through decarbonising heat, buildings, and travel.
14. Accelerating Net Zero Delivery. from the UKRI report with PWC, University of Leeds, and Otley Energy, found that a centralised – or ‘place-agnostic’ - approach would take £195 billion of investment in things like heat pumps, insulation, and electric vehicles, to meet the targets set out in the sixth carbon budget; and would release £57 billion of energy savings, and £444 billion of wider social benefits over the next 30 years.
15. By contrast, under a scenario taking a place-specific approach, £58 billion of investment would be needed to meet the same targets. In the process it would generate £108 billion

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<sup>1</sup> <https://www.theccc.org.uk/publication/independent-assessment-of-uk-climate-risk/>

of energy savings for consumers, and £825 billion of wider social benefits over the next 30 years.

**16. *Councils can help make and shape net zero markets, and leverage in private capital, as the central driver of future economic growth***

17. Local approaches to net zero are critical for understanding, planning, targeting, and connecting the range of interventions needed to enable the 'ready to pay' markets to grow, maximising the role of net zero in achieving growth and productivity.

18. For instance, regards housing, councils can develop strategies that link public investment in retrofitting homes to local efforts to build supply chains and green skills to pump-prime market growth. The LGA has demonstrated there are opportunities for well-paid careers in the green economy. Councils can set the signals on the most appropriate technical solutions for different areas and help strategically build the necessary grid capacity.

19. As leaders in the community, councils can connect this with strategies to inspire households to invest themselves, connecting and mobilising public services and community groups – as they did in the Covid-19 pandemic – to create an offer that provides advice, protections, and incentives to support residents make the decision to decarbonise their homes.

20. Furthermore, there are projects beginning to demonstrate that councils are uniquely able to build a pipeline of net zero projects with the scale to crowd in significant levels of private capital. Subject to capacity, technical skills and a clear public finance landscape, councils can lead a step change in private investment essential to the transition.

**21. *Councils can maximise the co-benefits to tackle the cost of living, protect health, build energy security***

22. Councils are uniquely able to connect the local path to net zero while helping resolve some of the immediate challenges and concerns facing families.

23. For instance, as a central fixture of the local welfare support system, councils can combine efforts to support people with the cost-of-living crisis with advice and the basic energy efficiency measures that reduce energy bills. Our LGA analysis shows that inefficient homes will lose a total of £8.6 billion in energy waste through leaky homes over the next two years. In addition, leaky homes will cost taxpayers over £4 billion as Government subsidises costs via the Energy Price Guarantee.

24. Similarly, the public health dangers of cold homes in the winter or extreme heat in the summer can be reduced by councils connecting health services with efforts to improve energy efficiency. For instance, over 60 per cent of over 65s live in the least energy

efficient homes. Wider action to promote active travel, increase the prevalence and availability of nature and green space, and improve air quality are also other primary objectives that councils can best bring together in places.

25. And councils are uniquely able to match growing demand with building the local skills and career pathways supporting social mobility. For instance, current salaries in the retrofit sector show that there is an opportunity to develop highly skilled vocational roles on good salaries that promote productivity and local prosperity.
26. ***Councils and fire and rescue authorities can help close the widening gap between the climate risks and our readiness***
27. Public interest, concern and engagement with our adaptation effort will likely grow in the years ahead as the frequency and intensity of extreme weather events escalate, and the impacts on health, quality of life, and the economy grow.
28. Councils, along with fire and rescue authorities, will play a central role in adapting, preparing, and responding to the majority of the sixty-one climate risks identified by the UK's Climate Change Risk Assessment. They can leverage their influence as community leaders and conveners, with responsibilities across housing, planning, transport, infrastructure, environment, environmental health, public health, welfare, emergency planning and response, community safety and more.
29. Like net zero, the adaptation effort will require every part of our society and economy, the scale of adaptation is significant and predominately place-based. Councils and fire and rescue authorities can be central to closing the widening gap between the level of risk we face and the level of adaptation underway. For many local authorities, this starts with considering the level of vulnerability and role of their own services in extreme weather.
30. ***Local government's ask – the headlines***
31. ***Rapidly tackle the energy crisis in ways that accelerate the long-term transition to net zero and drive economic growth***
32. Councils have the knowledge, levers and partnerships to move at pace in supporting communities with rising energy bills, while developing capacity for the transition to net zero in energy, housing, and transport.
33. In the short term, Government could bring forward net zero investments into a rapid decarbonisation delivery scheme, allocated to all councils to use in ways to achieve a set outcome free of all Whitehall restrictions, for instance on how funding is used and how quickly it is spent. This will give councils maximum flexibility to take the local opportunities or remove the local barriers to rapidly help communities to reduce energy

in short term while building capacity for the long-term transition to net zero. Further, every saved unit of energy would directly reduce the cost incurred by Government via the Energy Price Guarantee.

**34. *Councils need a long-term climate change policy, delivery, and investment framework to 2050***

35. Councils and fire and rescue authorities want to be joint partners in the developing a net zero and adaptation delivery and investment framework. The framework would align and clarify national and local leadership and delivery roles across priority issues such as decarbonising heat and buildings, transport, energy, protection of habitats and ecosystems and nature recovery. It would seek to provide long-term certainty.

36. The current approach will unlikely leverage the potential of place-based approaches, due to gaps in powers, policy and funding barriers, and a lack of capacity and skills at a local level'. Without some level of local coordination, the UK risks pursuing a fragmented strategy towards net zero and climate adaption which is slower, more expensive, and less effective.

**37. *Councils need place-based funding allocations over time***

38. The funding landscape is centralised, complex, increasingly competitive, and uncertain, where councils are forced into chasing for small pots of investment from a wide range of shifting funding streams.

39. The competitive approach limits the scope for strategic, coherent place-based approaches, and the social and financial benefits this returns. It doesn't enable councils to develop projects of the scale and ambition to attract the private capital. It creates bureaucracy and duplication within central and local government. It stifles innovation. And it means some areas do not receive any funding at all.

40. As part of a wider net zero delivery and investment framework, local and central government should work together to develop broad multi-year place-based funding allocations to deliver the range of agreed objectives – for instance to support housing retrofit and decarbonisation, decarbonise transport across places, and spearhead the nature recovery.

**41. *Councils and fire and rescue authorities need support to help build organisational capacity and capability***

42. Most of the councils' revenue spend on climate change is from its core budget, through services like housing, economic development, planning, transport. Councils will find it more difficult to fund this work as wider cost and service pressures grow. This capacity is critical to developing the projects and attracting capital investment that deliver net zero

on the ground, however it is significantly limited due to wider financial and service pressures where councils have statutory duties.

43. Fire and rescue services need to be funded to risk. During this summer's heatwave and the resulting wildfires, a number of services saw their busiest days since the Second World War. 14 services declared major incidents due to the level of demand they faced and the impact on mutual aid arrangements of fires across wide geographic areas. Services are also responding to increasing numbers of flooding events during the winter months, and they need support to build the expertise and capabilities to respond to extreme weather events throughout the year.
44. Local and central government should review and explore the critical areas to build capacity in councils and fire and rescue authorities, linked to the wider delivery framework and place-based allocations. Working with the LGA, Government should help all councils and fire and rescue authorities build in-house capacity, to share and pool resources, and consider national or regional technical assistance support in key areas for instance in bringing forward projects suitable to private capital investment.
- 45. Specific issues - LGA policy lobbying work programme**
46. The LGA is developing a range of activity to provide detailed propositions for how local and central government can work together to deliver decarbonisation. The tables below introduce some of the priority policy and improvement work packages either recently completed, underway, or in final planning.
47. Policy projects underway or planned:
- 47.1. Supporting the sectors contribution to the national policy development.
  - 47.2. Local and national collaboration on climate change adaptation
  - 47.3. An offer on local role in decarbonising heat and buildings by 2050
  - 47.4. Energy efficiency and cost of living
  - 47.5. Power of neighbourhood decarbonisation
  - 47.6. Overcoming challenges in social housing decarbonisation
  - 47.7. Electrification, councils and the future of the grid
  - 47.8. Financing green ambition, options, and reforms
  - 47.9. Shaping the Electric Vehicle Charging Infrastructure
  - 47.10. Influence National Bus Strategy, support Bus Service Improvement Plans
  - 47.11. Case for resources into highways, cycling and walking
  - 47.12. Research into council views on road pricing
  - 47.13. Project on the opportunities and challenges in last mile freight
  - 47.14. Research into issues of shared micro-mobility and car clubs
  - 47.15. Convening partners shaping to Green Jobs Delivery Group
  - 47.16. Engagement on waste reforms, and promoting circular economy
  - 47.17. Position on Emissions Trading Scheme

- 47.18. Strategy for nature recovery – including bio-diversity net gain, local nature recovery strategies, nature recovery network
- 47.19. Responding to extreme weather events, wildfires, floods etc
- 47.20. Responding to a range of other Government led policy change.

#### **48. Building on progress, the support offer to councils**

49. The aim of the [LGA's Climate Change Sector Support Programme](#) is to help councils to reach their local carbon reduction and adaptation targets. We produce tools, guides, podcasts, webinars, action learning sets and projects to help build councils' capability and capacity in sustainability and the environment. To date this has included:

- a) 18 webinars attracting a total audience of almost 3,000;
- b) over 130 councillors attending one of our Leadership Essential courses
- c) 51 councils supported to develop climate action plans;
- d) 288 councils accessing our Greenhouse Gas Accounting Tool

50. More detail about these and other support around climate change can be found through the following link: [Climate change hub | Local Government Association](#)

51. Since April 2021, 98 per cent of English councils have engaged with the LGA Climate Change Sector Support Programme. The LGA climate change 2021 survey found that 95% of respondents reported that the LGA Climate Change Sector Support Programme has had a positive impact on their council.

#### **52. LGA political governance**

##### Policy

53. The LGA's Environment, Economy, Housing and Transport Board has overall policy lead for climate change and environment policy, as well as the detail of decarbonisation of homes, transport, and energy. All LGA policy Boards consider climate change to varying extents. For instance, the LGA City Regions and People and Places Boards lead on green skills, and the LGA Safer and Stronger Communities Board leads on resilience and emergency planning.

54. The LGA has also established a Climate Change Task Group, providing the central interface with Ministers and senior partners on climate change matters.



### Improvement

55. The LGA Climate Change Sector Support Programme reports to the LGA Improvement and Innovation Board.
56. In 2020, an Improvement and Innovation Board climate change working group was set up. This is chaired by Councillor Liz Green, Vice Chair of the Improvement and Innovation Board. The group is cross-party and is in-line with LGA proportionality. The primary objective of the working group is to provide advice and guidance on the development of the LGA's Climate Change Sector Support Programme around supporting councils to address climate change at a local level.
57. It is funded by the Department of Levelling Up, Housing and Communities as part of the sector support programme. The LGA and DLUHC have a grant agreement setting out key performance objectives for the 2022/23 financial year. Discussions are about to begin with the department about the sector support programme for 2023/24 and the Executive Advisory Board views are sought on the current programme of support on climate change and whether there are new areas of support that councils would benefit from.

### **Implications for Wales**

58. Climate change is a devolved issue, and the Welsh Government sets its own emissions reduction targets. It has set a binding target for Wales to reduce its emissions 63% by 2030 and achieve net zero by 2050. The LGA and WLGA meet regularly to discuss joint approaches to supporting improvement and policy development.
59. Some issues require collaboration between English and Welsh local government, for instance working on nutrient neutrality in river catchment areas.

### **Financial Implications**

60. All within the LGA's policy and improvement budget

### **Equalities Implications**

61. Climate change impacts and opportunities do not impact equally at the global, national, or local level.
62. The LGA is committed to supporting a 'just transition', that is to ensure that the substantial benefits of a green economic transition are shared widely, while also supporting those who stand to lose economically, whether that is regions, industries, communities, workers, or consumers.

63. A just transition concept links to 14 of the 17 Sustainable Development Goals and forms an integral part of many of the global commitments adopted by countries, including the international agreement reached at COP26 in Glasgow.

**Recommendations and next steps**

64. The Executive are asked to consider:

64.1. Feedback on priority issues for future climate change policy and improvement activity, and how the LGA deliver those priorities