

5 January 2017

General update

Purpose

For information.

Summary

This report provides an update on a number of areas of work within the Environment, Economy, Housing and Transport work programme which do not appear elsewhere on the agenda.

Attached as **Appendix A** is a joint letter from EEHT & Culture, Tourism and Sport lead members to the Rt Hon Karen Bradley MP, Secretary of State for Culture, Media and Sport on the European Capital of Culture.

Recommendation

That the Board notes the updates in the report

Action

Any actions to be taken forward as directed by members.

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General update

Clean Air Zone submission

1. DEFRA recently consulted on the implementation of Clean Air Zones in England. In the national air quality plan for nitrogen dioxide, published in December 2015, Government committed to consulting on the draft framework for Clean Air Zones in 2016. The plan also set out that the Government would require the implementation of Clean Air Zones in five cities (Birmingham, Derby, Leeds, Nottingham, Southampton).
2. The consultation sought views on the draft Clean Air Zone Framework, which sets out how Clean Air Zones should be implemented, and on the draft regulation mandating the implementation of Clean Air Zones in the five cities along with the associated impact assessment.
3. The LGA responded by welcoming efforts to improve air quality, and noting that the framework highlights some of the necessary measures to do so. However;
 - 3.1. The framework is not ambitious enough and will not drive the national improvement that is needed.
 - 3.2. The framework does not acknowledge how difficult the measures will be to deliver.
 - 3.3. The powers proposed are not backed by the resources needed to make them realistic, specifically ongoing revenue funding.
 - 3.4. There is considerable uncertainty about the assumptions underpinning the strategy after the Client Earth judgement.
 - 3.5. There is considerable concern about the legal basis of a CAZ and how any penalties will impact authorities based on the points above.
4. Despite our reservations about the framework the LGA is supportive of the proposed measures and we would rather the Government improves the approach as a result of consultation and engagement rather than delaying it any further.

Congestion submission

5. The Transport Select Committee is carrying out an inquiry on urban congestion. Its aim is to identify cost-effective and safe strategies for managing limited road space in towns and cities, minimising disruption to local communities and businesses, and keeping urban traffic flowing. The LGA has submitted written evidence.
6. The LGA has replied to say congestion in our town and cities has a major cost for society, the economy and councils. It affects all road users, and can result in lost productivity, affect the viability of public transport and increase social isolation. Local councils that are also highways authorities have a responsibility to make best use of existing roads for the benefit of all road users. However, councils' powers are curtailed in ways that reduce their ability to manage congestion.

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7. Greater powers should be given to local authorities to tackle urban congestion. We would like the following to be available for all local authorities who wish to make use of them:
 - 7.1. Powers to manage street works including lane rental
 - 7.2. The discretion to introduce workplace parking levy
 - 7.3. Full implementation of Part 6 of the Traffic Management Act 2004.
8. The funding streams available for tackling congestion and investing in infrastructure are too complex and overly bureaucratic. Currently funding is provided on a competitive basis by a number of different funders in a variety of different funding regimes. The Government's commitment to simplify transport funding for areas with devolution deals is a positive step, but all authorities need a simplified regime in order to take local decisions on how to best combat congestion. Long term certainty of funding should be made available to the sector and it should not be dependent on governance arrangements.
9. Finally we would like more co-operation with partners who deliver national infrastructure. We are calling on the Government to ensure Highways England can demonstrate how its schemes will mitigate the impact of congestion on local networks. It is important that funding from the Road Investment Strategy should also be spent on local networks.

Bus Services Bill

10. The Bus Services Bill has now completed its passage through the Lords. It has had its first reading in the Commons and is currently awaiting a second reading. The Bill gives local authorities in England the power to franchise bus services. It also introduces a new regime of partnership working for areas that do not wish to pursue franchising.
11. The LGA supports the overall aims of the Bus Services Bill. As the most used form of public transport, buses support local economies by connecting communities and providing access to vital public services and jobs. The current bus franchising system needs to be reformed as the current system is too bureaucratic and expensive to pursue. Local transport authorities need a more effective set of powers to improve services for local residents, and reverse the decline of services in areas outside London.
12. During its passage through the Lord's a number of amendments to the original bill have been passed. Of particular interest to local authorities are:
 - 12.1. Amendment to clauses 4-6 of the bill to allow all authorities the automatic access to franchising powers not just those with elected Mayors.
 - 12.2. Amendment to clause 21 removing restrictions on local authorities' ability to set up new municipal bus companies.
13. The Bill returns to the Commons in the new year. We are in ongoing discussions with the DfT about the guidance and secondary legislation that will enable the bill. We expect formal consultation on these elements in the New Year and are pressing the Government to make the powers to either franchise, or agree a partnership as simple as possible.

Highways England growth report

14. Highways England operates, maintains and improves England's strategic road network (SRN) – the country's motorways and major A roads. Highways England has published a strategic economic growth discussion paper for maximising the economic contribution of the SRN entitled the Road to Growth.
15. We are pleased that Highways England is examining the economic impact that its decisions will have and in particular we welcome Highways England's commitment to review how it can help deliver local growth. In order for this approach to be a success it needs to be embedded in local teams. We will only be able to measure the success of this commitment to local growth by the strength of the local partnerships that are created.
16. The LGA intends to respond to the discussion paper highlighting:
 - 16.1. Local authorities have a wider remit than other areas of the public sector and therefore need the strongest possible engagement from Highways England.
 - 16.2. We would welcome recognition within Highways England's vision that the strategic route network plays a role within a wider road and transport network.
 - 16.3. Local authorities would particularly welcome a greater recognition of the fact that almost all journeys start and end on local transport networks and therefore local economies will grind to a halt if the interchange between the two networks is not properly integrated.
 - 16.4. By concentrating on those businesses that are heavily dependent on the SRN Highways England risks only prioritising its spend on those places where the SRN is already able to provide for businesses, potentially at the expense of other businesses.
 - 16.5. We believe there is a case for Highways England to examine whether they could achieve better value for money through supporting investments in local networks.
 - 16.6. We would like to know how Highways England intends to incorporate the work of Rees Jeffery Fund on a major routes network into its work on economic development.

Meeting with Rt Hon Therese Coffey MP, Parliamentary Under Secretary of State for the Environment and Rural Life Opportunities, Defra

17. Councillor Martin Tett met Dr Therese Coffey MP, Parliamentary Under Secretary of State for the Environment and Rural Life Opportunities, on 22 November to discuss areas of mutual interest on the environment, rural issues, flooding, air quality and waste management. It was a positive first meeting and the Minister is keen to build on the relationship and set up further meetings.

Autumn Statement

18. The Chancellor of the Exchequer, the Rt Hon Philip Hammond MP, delivered his Autumn Statement to Parliament on Wednesday 23rd November 2016. The LGA on the day briefing can be found [here](#). The key messages for the board include the consultation on the New Homes Bonus, measures to boost affordable housing, the announcement that Pay to Stay is to become voluntary, the creation of a National Productivity Investment Fund, clarity on how a proportion of the £700m additional funding for flood defences would be spent, and awarding an additional £1.8 billion to Local Enterprise Partnerships.

Provisional Local Government Finance Settlement 2017/18

19. On Thursday 15th December 2016 the Government announced the provisional local government finance settlement for 2017/18. The final 2017/18 settlement will be laid before the House of Commons for its approval in February 2017. The key messages for the board include the lack of new money in the settlement, the changes to the social care precept and the reallocation of savings from the reform of the New Homes Bonus to social care. The LGA's on the day briefing can be found [here](#).

New Homes Bonus

20. As mentioned above, the Local Government Settlement announced the reduction in the New Homes Bonus (NHB) of £241 million. Local authorities will need to achieve growth of greater than 0.4 per cent before they receive any NHB funding. This is higher than the threshold consulted upon this year and the Government may change this threshold in future years if there is a significant increase in housing growth. The LGA on the day briefing said:

- 20.1. The NHB makes up a considerable part of funding for some authorities particularly shire district authorities. The reduction is intended to deliver savings to fund increases to the Improved Better Care Fund. However, for many authorities this leads to a net reduction in resources not helped by the fact the changes have been announced so close to the start of the 2017/18 financial year.
- 20.2. The introduction of a baseline could remove any incentive to grow in relatively low growth areas and penalises areas with limited opportunity to grow.

Publication of the LGA Housing Commission

21. The Board launched the final report of the [LGA Housing Commission](#) on Thursday 22 December in advance of the Housing White Paper that is likely to be published by Government in January 2017. Following extensive engagement with over 100 partners the final report makes 37 recommendations for how local and national government can work together to: build more of the right homes in the right places; to create prosperous and well-functioning economies; to help more people into work and to increase their earnings, and; to better meet the housing needs of our ageing population.

Homelessness Reduction Bill

22. The Homelessness Reduction Bill will likely gain Royal Assent in the new year, placing further duties on local government. We have worked hard to remove some elements of the original Bill that would have been unworkable for many councils to deliver. It is in a better shape now, but we will continue to push for adequate resources to deliver new duties, and for wider housing and welfare reforms that will be crucial to delivering ambitions to reduce homelessness.

Neighbourhood planning bill

23. We have briefed MPs in advance of debates on the Neighbourhood Planning Bill as it has worked its way through the House of Commons. In particular, stressing that the Bill could do more to help the Government achieve its ambitions on speeding up the delivery of new homes and to enable local authorities to deliver responsive planning services through adequate resourcing. The LGA has been quoted widely by MPs in their discussions including our concerns about the proposed reforms to the use of planning conditions, local development plans and our research on office to residential permitted development rights. Cllr Tony Newman gave evidence at the Public Bill Committee which focused on the provisions of the Bill which restrict the use of pre-commencement planning conditions. He highlighted the LGA's view that the reforms are unnecessary and as well as raising the LGA's call for locally set planning fees. We will continue to work with Parliamentarians to shape the Bill as it works its way through the House of Lords early in 2017. LGA briefings on the bill can be found [here](#).

European Capital of Culture

24. On 16 December the Secretary of State for Culture Media and Sport announced that a nationwide competition to find the 2023 European Capital of Culture has been launched. The competition process has two selection phases and lasts two years. The winning UK city will be announced by the end of 2018. Following the Board's last meeting a joint letter from the EEHT and Culture and Tourism Board was sent to the secretary of state seeking clarity on the continuing eligibility of UK cities to European Capital of Culture funding. Information on the competition can be found [here](#). The Boards' letter to the Secretary of State can be found attached as **Appendix A**.