

## EEHT Key Issues Paper

### Purpose of report

For direction.

### Summary

This report is intended as an update of the work that has been underway in the LGA on EEHT themes during the crisis, but also as a basis for discussion of the issues we should be addressing going forward. Elsewhere in the agenda we pick up these themes in a proposed repurposed work programme.

### Recommendation

That the Environment, Economy, Housing and Transport Board reflect and provide comments on the issues raised in this paper.

### Action

Officers will take action as directed.

<b>Contact officer:</b>	Eamon Lally
<b>Position:</b>	Principal Policy Adviser
<b>Phone no:</b>	0207 664 3132
<b>Email:</b>	Eamon.lally@local.gov.uk

## EEHT Key Issues Paper

### Background

1. Since early March the work of the LGA has been focused almost exclusively on supporting councils as they serve their communities during the COVID-19 emergency. This has meant: working quickly with Government as it puts in place enabling legislation; helping to shape Government guidance on a range of issues; supporting the sector in its call for additional funding; and helping councils to deliver new services, such as the payment of grants to small businesses.
2. The Government has now introduced a new COVID alert system with five alert levels that will influence the rate and degree to which we exit from the emergency measures announced on 23 March. The alert level is determined by the number of cases and the R number, or transmission rate, of the virus. Level five is the most critical, and the UK is currently ready to move from level four to three. The timing and pace of the exit from emergency measures will impact in various ways across the Board's themes, not least on the scale of the economic impact.
3. We will recover into a changed economic, social and environmental context. The Board will want to consider its work programme under each of its themes to assess how the work areas need to adjust and to identify new priorities. Item 4 of the Board agenda will provide an opportunity for members to discuss proposed updated priorities and a corresponding work programme.
4. This report addresses the key issues that arise associated with the current position, including policy and legislative changes that are supporting councils, and brief updates on policy areas. It looks at some of the pressures that councils are facing and will face as the country begins to exit from the emergency measures and discusses the recovery phase and how we begin to articulate the future role and work of the Board.

### Housing and planning

#### *Current measures*

5. On housebuilding, whilst the Government has advised that they can remain open, a significant number of construction sites across the country remain closed, including local authority new build programmes. This has obvious implications for the planned delivery of new homes. It also means some councils may fail to meet 5-year housing land supply and Housing Delivery Test requirements which puts them at risk of speculative planning applications. The LGA has asked Government to suspend the presumption in favour sanctions relating to these two measures.

6. Separately, the closure of construction sites means that some councils are at risk of having to return unspent Right to Buy receipts to the Government, that would otherwise have been used to replace homes sold under the scheme. The LGA has asked Government for an extension to the three-year spend period to at least five years.
7. There are also a number of income and cost pressures which may affect the future financial sustainability of Housing Revenue Accounts (HRA), including increased levels of rent and service charge arrears; void losses and loss of development income. There is a risk that these could have an impact on both councils' ability to deliver their responsibilities as local housing authorities as well as their housing delivery plans. This is in addition to other increased costs as a result of building safety reforms, as well those arising from a potential revised Decent Homes Standard, and a proposed Future Homes Standard. The LGA continues to raise these concerns with Government and will look to commission further work to understand the impact of COVID-19 on the HRA.
8. On planning, councils are continuing to consider applications and engage with local communities, despite the inevitable disruption from staff sickness and deployment of staff in some areas to support the frontline response to COVID-19.
9. The Government has been clear that councils should prioritise decision-making to ensure the planning system continues to function, especially where this will support the local economy.
10. Now that the necessary regulations are in place, many councils are taking forward remote planning committees for applications that need to be considered via that route. However, planning teams require additional flexibility in carrying out their duties. The LGA has asked the Government for further support in several areas to enable councils to continue to deliver planning services as effectively as possible during the COVID-19 outbreak. This includes: flexibility on the publicity requirements for planning application and Local Plan processes; flexibilities on statutory timescales; clarity on site visits; flexibility to temporarily defer Community Infrastructure Levy (CIL) payments; streamlined powers to extend permissions which are due to expire and a temporary suspension of the ability to appeal against non-determination.
11. We have also made clear to the Government that any proposals to allow working hours on construction sites to be extended need to be negotiated with the relevant local authority, so that they can take into account any impact on local residents and businesses.
12. It is also important that the plan-making process continues to move forward where possible so that councils can get up to date plans in place. This will ensure that councils are on a positive footing for economic recovery. The LGA has asked the Government to issue guidance to the Planning Inspectorate to expedite the examination and adoption of Local Plan through a flexible light-touch approach and use of technology solutions which

enable virtual discussion and document sharing. For example, where there has already been a hearing, to allow completion through written representations. We have also asked for the requirement that councils make planning documents available at their principal office to be removed.

13. The Planning Advisory Service (PAS) have pulled together a series of resources, including Frequently Asked Questions, to support councils to change planning services in response to the outbreak and share good practice.
14. On council housing management, we have raised with Government a number of issues that have been hindering the ability of councils to deliver their responsibilities as local housing authorities and also their statutory homelessness duties. This has included the availability of parts, labour and equipment for urgent repairs and void works; transfers in and out of social tenancies and allocations and the need for clarity and flexibility regarding compliance with safety/regulatory standards e.g. gas safety checks, lift maintenance. In response the Government has provided some further guidance, particularly around local authorities responsibilities as both landlords and enforcement authorities and on allocations and transfers. Many of the issues around sourcing parts and equipment have now been resolved, but there remain some residual challenges.
15. On the private rented sector, councils are concerned that that there may be a spike in evictions once the emergency legislation extending the statutory notice period from two months to three and the 90-day suspension of possession proceedings is lifted. This could lead to increased flows into homelessness.
16. We welcomed the recent announcement from Secretary of State, Robert Jenrick that the Government are working on proposals to ensure added protections for tenants once the emergency measures are lifted but await further detail.

*Recovery and future work*

17. We have seen a number of housebuilders return to construction from early May and expect more to follow over the coming days and weeks. This is positive news for housing delivery, but it will critical that this is done in a way which ensures the safety of workers on construction sites and avoids becoming a contributory factor to the spread of COVID-19.
18. In order to proactively address the challenge of building more homes in the wake of the pandemic, it will be increasingly important for councils to play a key role in both delivery of their own house-building programmes, but also in enabling the private sector to bring forward much needed development. We have started work on the development of a package of housing stimulus proposals that would enable councils to build more affordable, high quality and sustainable homes at scale, and at pace. This will include proposals for Right to Buy reform e.g. 100 per cent receipt retention, increasing the

proportion of receipts that can be used to meet the cost of a replacement home, ability to combine receipts with other Government funding streams.

19. The Board may also wish to consider what outcomes it would want from any potential stimulus package to support the private sector, and the role councils could play in supporting delivery of homes that meet the needs of local communities through their role as leaders of place.
20. In the light of COVID-19, the planning system is once again likely to face increasing scrutiny and there are already calls from some industries for a relaxation/simplification of planning rules to support economic recovery. We also still await the publication of the Government's Planning White Paper which is likely to reflect on how the planning system might effectively support recovery into a new economic environment.
21. Whilst it is too early to speculate, there is also potential for fundamental changes to the ways in which people live, work, play and travel in the future as a result of COVID-19. Councils, as leaders of place, will become more important than ever in ensuring the development of resilient local areas that meet current and future needs. The LGA will need to continue to advocate for a properly resourced local plan-led system and resist proposals that reduce local decision-making. We will continue to engage with MHCLG as they develop proposals for the forthcoming Planning White Paper.
22. Other projects which were underway before the COVID-19 outbreak are still on track for completion. These include a research report and practical toolkit for councils on improving the quality of the private rented sector and a report looking at the different models of partnership working between councils and housing associations that are enabling delivery of new homes.

## **Homelessness**

### *Current*

23. Councils' homelessness services are experiencing significant demand pressures as a result of COVID-19, and work from the LGA and central Government has focused on supporting councils to manage these pressures. LGA work on homelessness prevention and out of area placements has consequently been paused, with a view to repurposing as we move towards supporting councils with recovery.
24. One of the most immediate concerns for councils has been around the availability of accommodation for people who are least able to self-isolate, i.e. people sleeping rough or in dormitory-style accommodation. This work was made particularly urgent by the Government directive issued on 26 March, which stated that councils were to accommodate all people in this cohort (the "everyone in" directive).

25. MHCLG interventions to support with this have included the release of a £3.2 million emergency fund to accommodate rough sleepers, alongside two allocations of un-ringfenced funding totalling £3.2 billion. Government has also been working with accommodation providers including hotels to ensure that they can be available for local authority placements.
26. As a result of significant local efforts, 90 per cent of people on the streets at the beginning of the crisis and known to local authorities have been offered accommodation. This equates to over 5,400 rough sleepers.
27. The LGA has been liaising with MHCLG to highlight key areas where further support is needed to minimise public health risks and guide local approaches. We are asking for guidance on how councils should be delivering their duties under the Homelessness Reduction Act, e.g. conducting assessments, fulfilling administrative requirements. Limited guidance for councils from national Government means that homelessness teams are uncertain about how to deliver their duties under the Act in the context of extraordinary service pressures.
28. Councils are reporting issues relating to being able to effectively support the large numbers of people who have been accommodated. We are working with Government to highlight that the lack of national-level guidance poses a potential public health risk, due to a lack of clarity on personal protective equipment (PPE) and limited resource being allocated by the NHS towards supporting safe accommodation placements.
29. Council homelessness teams are taking a role in coordinating and providing support for homeless people. This includes providing them with accommodation, support services including for substance dependency, and additional support such as food, transport (where needed), supporting with claiming benefits, and personal items. Councils are also facing increased costs from staffing due to new working arrangements and increased sickness. This combination of higher demand and exceptional costs is having a significant effect on councils' financial reserves and the funding for homelessness services should be increased.
30. Councils are seeing continued flows into homelessness and rough sleeping, creating an urgent need for more temporary accommodation. This is likely to increase as the lockdown continues, due to increased incidences of domestic abuse and family breakdown, and discharge from hospital and prison services. We are asking Government to continue to support councils to identify and procure accommodation for placing people experiencing homelessness.
31. Councils have expressed concerns that the costs incurred from accommodating and supporting individuals since the "everyone in" directive may not be fully met by Government. We have urged MHCLG to demonstrate a commitment that additional demand-related costs will be met, alongside the costs of delivering business as usual

services with reduce income flows. We have also requested clear and consistent communications from Government departments about which funding streams are available to meet accommodation needs, including for individuals with no recourse to public funds.

32. The LGA has responded to the HCLG select committee inquiry on the impact of COVID-19 on private renters, rough sleepers and homeless people. We have highlighted the above concerns in our response, as well as issues relating to recovery and future work.

*Recovery and future work*

33. Councils are currently accommodating significant numbers of people on an emergency basis, many of whom might not meet the criteria for statutory homelessness support. We are concerned that there is a longer-term reputational and public health risk arising from the lack of clarity around a national-level 'exit strategy' for the large numbers of people who have been accommodated on an emergency basis. This risk is particularly acute for individuals with no recourse to public funds, as local authority support is unfunded.
34. We have highlighted to Government that councils require urgent clarity on how they are expected to support the large numbers of people who are currently being accommodated on an emergency basis once the lockdown period ends in the forthcoming weeks. Significant Government intervention will be required to ensure that individuals are supported to move onto safe accommodation with appropriate support once the lockdown period ends.
35. On 2 May, MHCLG announced a taskforce, to be led by Dame Louise Casey, which aims to support councils in moving rough sleepers into sustained accommodation beyond the lockdown period. The taskforce will seek to engage with the LGA and with a group of senior local government officers, although the mechanism for engagement has not yet been detailed.
36. Work is also underway to explore how the LGA can directly support councils' homelessness services to plan for recovery and minimise the possibility of releasing large numbers of people back into street homelessness. We are looking to commission a resource for councils to support them to identify and procure temporary and secure accommodation.
37. In terms of wider homelessness, there are concerns that statutory homelessness services will experience a longer-term increase in demand after the lockdown period ends, and particularly once the ban on evictions has been lifted.

## **Environment**

38. The Environment Bill and the Agriculture Bill are the main routes for Government to deliver the 25-year environment plan and will put in place key reforms such as reform of waste and recycling services and biodiversity net gain in new development. Both pieces of legislation have been paused and while they are still stated as a priority for Government it is unclear what the next steps will be.
39. Household waste and recycling services have been disrupted during the COVID-19 outbreak due to sickness levels and new operating practices to observe the 2-metre distancing rule. Core collection services of residual waste and recycling have been sustained with minor disruptions. Many councils temporarily suspended bulky waste and garden waste services, but these are recovering. Most household waste and recycling centres closed following the announcement of social distancing measures, allowing staff to be redeployed to other duties. Defra has issued non-statutory guidance to councils asking that household waste and recycling centres (HWRCs) should re-start as soon as possible to allow residents to dispose of waste where this is essential. Re-starting HWRCs is a local decision, as Government has recognised. Councils are making changes to HWRCs to allow for social distancing and to manage high levels of demand. Councils are reporting additional costs due to the impact of COVID-19 on waste services, which are likely to continue while social distancing rules are in place.
40. While policy development on climate change has been paused, projects commissioned from external suppliers have largely stayed on track, including research into decarbonising transport, and the development of renewable energy. Work is also underway looking at the potential to create green jobs, and a guide for scrutiny of climate change work.
41. We have engaged with most of the councils currently engaged in producing clean air plans, as a result in being mandated by DEFRA to bring NOx levels down to comply with legal limits. There is concern that the current crisis may have an impact on the legal basis for any proposals as well as the policy direction the Government decides to take on this issue. We will be seeking urgent guidance for how authorities should proceed especially regarding public consultation and the modelling of any measures.

### *Recovery and future work*

42. It will take some time for waste and recycling services to return to normal. Additional safety measures may need to be in place for some time, increasing costs and reducing capacity to collect waste. Restarting collections will need co-ordination with the waste industry to ensure that there are markets for material e.g. large electrical item. Prices and demand for recycled materials are likely to remain volatile and will be affected by global markets. There will need to be a period of transition and councils will have to manage pent up demand for services such as household waste and recycling centres.

43. Local Partnerships has completed a research project for the LGA on renewable energy. This identifies good practice to help councils understand the risks and opportunities associated with the development, purchase and ownership of large-scale renewable energy generation assets. The second part of the research considers the potential to decarbonise the national grid, which is a considerable national challenge. The report considers some of the strategic issues for councils and the LGA, for example in how this might affect the planning system. This work will be used as part of a wider discussion on the role of local government in a green recovery.
44. The consultation period on key environmental reforms will be squeezed if Government keeps to the original implementation timetable. The LGA will have early engagement with Government on how this is managed.

## **Public Transport**

### *Current measures*

45. Public transport has seen a collapse in ridership with the Government asking people to undertake essential travel only. Fewer people are travelling and those that are travelling are reluctant to use public transport because of social distancing as well as the lack of traffic making car travel relatively much more attractive. Ridership has reduced in many places by up to 90 per cent. It is impossible to run any commercial services in this climate.
46. The Government has responded by essentially supporting half the bus network through direct public subsidy to ensure a core network runs to allow key workers to get to work. The other half of the industry has been mothballed. The DfT is using a variety of funding regimes including BSOG, concessionary fares, supported services and home to school contracts. These funding pots are nominally the same as pre-crisis in order to maintain simplicity and get money to the industry as quickly as possible. None of them are operating how they are intended to, and funding levels no longer reflect the realities of the services that are being run.
47. On 9 May, the Secretary of State for Transport announced further measures to boost cycling, both in response to increased public demand but also as a means of reducing demand for individual car travel as travel restrictions are slowly eased as well as demand for reduced public transport capacity:
  - 47.1. This will be supported by a £250 million emergency active travel fund. This is the first stage of a £2 billion investment, as part of the £5 billion in previously announced funding for cycling and buses. We expect that the initial allocations will be done on a formula allocation however this is yet to be confirmed.

- 47.2. The Government's drive to encourage people to choose greener forms of transport also includes bringing forward the e-scooter trials from next year to next month, with the trial being launched in the West Midlands. All areas in the country can also now apply to host a trial.
  - 47.3. Drivers will be encouraged to purchase electric vehicles with an extra £10 million being committed to the on street residential chargepoint scheme which will allow councils to install new devices.
  - 47.4. Apps are also being developed which will help people track transport capacity and advise on alternative modes of travel.
48. The rail industry has been temporarily taken into public control with train operators running management contracts for DfT who have assumed the fare revenue risk. DfT has committed to working on a rescue package for TfL and publicly operated light rail networks who were already running under this kind of arrangement and are now operating with large deficits.
49. The LGA has supported these emergency measures and has worked with DfT to ensure there is council oversight of the money spent and the level of service that is retained.

*Recovery and future work*

50. There will be important issues to consider in the medium term. The financial underpinnings of the public transport market will have been changed for the long-term by the crisis. It will take the DfT some time to remove this financial support without driving some providers out of business as the lockdown slowly unwinds. There will be reduced patronage for some time, and it is likely there will be a residual fear about people entering confined spaces at rush hour. It is also possible that the changes to working patterns during the crisis will change travel patterns permanently after the crisis. These factors mean that the public transport networks that exist post crisis are unlikely to look the same as the ones we had before. And yet public transport will remain vital to aid the economic recovery.
51. As the LGA we need to ask some key questions about what councils would want from a future funding regime. Public transport networks are vital to achieve our ambitions around decarbonisation, public health and economic recovery/ growth. In this light the Board may wish to consider what outcomes it would want from a new funding settlement for transport as well as what role councils may want in shaping these networks. This is covered further in the main board paper on decarbonisation of transport.

## **Economy**

### *Current*

52. The Government has put in place around £100 billion in grants and reliefs to support businesses and individuals through the current crisis. In addition, they have provided a loan guarantee scheme for around £330 billion of loans to small, medium and large businesses. In the case of small businesses, Government is guaranteeing 100 per cent of the loan value.
53. Councils have been given responsibility for paying out the Small Business Grant and the Retail Hospitality and Leisure Grants. Together these amount to £12.3 billion of support to businesses. Councils received this funding on 1 April 2020 and as of 10 May 2020 have paid out £9.1 billion or 74 per cent of the funding.
54. The LGA, drawing on the feedback from councils, made Government aware of the significant gaps in the support for businesses. Government has since established a local authority discretionary grant fund. This is a £617million fund (an additional 5 per cent uplift to the £12.33 billion Small Business Grant Fund and the Retail, Hospitality and Leisure Grant Fund). Councils have raised concerns about the sufficiency of this, given the expected local demand. Further guidance on the fund is expected shortly.

### *Recovery and future work*

55. Councils and Government are now thinking about economic recovery. A member level Economic Recovery Working Group has been established chaired by Simon Clarke MP, Minister of State, MHCLG, with representation from the LGA. The LGA also sits on officer/official groups looking at this issue.
56. Economic recovery is broadly being considered in three phases, restart, recovery and renewal. The first is the exit from emergency measures. The Government published its strategy for exiting the local down measures on 11 May. Immediately, this means that people are being encouraged to go to work, if their workplace is open; and there is a freeing up of travel restrictions for leisure. On or after 1 June non-essential shops will begin to open and schools will re-open for a limited number of whole year groups. On or after the 4 July a wider opening of outlets including restaurants and bars will be considered. Throughout there is no change to the social distancing requirements.
57. To accompany the strategy, the Government has also published a number of COVID Secure guides for workplaces, public spaces, transport and schools and childcare settings. We have raised with Government concerns about the capacity of councils to enforce the measures and have stressed that councils will need to make local decisions on how they prioritise their enforcement resources.

58. The second phase will look at consequences of the emergency for the structure of the economy recognising that we will be recovering into a new economic context. The latest data from the [ONS](#) shows that GDP fell by 5.8 per cent in March. This fall is approaching levels seen for the whole of the 13-month GDP decline seen during the financial crisis in 2008/09.
59. OBR produced a baseline scenario for the economy's performance over the coming months which indicates that the real GDP will have declined by 13 per cent in 2020, with a 35 per cent decline in Q2 2020. Its scenario suggests a V shaped recovery with real GDP growing by 27 per cent in Q3 2020. Several commentators have questioned the likelihood of a V shaped recovery, suggesting that with a slow emergence from lockdown, we might see a level of economic scarring that will slow any recovery.
60. Councils have shown extraordinary capability to lead their communities thus far and it is important that they are in the forefront of the economic recovery work. We know that councils have been working with their communities and businesses on their own local recovery plans. The social and economic task ahead is significant. We need an empowerment of place leadership through the convening power of local councils. We have asked Government to work with us as we bring together local public and private leaders to reshape services quickly and to customise them to the different needs of our villages, towns and cities.
61. Devolution becomes even more important because the recovery will look different in different areas of the county and only a locally coordinated response will be effective. We are anticipating that a Devolution White Paper to be published in September. Given the COVID 19 crisis, it is likely that that this will have an economic recovery focus. It might also reflect the Government's levelling-up agenda. We will want to see a devolution White Paper that devolves a core set of responsibilities to the local level, including skills.
62. Councils will need flexibility in the use of a range of levers as the emergency measures are lifted. We have written to Simon Clarke MP, Minister of State, MHCLG setting out some of our immediate asks for flexibilities (see **Appendix A**).
63. Councils will also want to reflect on the implications of the emergency period on the public's expectations around clean air and climate change and what this might mean for the economic recovery. A number of councils have raised the need for an economic recovery from the crisis that is socially equitable and decarbonises the economy. As we have said earlier, the LGA is undertaking work on the opportunities for green jobs and we will provide this to Board members when it is available.

## **Next Steps**

64. Members are asked to consider and comment on the implications for the future work of the Board.

**Implications for Wales**

65. There are no immediate implications for Wales