

22 March 2022

## **EEHT Update paper**

### **Purpose of report**

For information.

### **Summary**

This paper provides updates on a range of issues within the remit of the Board that are not already covered in other Board agenda items.

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22 March 2022

## **Housing, Planning and Homelessness**

Housing improvement

### *Out of Area Placement Protocol*

1. Following a discussion at EEHT board and based on the results of the consultation, LGA will be publishing the proposed out of area placement protocol as guidance as soon as possible and asking as many councils as possible to make a pledge to adhere to the best practice within it. The guidance will apply to all homelessness and children's services placements made out of area and should greatly improve services for families experiencing homelessness as well as support for host authorities.

### *Exempt Accommodation*

2. We submitted evidence to the House of Commons Levelling Up, Housing and Communities Committee Inquiry into exempt accommodation. We called for councils to have more of an oversight role as well as more control over referrals to ensure those with the most need are provided the right accommodation with the right support. We also called for housing benefit regulations to be amended to reduce exploitation of the rules. An LGA officer will also be attending the Homeless Link Accommodation Conference on 2<sup>nd</sup> March to talk through key issues and to share examples of quality standards for exempt accommodation.

### *Non-UK National Working Group*

3. In partnership with Department for Levelling Up, Housing and Communities and the Home Office, we are leading on a working group to improve the processes and relationships between local authorities and the Home Office with regards to rough sleepers who are non-UK nationals. Various council officer representatives who work closely with rough sleepers met on Monday 7<sup>th</sup> March to discuss how better to work together. The meeting was co-chaired by Home Office and LGA and will meet quarterly going forward.

### *Temporary Accommodation Peer Support Programme*

4. We have engaged with 50 councils over 9 delivery and impact panels and are now in the process of speaking to core cities who didn't have the chance to attend, as well as relevant third sector organisations. We've had excellent feedback from the councils who have taken part so far and have uncovered some brilliant practice. Associate Steve Bedser is currently working on the report, the first draft of which will be available at the end of April.

### *Housing Advisers Programme (HAP)*

5. The HAP will benefit 91 councils across 30 projects for [2021/22](#). This includes local authorities that have been identified by the LGA to receive targetted support via the programme. The maximum grant, which has been awarded to 29 of the 30 projects, is

22 March 2022

£25,000 (the project undertaken by London Councils has been awarded £20,000). The impact of the HAP is far-reaching, with councils benefitting from a range of project areas including homelessness; green homes; housing supply; planning; private rented sector; skills; and strategy. An online survey of participants of the programme since its inception in 2017/18 found that one hundred per cent of respondents said that the project had a positive impact overall.

#### *Social Housing Management Peer Challenge (SHMPC)*

6. The SHMPC was piloted for the first time at South Holland District Council (SHDC). The SHMPC is based on the principles of the [Charter for Social Housing Residents](#). Two subsequent evaluation meeting will take place respectively with the Peer Team; and then the Leader and the Portfolio Holder for Housing at SHDC, to revise and enhance the guidance and framework for delivering the SHMPC. A second pilot will be delivered at the London Borough of Hounslow Council later this year, and subsequently we will roll out the SHMPC as a concerted offer to all Local Housing Authorities.

#### *House of Commons, Levelling Up, Housing and Communities Select Committee Inquiry into Social Housing*

7. In partnership with Public Affairs colleagues, we briefed Cllr Renard (as the Chair of the EEHT Board) to present oral evidence to the Committee. The Inquiry focussed on the reasons for the poor quality of some social housing; the effectiveness of the Housing Ombudsman and Regulator of Social Housing; the Government's Social Housing White Paper proposals; and the impact on the Housing Revenue Account.

#### *Building Safety Bill Amendment*

8. The Government has announced a number of changes to the [Building Safety Bill](#). Under the new legislation, leaseholders will be protected from all cladding remediation costs in buildings over 11 metres and it will be the freeholder that will be responsible for these costs. Developers and freeholders will be the first port of call to pay for other, non-cladding, historical safety defects. Local Authorities at present fall under the definition of 'developer' in the Building Safety Bill. The LGA has published [four core asks around the Building Safety Bill](#), which is currently at the Committee Stage in the House of Lords. We are working with the Department of Levelling Up, Housing and Communities (DLUHC), as well as the Association of Retained Council Housing (ARCH) and the National Federation of ALMOs (NFA), to engage Local Authorities to understand the impact of the amendment on stock they own over 11 metres and Housing Revenue Accounts. DLUHC will be contacting Local Authorities for data on their stock. In the first tranche, DLUHC will contact 50% of stock owning Local Authorities to ensure that there is a geographical and political mix, as well as a mix of management/ownership models.

## **Environment and Climate Change**

#### *Bad weather*

9. The EEHT Board has worked with councils to understand the impacts of the recent bad weather – including Storm Eunice - and to support any discussions with partners and

22 March 2022

the Government on support. It also issued a statement reminding the public that council staff continue to work around-the-clock to ensure the safety of residents, homes and businesses, shore up flood defences, and protect road networks and power supplies as much as possible. We encouraged people living in affected areas to keep an eye on their councils' social media channels and their websites and follow their advice as they provide rolling updates on the situation, provide safety advice and detail any service disruption.

### *Waste and recycling*

10. The EEHT Board continues to engage with councils and the Department for the Environment, Food and Rural Affairs on the next steps for the proposed waste reforms set out in the Resources and Waste Strategy. Defra has decided to delay the implementation of a new system of Extended Producer Responsibility (EPR) over concerns that the proposed date of 2023 did not give enough time to prepare key elements such as setting up a scheme administrator. This will delay the start of EPR payments to councils and we are increasingly raising concerns regarding the implementation of reforms set against the current timetable.
11. Government is expected to respond with their planned next steps on consistency and the deposit return scheme for drinks containers shortly, and with next steps on EPR to follow. Minister Jo Churchill from Defra held a roundtable with councils and industry representatives on recycling rates which the LGA Chairman attended. The Minister indicated that she wants to continue the conversations on improving recycling rates.

### *Office for Environmental Protection*

12. Dame Glenys Stacy and Natalie Prosser, Chair and Chief Executive of the Office for Environmental Protection (OEP), attended the February board following the publication of the OEPs [draft strategy and draft enforcement policy](#). Following a presentation, the discussion focussed on how the OEP intends to work with all the public authorities it has jurisdiction over in a cooperative and colligate manner. The Board agreed that the LGA will submit a response to the consultation documents by 22 March 2022, based on the content of the discussion. The EEHT Board is increasingly concerned about the governance of partnership action on environmental matters and will develop a project on how to improve partnership working between agencies.

### *Biodiversity net gain*

13. The Environment Act has laid the bones of the legislation needed for the new system of biodiversity net gain. Developers will be required to set out how their project will create an improvement to biodiversity, either on site or through another location. Defra has shared further details of how this will work in a consultation on the [Biodiversity Net Gain regulations and implementation](#). This consultation is relevant to councils as planning authorities and also in the potential for supporting local nature recovery. The Board will be responding to the consultation and is engaging with councils on this complex issue through a range of events.

22 March 2022

*Tree planting and woodland creation*

14. Defra and the Forestry Commission have launched two funding programmes to support tree planting, the [Local Authority Tree Planting Fund](#), now in its second round, and the [Urban Tree Challenge Fund](#). The Application for both programmes closes on 31 May 2022.

*Local path to net zero*

15. EEHT Board is working with City Regions and People and Places Board on a policy paper asking Government to consider a place-based approach for the delivery of retrofit employment and skills. The local path to net zero will require significant levels of buildings retrofit to ensure England's housing stock is both affordably warm and zero carbon. Retrofit offers an opportunity to gain qualifications that can support people into well paid stable employment. A key barrier to this is the reduction in funding for adult skills to Level 2 (equivalent to GCSE), which has been reduced by 50 per cent over the last decade. To enable skills and employment opportunities in green and new sectors to be maximised, the adult education budget (AEB) should [be restored to its 2010 levels](#) as minimum and devolved.
16. EEHT is co-funding a piece of research with the National Housing Federation to identify hard-to-decarbonise homes and possible policy solutions using in-year budget underspend. The NHF were primarily focussing on the social housing sector, but LGA funding is enabling the project to include local authority housing also. The successful bidders are Parity Projects and the research finding will be available at the end of this financial year.
17. The EEHT Board is refreshing its Green Finance Guide for councils. The guide will provide advice on the approaches and opportunities for funding climate change work. It will include details on the UK Infrastructure Bank which has now launched, and has engaged with the EEHT Board.

*Adaptation*

18. On 23 February 2022 the LGA ran a webinar with Defra and Local Partnerships on climate change adaptation policy. The focus was on governments approach to the preparation of NAP3 and the tools that Local Partnerships have developed to support councils adapting to the impacts of Climate Change. Approximately 100 delegates attended the 90 minute event and [slides](#) are available

**Update on the economy**

19. The UK economy was facing economic pressures in the months before the Russian invasion of Ukraine, but the war is now a major influence on the future economic outlook. The economy is facing a high rate of inflation and relatively low economic growth. The impact on communities will be severe. Record increases in global gas prices has led OFGEM to raise the energy price cap by 54% from 1 April 2022. The

22 March 2022

price cap will be reviewed again in October 2022 and could rise again. Food prices are also expected to rise as the war in Ukraine affects grain harvests and the cost of fertilisers.

### *Prices*

20. In addition, supply in the economy has been affected by both lower levels of investment and a lack of growth in the workforce. As the economy has recovered this has led to capacity issues that have impacted on the price level. The opening up of economies around the world has also led to increased demand for fossil fuels which has driven up wholesale and domestic prices.
21. In its February 2022 [outlook](#), the Bank of England Monetary Policy Committee was projecting inflation to peak at 7 ¼% in April 2022. However, [forecasters](#) are now expecting inflation to peak at 8% and at a much higher rate for lower income families that spend a higher proportion of their income on energy, fuel and food. [Real pay](#) has fallen by around 4% over the last year for households in the lowest 10% of the income distribution.
22. According to the [IFS](#), inflation will wipe out at least a quarter of the real terms increase in public spending announced in the Autumn statement.
23. There is an [expectation](#) that the Bank of England will raise interest rates to the pre-pandemic level of 0.75% when the MPC meets on Thursday 17 March.

### *Employment*

24. In a recent [speech](#), Michael Saunders<sup>1</sup> noted that the workforce has fallen by over 1% since Q4 2019 and is about 2¾% (0.9-1.0 million people) below the pre-pandemic trend, because of the outflow of foreign workers and lower participation among those in the UK – especially the over 50s. This is the first significant drop in the UK workforce for around 30 years. The number of vacancies in the [ONS vacancy survey](#) remains at record levels. Data for February 2022 indicate that vacancies are 24% above the February 2019 level.
25. The [Labour Force Survey unemployment rate](#) fell to 4.1% in the three months to November, and is expected to fall further in the near term, to 3.8% in 2022 Q1.

### *Growth*

26. GDP grew by 1.1% in the three months to January 2022 and is now 0.8% above its February 2020 pre-COVID-19 level. Services, particularly human health and social care activities, have been the main contributor to growth in the period from February 2020 and January 2022. The [Bank of England](#) notes that economic growth will be modest in the coming few months as pressure on household incomes weighs on consumer spending, and supply shortages continue to constrain output.

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<sup>1</sup> Michael Saunders is an external member of the MPC

22 March 2022

*Government action*

27. On 3<sup>rd</sup> February the Government announced the introduction of a £200 discount on fuel bills, to be funded by repayable government loans to householders, and a £150 council tax rebate, in response to the raising of the energy price cap. The Government is also providing £144 million to provide support for people on low incomes who do not pay council tax. These measures predate the war in Ukraine and there are calls for the Chancellor to do more in the Spring Statement which we expect to be on 23 March 2022. Calls have come for the Government to both increase benefits and delay, or abandon, the 1.25% rise in National Insurance which is due to take effect in April 2022. [The National Insurance increase](#) along with changes to rates of dividend tax is intended to raise around £13 billion per year for spending on health and social care across the UK. £5.4 billion of this additional income will fund a cap on social care costs. The LGA is writing to the Chancellor setting out its asks of the spring statement. This letter will be circulated to Members.
28. The Government has also [announced](#) that 150 new temporary jobcentres and over 150 Youth Hubs are to be opened, and it has pledged to get 500,000 people a job by the end of June. In its response to this announcement the LGA said that 'councils are ideally placed to help achieve this, bringing together government, agencies and providers alongside their local leadership and expert knowledge of their areas'.