

23 June 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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23 June 2022

Housing, Planning and Homelessness

Homelessness survey

1. The LGA undertook a survey of councils to obtain a snapshot of the number of new Ukrainian households presenting to homelessness services. We have used the data as an evidence base to help make the case for further funding for councils and an effective rematching scheme. The findings have been cited widely in the media and in parliament.

APPG for Ending Rough Sleeping

2. Cllr Pippa Heylings attended an APPG for ending rough sleeping on Tuesday 24th May in Parliament. The LGA called for government to address the system drivers and levers of homelessness and reassure councils they will be supported with rising pressures relating to the cost of living crisis. We also shared difficulties around recruitment and retention of staff, data sharing and increasingly complex customers. We called for better partnerships at a central government level and asked for the new rough sleeper strategy to look at broader homelessness prevention as opposed to being focused on the crisis end of homelessness.

Vagrancy Act Submission

3. At the beginning of May we responded to government's vagrancy act submission. We commented that not everyone who is living a street-based lifestyle is homeless and this crossover can be difficult for councils and partners to manage. A one size fits all approach will not work and different tools are needed to respond to different types of begging. We noted that it would be helpful to have a clear view from councils and the police about what gaps could be created through the repeal of the Vagrancy Act, and which existing or new powers could be better utilised to address these complex issues. We also asked that any new reforms proposed would need to be clear and enforceable, with enforcing bodies fully resourced to apply them.

Rough Sleeping Strategy Roundtables

4. The LGA have participated in and facilitated workshops which will influence the new rough sleeper strategy. Over 30 councils attended the local authority roundtable hosted by LGA on 19th May, as well as representatives from across the various central government departments. The roundtable was split up into three workshops focused on what central government, local government and the third sector can do to end rough sleeping and we were assisted by valued partners from Crisis and Homeless Link. The outcome paper will be submitted to lead members for approval in the coming weeks. LGA officers also attended the DLUHC hosted roundtable on homelessness prevention.

Afghan Resettlement Refusal Policy Task and Finish Group

5. LGA have partnered with colleagues in DLUHC to set up a task and finish group to work on the homelessness element of the recently announced Afghan resettlement refusals

23 June 2022

policy. Councils have been reporting for a while that some of the Afghan households in bridging hotels are refusing home office offers for a number of reasons. The resettlement refusal policy has been implemented to enhance the matching process - to ensure offers made are suitable and the process is fair and consistent. This particular task and finish group will be focusing on making sure that the homelessness referrals pathway is fit for purpose.

Housing Improvement

6. The Housing Improvement grant for 2022/23 has now been finalised and we are moving forward with the design of the 2022/23 Housing Advisers Programme (HAP). We expect to start recruitment for HAP cohort 6 in autumn 2022. The next Leadership Essentials: Housing course for councillors has been confirmed for 19th and 20th January 2023 at Warwick Business School.

Social Housing Management Peer Challenge (SHMPC)

7. We have developed a Social Housing Management Peer Challenge that will support host councils to reflect on, receive feedback on and learn how to improve the service provided to social housing residents. It will also assess their readiness and plan for a new emerging consumer regulation regime. The peer challenge was piloted at South Holland District Council in February 2022, and we are in the process of redeveloping the guidance and scope following evaluation and feedback from the council and the peer team. South Holland District Council will give an Innovation Zone presentation on their experience of the peer challenge at the LGA Annual Conference. A new [peer challenge page](#) has been created on the LGA's website for those that want to find out more about the challenge; express their council's interest in participating and/or expressing an interest in becoming a peer."

Permitted Development Rights

8. In a proactive press release on 9th May, Councillor David Renard raised concerns that more than 18,000 affordable houses have been lost as a result of office-to-residential conversions under permitted development. The release called for permitted development rights to be removed to ensure all conversions and new developments contribute to the delivery of desperately needed affordable homes.

HRA Commission – Assessing the New Challenges

9. The LGA is working with ARCH and the NFA to jointly commission a research project to assess the new challenges to the HRA, following the most recent reform to the system in 2012 when the HRA became a self-financing model. Three separate, but interrelated contracts will be commissioned in relation to: expenditure; income; and the Right to Buy. The overarching project objective is to understand and assess how effectively the HRA self-financing model is operating in relation to meeting expenditure needs. The supplier(s) will develop a report which will comprehensively capture the long-term challenges to the HRA; and produce a set of evidence-based policy recommendations to assist in the LGA's lobbying.

23 June 2022

Infrastructure Levy

10. Following a ministerial roundtable in April attended by the LGA and the Queen's Speech in May, we are meeting with stakeholders that have an interest in the Levy to support our lobbying as the Levy progresses through Parliament under the Levelling Up and Regeneration Bill. This has included the GLA, CCN, NHF and others. The purpose of these meetings is to better understand the issues and concerns with the new system; identify areas of agreement and opportunities to jointly lobby on the Levy; and frame our asks of Government to ensure that the new Levy will be a success for councils.

Homes for Ukraine Webinar

11. In April, the LGA hosted a webinar for council practitioners to share the case studies and the lessons learnt from administering the Homes for Ukraine scheme. Delegates had the opportunity to hear from, and pose questions to DLUHC. The aim of the webinar was for councils to improve their local offer and ensure that new arrivals from Ukraine can access suitable accommodation that meets their needs.

Environment and Climate Change

Climate change

Local Net Zero Forum

12. The LGA has been working with the Government on the establishment of the Local Net Zero Forum, which will aim to advance the collaboration between local and central Government Departments from across Whitehall in achieving climate change mitigation and adaptation in places. It is likely the Forum will focus on priorities set out in the Net Zero Strategy, including roles and responsibilities, funding, and capacity and capability. The LGA has a seat on the Forum with the first meeting planned for June.

Financing the Green Ambition

13. In May, we commissioned Local Partnerships to update the LGAs [Green Finance Guide](#) reflecting the launch of the UK Investment Bank, the response to the Public Loans Board consultation in November 2020 and the Net Zero Strategy in Autumn 2021. We also held a very well attended webinar on Wednesday 4 May 2022 where we heard from Local Partnerships, UK Investment Bank and the UK Municipal Bond Agency on the type of finance that is and will be available for local authorities. Presentations from the webinar [are available](#) on the LGA website.

Fuel Poverty

14. The LGA is undertaking some work seeking to understand the impact of energy price increases on the number of households in fuel poverty, the costs of bringing these properties up to EPC C standard, and the benefits of this for energy cost savings and wider health savings. The work will be used to explore and make the case for councils lead role in improving the energy efficiency of fuel poor households, and the links to the wider green economy and decarbonisation ambitions.

23 June 2022

Retrofit - Heat and Buildings Decarbonisation by 2050

15. The LGA will undertake a project to design an approach whereby local and central government would work together to further enable decarbonisation of heat and buildings up to 2050, building on existing local strategies and bringing them together into a single national framework. It will focus on: the objectives and value added of locally led approaches; the governance and process for how existing and new local strategic approaches can be brought together into a single coherent framework clarifying roles and responsibilities, and how to shift to joined-up multi funding plans for delivering outcomes and market change.

Green Streets

16. We have commissioned a piece of work that will seek to demonstrate the case for a local approach to decarbonising buildings and transport at the street or neighbourhood level. Through a combination of literature review and interviews identifying national and international best practice, the case will be heavily evidenced and implementable in the UK. Publication of the final report and a webinar to present the finds are expected in the summer.

Future of local energy institutions and governance

17. [We have responded](#) to Ofgem's call for [input into future local energy institutions and governance](#). The call seeks input from stakeholders on energy system functions needed at sub-national level to facilitate the transition to net zero, the suitability of current and planned institutional and governance arrangements and the opportunities and risks of change.

Hard to decarbonise homes

18. The LGA has co-funded a piece of research with the National Housing Federation to identify hard-to-decarbonise homes and policy solutions for increasing the viability of retrofit. Parity Projects have undertaken the work and the final report will be available shortly.

Environment

Nutrient and water neutrality

19. We are shortly launching a policy enquiry on nutrient and water neutrality. Both issues relate to river catchment areas and advice to local planning authorities to stop housing development immediately in order to protect weakened natural environments. The enquiry will be led by a team of LGA politicians and will include a survey to understand the full impact of the neutrality advice, as well as roundtable discussions with stakeholders. The enquiry will present recommendations in the Autumn.

Tackling waste crime

23 June 2022

20. Defra set out proposals to reform [waste tracking systems](#) and the [regulation of waste businesses](#) as part of measures to crack down on waste crime. Our responses to the consultation papers supported the broad approach, noting that Defra's approach must be robust enough to discourage the criminals but avoid placing excessive requirements on local authorities and responsible private waste businesses. This was an opportunity to put forward the powers that councils need to crack down on fly-tipping, particularly the ongoing issue with prosecution leading to paltry fines in so many cases. The LGA is calling for an urgent review of sentencing guidelines for fly-tipping.

Next steps on the Resources and Waste strategy

21. The outcome of consultation on greater consistency in household and business recycling is still awaited. Defra has set out further detail on the implementation of a new system of extended producer responsibility for packaging material (EPR). This will see manufacturers and retailers paying councils for the cost of dealing with packaging in household waste, a welcome move that the LGA has long called for. Defra confirmed that payments to councils will start from April 2024 with a phased implementation. This is later than proposed but not unexpected due to the complexity of setting up the new payment system. We will be working with Defra on the next steps and we are calling on them to rethink the decision to exclude the cost of dealing with litter as part of the payments producers must make to councils.
22. While EPR will be applied to the whole of the UK, the devolved nations are taking different approaches to the design and implementation of deposit return schemes (DRS) for drinks containers. Defra have released some initial information on the scope of the DRS for England confirming that it will not include glass drinks containers and will be "all in" taking plastic bottles of any size including containers sold individually as a part of a multipack. Further detail will be confirmed in the outcome of consultation, due to be published soon.

Other waste policy issues

23. Defra has confirmed that recyclable plastic film and flexible plastic packaging is to be collected from households and businesses by 31 March 2027. The lack of infrastructure for recycling this material is a concern, with significant investment needed in new chemical recycling plants. A pilot programme is being set up with a small number of councils to trial collections, including Cheltenham Borough Council.
24. Waste policy is the subject of number of open consultations, including a proposal from BEIS and Defra to extend the carbon emissions trading scheme (ETS) to waste incineration and energy from waste facilities. This could have significant cost implications for local authorities and the LGA is developing a response. Defra is consulting on the technical detail of new regulations designed to stop councils charging for DIY type waste at household waste and recycling centres (HWRCs), and this is accompanied by a call for evidence on booking systems. The LGA is developing a

23 June 2022

response drawing on the line we have previously taken, which is that the operation of HWRCs is a local decision and it should be left to councils to decide how to run them.

Biodiversity net gain

25. A requirement for developers to provide a net gain to biodiversity on all new sites will come into force in November 2023. The LGA [responded to the release of draft regulations and Defra's implementation plan](#). This was largely a technical consultation and it was good to see Defra engage with councils in a series of Q&A sessions organised by the Planning Advisory Service (PAS). We asked Defra for clarity on new burdens funding along with an offer to work with them to ensure that the resource implications are fully understood.

Local Nature Recovery Strategies

26. The LGA is in discussions with Defra about the development of proposals around the requirement on councils to develop Local Nature Recovery Strategies, and how they fit with the wider environmental and land-use policy. Following representations on the lack of clarity on this issue, Defra and provided a briefing to councils on the progress, future timeframes, and objectives. We will continue to engage with Defra and councils in advance of further details likely later this year.

Update on the economy

27. 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 price cap is expected to increase again in October 2022 by over 40% to £2800. A paper on fuel poverty is included on the agenda. Food prices are also expected to rise as the war in Ukraine affects grain harvests and the cost of fertilisers.
28. [GDP fell by 0.3% in April 2022](#). The fall was across all three main sectors, services, manufacturing and construction, the first time this has happened since January 2021.
29. [Inflation is expected to peak at around 10% in 2022 Q4](#). In response to rising inflation the Bank of England has increased the bank rate to 1%. It is also entering into quantitative tightening. The OECD expects that the [bank rate will rise to 2.5% by 2023](#). The next announcement on monetary policy will be on 16 June 2022.
30. According to the Bank of England, total real household disposable income is projected to fall in 2022 by the second largest amount since records began in 1964.
31. In real terms in February to April 2022, [growth in total pay](#) (which includes bonuses) was 0.4% while regular pay fell by 2.2% on the year.
32. The [UK employment rate](#) increased by 0.2 percentage points in the quarter to April 2022 to 75.6% but is still below pre-coronavirus (COVID-19) pandemic levels.

23 June 2022

33. The number of [job vacancies](#) in March to May 2022 rose to a new record of 1,300,000; an increase of 20,000 from the previous quarter, and an increase of 503,900 from the pre-coronavirus (COVID-19) pandemic level in January to March 2020.

Transport

The Future of Last Mile deliveries

34. The LGA has concluded its initial work on last mile deliveries as part of its work on transport decarbonisation. The purpose was to explore the views of councils, and to understand how much of an issue it is in their areas and what potential solutions should be pursued. The full report can be found [here](#).
35. In brief, key conclusions of the report are:
- Capacity and capability for councils to work on this issue is very limited
 - This is a relatively new area of transport policy for most councils
 - Behaviour change in consumers and also logistics firms/ retailers will be needed
 - There is a need for better national and local freight movement data to understanding the challenge and to develop potential measures that can win support from the general public.
 - Clarity is needed on what local powers may be required for councils to play an effective role
36. We will use this report as a basis for engagement with DfT officials working on freight/ last mile deliveries to influence their policy work.

Road pricing

37. Members may recall the discussion they had on road pricing, led by representatives of Mott MacDonald. The LGA commissioned this project, which was to get a cross-section of views of councils, city-regions and regional bodies as part of its ongoing work on transport decarbonisation. The work is now very close to finishing and a link to the final findings will be available on the LGA website shortly and will be shared with EEHT Board members.
38. Previously, the Board had requested that officers bring back to lead members a set of principles on road pricing that the LGA could sign up to.
39. In concluding their report, Mott MacDonald have said that it has been challenging to arrive at a clear set of principles given the wide range of views in the sector. However, drawing on the report, the key learnings are:
- 40.1 Local authorities are focused on local plans to reduce carbon emissions and are at the beginning of the journey of thinking about the implications of a national road pricing system.

23 June 2022

- 40.2 Local authorities were in strong agreement that a national road pricing system should go ahead but had questions about what this should look like
- 40.3 There was substantial agreement that a portion of the funds generated from a national road pricing system should be allocated to local authorities for transport investment
- 40.4 There were mixed views on whether the possibility of local top-ups was helpful or led to unwanted competition between regions
- 40.5 Most authorities felt that a national road user charging system should be as simple as possible, but that it also must be fair
- 40.6 There were also mixed views across authorities on the urgency of rolling out a national road pricing system
40. The report also includes a potential three-tier system as a way forward and areas of potential further discussion and research.
41. EEHT Lead members agreed that:
- 42.1 we send a copy of the report to:
- The Transport Committee given their interest and report on road pricing
 - To DfT and Treasury – to present the findings and call for the LGA to be involved in any discussions on the replacement for fuel duty
- 42.2 Officers will also share the report with DfT and Treasury officials and find out the extent of any relevant work being undertaken by Government and how they intend to respond to the Treasury Committee report.
- 42.3 Further LGA work and policy development will likely be shaped on emerging national policy.