

Meeting: Environment, Economy, Housing and Transport Board

Date: 17 November 2022



Environment, Economy, Housing and Transport Board Updates

Purpose of report

For information

Summary

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

Recommendation

That the Environment, Economy, Housing and Transport Board note the update

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Environment, Economy, Housing and Transport Update Paper



Housing, planning and homelessness

Cost of Living Roundtable

- The LGA, National Housing Federation and Homeless Link jointly hosted a roundtable with senior civil servants on the effects of the cost-of-living crisis on rates of homelessness. Chief Executives from councils, housing providers and charities attended to discuss what support can be provided in the short and long term to mitigate against the effects of the crisis. Some of the asks included the need for an emergency inflationary uplift in welfare benefits, a rent cap exemption for supported accommodation and cross departmental funding which encourages longer term commissioning.

Exempt Accommodation

- The Levelling Up, Housing and Communities Committee published a [cross party paper](#) on exempt accommodation following the written and oral evidence sessions. The paper has a number of recommendations including giving councils the powers to enforce national standards, and to provide new burdens funding to ensure they can carry out their duties to the best of their ability.
- The LGA Chairman attended the Kerslake Commission session on exempt supported housing accommodation this week which discussed balancing difficulties in commissioning and regulating the sector with guarding against any unintended consequences for reputable and responsible providers.

Renters Reform

- Michael Gove has committed to delivering Renters Reform in this parliamentary session. The bill will follow closely the recommendations in the Government's policy paper "A fairer private rented sector" which was followed by a consultation process and was updated 2 August 2022. We continue to work with DLUHC to ensure that the bill achieves its aim of creating a more stable and secure private rented sector.

Decent Homes Standard consultation

- The LGA recently [responded](#) to DLUHC's consultation to extend the Decent Homes Standard to the private rented sector. This consultation followed the announcement of this policy proposal in the private rented sector white paper. One of our key messages is that we welcome the introduction of the standard, but councils need to

be provided with adequate and upfront new burdens funding to regulate the standard.

Refugee Housing

- [New data on Ukrainian homeless households](#) have been published which continues to show increasing numbers. Urgent joint work is needed both to be clearer to hosts and their guests about the challenges in finding affordable housing across the UK, and to seek solutions to the pressing housing needs in the short and the long term. This will require a joined up approach across all the programmes that welcome new arrivals to the UK. Support to sponsors may also need to be enhanced to encourage people to sponsor long term, particularly as inflation and energy costs increase, and we are working with government to achieve this.
- Robert Jenrick has been appointed as Minister for Immigration and we have sent a letter to him outlining local authorities biggest priorities for refugee housing such as increasing the supply of accommodation across the country and acting now to avoid sponsorship arrangements under Homes for Ukraine breaking down at the end of their six month initial period.

Homelessness Officer's Policy Network

- The network met recently to discuss the new strategy with DLUHC officials. We also had presentations from the Centre for Homelessness Impact on the new rough sleeping success criteria and how councils might go about implementing it. The Ministry of Justice (MoJ) also talked about the newly re-commissioned tier 2 offender accommodation and the associated protocol for communication between councils and MoJ. Finally, researchers from Sheffield Hallam University presented their new research on the effects of Public Protection Orders on people sleeping rough.

DLUHC consultation on social rents

- We responded to the DLUHC [consultation](#) on social housing rents. The consultation sought views on the introduction of a rent ceiling below CPI +1% from 1 April 2023 to 31 March 2024. In our response we stressed that decisions on the level of rent increases need to continue to be made by councils within the existing government rent policy commitment of CPI +1 per cent limit. This would ensure that councils can determine the minimum rent increase necessary to meet committed expenditure requirements and essential and urgent new works, whilst balancing this with affordability for tenants. We were also clear that should the government take forward a rent ceiling that it should provide a suitable mechanism to mitigate for any shortfall in any local authority income from a lower rent ceiling.

Meeting with Lee Rowley MP

- Councillor Renard met with the then housing and planning Minister, Lee Rowley on 13 October. There was a wide-ranging discussion with Councillor Renard taking the opportunity to flag a number of our key concerns and asks. This included: the need for a genuine local plan-led system; the importance of appropriate levels of funding

for infrastructure and in particular the need for upfront infrastructure delivery; the unintended consequences of permitted development; current barriers to housing delivery – including nutrient and water neutrality requirements and grid capacity; the need for councils to have greater powers to incentivise build out and the need to work together on solutions to addressing planning department capacity challenges. We will be seeking a similar meeting with Lucy Frazer, the new housing Minister.

Housing Revenue Account research – Savills

- The LGA commissioned Savills to undertake research to assess the challenges to the HRA associated with income, expenditure and the Right to Buy scheme. We received the income research, which was used to support our social rent cap consultation [response](#) in October. The findings and policy recommendations of this research will support our lobbying activity to secure reforms to the HRA. The research has been underpinned by engagement with a range of stock-holding authorities.

Housing Finance Advisers Network

- The LGA periodically meets with this network to support our lobbying activity on HRA-related issues. The network includes housing finance leads at local authorities and ALMOs. The next meeting is 8 November and Savills will be presenting all three aspects of the research to share and test the findings with the group. In addition, there will be update on Wave 2.1 of the Social Housing Decarbonisation Fund by the Department for Business, Energy and Industrial Strategy; and the Housing Associations' Charitable Trust will be presenting their retrofit credits scheme.

Social Housing Regulation Bill

- We have been providing briefings for the [Social Housing Regulation Bill](#) as it goes through the House of Lords and House of Commons, emphasising our key messages. The LGA has also supported a number of key amendments – a list of which can be found [here](#). We secured an amendment that specifies that the Regulator must give consideration to appointing representatives from a variety of councils when making appointments to the Advisory Panel – a Panel which may provide information and advice to the regulator about, or on matters connected with, the regulator's functions. This will ensure diversity of councils on the Panel in terms of authority size, region, quantity and quality of social housing stock and social housing management arrangements to represent and proactively raise consumer issues from across the sector.

Upcoming webinar - [The social housing regulation bill: information for councils](#), Monday 21st November 10.30am - 12.00pm

- This webinar, in collaboration with Association of Retained Council Housing and National Federation of ALMOs, will give councils the opportunity to hear from the DLUHC and the Regulator for Social Housing on the Social Housing Regulation Bill, and the implications of the new regulation regime for stock holding local authorities. Delegates will also have the opportunity to hear a council's perspective on self-

referral and how working with the Regulator for Social Housing has supported them in their improvement journey.

Levelling Up and Regeneration Bill

- As the Bill progresses through Parliament, we continue to reiterate our [key messages](#) as we seek to amend aspects of the Bill. More recently, we provided a [briefing](#) on our asks at the Committee Stage in the House of Commons. We also continue to support or oppose amendments that have been tabled. In addition, we recently engaged with the planning team at the Department of Levelling Up, Housing and Communities on the direction of the Bill, who advised that following the consultation they intend to facilitate several deep dive workshops with the sector to develop the detail of the Infrastructure Levy.

Environment

Nutrient and water neutrality

- Councils and national stakeholders including Natural England, Defra and the National Farmers Union came together to discuss nutrient and water neutrality in two roundtable discussions held on 28 September and 6 October. The roundtables included headlines from the LGA's stakeholder survey, followed by an open discussion of the impact of water and nutrient neutrality and potential solutions. The roundtables were run as part of the policy inquiry led by a team of LGA politicians, and the inquiry team will now turn to presenting its recommendations.

Waste

Incineration of domestic seating containing harmful chemicals (POPs)

- In August the Environment Agency wrote to councils and waste businesses setting out new legal responsibilities for disposing of fabric covered chairs and sofas. These items can no longer be sent to landfill and must be incinerated to make sure that fire retardant chemicals (persistent organic pollutants or POPs) are destroyed safely. Communication from the Environment Agency caused some initial confusion by asking councils to confirm compliance with the new rules by 31 December 2022. They have since clarified that 31 December is not a "cut off" date and they expect a period of adjustment where they will not be any enforcement action.
- Discussions with councils and the waste industry has identified gaps in infrastructure, particularly on incinerator capacity and machinery that can shred POPs material safely. Defra has commissioned research into the impact on councils and the Environment Agency is drafting regulatory position statements to help with interim solutions, such as setting up temporary storage facilities. The LGA is continuing to work with councils, Defra and the Environment Agency to ensure that the costs are fully understood and that there is a pragmatic approach to the transition period and a plan for addressing the shortfall in disposal infrastructure.

Environment Act

- The timetable for the implementation of the Environment Act remains unclear, for example the new requirements for household waste and recycling. Defra indicate that they are working through consultation responses and will provide further information on next steps in due course.

Climate Change

- On 20 October Cllr David Renard introduced a Climate Change paper to the Executive Advisory Board. The paper set out our climate change programme for the year ahead and was very well received.
- We have [submitted evidence](#) to the Governments Review of Net Zero policy. The response highlights the importance of local government in the role of net zero and highlights the economic opportunity of a net zero transition from a transport, skills, jobs, energy and cost of living perspective.
- We have [responded](#) to governments [Review of Electricity Market Arrangements consultation](#). Our response focusses on the important role local authorities will need to play in a transitioning zero carbon energy systems and the benefits working with councils can bring.
- On 15 November Cllr David Renard Chaired a webinar on a Neighbourhood approach to decarbonisation. The webinar showcased a report commissioned by the LGA and produced by DG Cities highlighting the socio-economic benefits of neighbourhood approach to decarbonising heat, buildings and transport. Representatives from South Cambridgeshire District Council and Doncaster City Council presented the case studies for their area at the event.
- Following an open tender, we have commissioned Local Partnerships to undertake a project to engage councils to investigate, capture, understand and present what local government needs form the update to the National Adaptation Programme. It will also consider and make recommendations on how the wider policy, regulatory and funding environment across Government can best enable councils to lead place-based climate adaptation. The project is due to complete February / March 2023 and officers will continue to work with Defra officials throughout the project to ensure project findings feed into the development of the NAP3 in a timely manner.

Economy

- We have commissioned Green Economy to produce a report highlighting the social and economic benefits of having businesses located in a local authority area that provide low carbon and environmental goods and services. The report will be evidence based with case studies and the provider will suggest measures councils can take to make their area more attractive for these businesses to locate in. Focus will be on the supply of goods and services required for the Net Zero transition. Work commenced end September 2022 with a view to completion in December / January.

- We have commissioned The Retail Group to produce a report highlighting the social and economic opportunities and benefits of repurposing shopping centres to reflect the needs of the town centre, the community, the local authority, and the businesses located within their area. The report will be evidence based with case studies and the provider will suggest measures and approaches councils can take to repurpose shopping centres or support the repurpose of shopping centres where their ownership lies solely in the private sector. Work commenced at the end of October and will complete in the first quarter of 2023.

Economy update

- Since the last update report to the Board, the Bank of England (BoE) has raised interest rates twice and the Bank Rate now stands at 3 per cent; one year ago, December 2021, the Bank Rate was 0.1%. The BoE has raised interest rates to bring down inflation. Inflation stands at 10.1 per cent (September 2022). The BoE forecasts that inflation will fall to 5.4% in Q4 2023, 1.4% in Q4 2024 and 0 in Q4 2024.
- Following the mini-budget on 23 September 2022, yields on UK Government bonds increased, raising the Government's cost of borrowing and also raising mortgage rates and reducing the number of mortgage products on the market.
- The BoE expects real GDP for 2022 to have grown by 0.2 per cent and for the economy to move into recession for 2023 and remain in recession until the second half of 2024.
- In the period between now and the end of the forecast, in 2025 Q4, the BoE expects unemployment to rise from the current 3.7 per cent to 6.4 per cent.
- The Government's Autumn Statement is on 17 November 2022 and is expected to set out how the Government will address the gap in public finances. The Chancellor is expected to set out departmental funding limits as well as make announcements on tax and benefits. The Office for Budget Responsibility will publish its latest outlook for the economy and public finances on 17 November to accompany the Autumn Statement.

Transport

Transport Bill delayed

- The Department for Transport confirmed that there will be no Transport Bill until the next parliamentary session at the earliest. We had hoped to use the Transport Bill to push our soon-to-be-published research into extended Fixed Penalty Notice powers for authorities outside of London. This move at least delays and potentially adds doubts to the future of the reforms to create Great British Railways to run the system that the Bill would have covered.
- The Transport Bill was also due to encompass new regulations for micromobility modes such as e-scooters. Due to the pressing nature of this issue with ongoing

trials and widespread illegal use of unregulated vehicles on public roads, DfT intends to push ahead with a narrower Bill within this session.

'New mobility' work

- The LGA's work on shared micromobility and car clubs, commissioned from Steer, is almost ready to go to the board for review. The members' input at the special lead members session last month has been very helpful in shaping and clarifying the final outputs.
- To mark the launch of the reports later this month, two webinars will take place: the first on shared micromobility at 10.30am on [Monday 14th November](#), and the second on car clubs at 10.30am on [Wednesday 23rd November](#).