

2 December 2015

EEHT Update Report

Purpose

For discussion.

Summary

The report provides updates on a number of areas of work within the EEHT work programme which do not appear elsewhere on the agenda.

Recommendation

That the Board note the updates included in the report.

Action

Any actions to be taken forward as directed by members.

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EEHT Update Report

Buses

1. On 21 October the Chair, Cllr Peter Box, met the Transport Minister, Andrew Jones MP, to discuss a couple of practical issues raised in the LGA's report on bus provision, *Missing the Bus?*, namely on securing a better legislative means of bus franchising and the importance of activating Part 6 of the Traffic Management Act (TMA) which councils feel will help tackle congestion hot spots and therefore improve bus punctuality. And, at the request of the Minister, the meeting was followed up with a letter to provide further details and options as to how traffic enforcement powers under Part 6 of the TMA could be enacted in a way that would address ministerial concerns of potential misuse by some councils.

Air quality and emissions from transport

2. As reported at the last Board meeting, the LGA responded to the Government's draft plans on 'Tackling nitrogen dioxide in our towns and cities'. The response is appended to this update report as Annex A.
3. Since the last Board meeting, the Environment, Food and Rural Affairs Committee launched their own enquiry which the LGA has provided a written response to. The enquiry will look into:
 - 3.1 Defra's role for reducing emissions of key pollutants, including NO₂, and whether they go far enough and fast enough to meet EU standards; and whether Government departments, include Defra should intervene further to reduce emission
 - 3.2 Are the correct incentives in place to support consumers and businesses in reducing transport emissions, for example to move away from diesel and petrol vehicles towards low emission options or to promote other forms of transport?
4. The enquiry is also exploring Defra's role in managing industrial and farming emissions although the LGA's response is focused on the above two issues. Our submission is now the property of the Committee who will decide if they will make publically available, although the normal practice is to do so. However, key points that were raised in our response include:
 - 4.1 Defra, which is responsible for air quality at a national level, has insufficient input into on policies implemented by other government departments, notably Department for Transport.
 - 4.2 Defra has to date focused on ensuring that councils provide a detailed picture of air quality issues and reporting rather than helping councils to achieve improvements

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4.3 Government should do more nationally to address air quality. This could include making industry-wide changes to influence a switch from petrol and diesel vehicles to ultra-low emission vehicles and other alternative modes of transport. This should be further supported by giving local authorities the powers and funding to manage traffic and provide alternatives to the car. The lack of recharging infrastructure, in rural areas in particular, is one challenge that needs to be considered – and there may be issues of grid capacity.

Sub-National Transport bodies

5. New Clause 34 of the Cities and Local Government Devolution Bill brings in legal powers and duties to allow groups of councils, such as Transport for the North (TfN), to set up statutory Sub-National Transport Bodies (STBs) to advise transport ministers on investment priorities in their own areas and on strategic transport schemes to support growth. A number of councils have already established regional partnerships and for some formalising existing arrangements is expected to bring them greater control and influence over the development of transport infrastructure. For this reason the LGA welcomed New Clause 34 in its recent Parliamentary briefing but also stressed that it is important that the Government is able to work with different regional partnerships on strategic transport infrastructure. The full briefing can be found here <http://tinyurl.com/oe8yr4b>.

National Infrastructure Commission

6. The National Infrastructure Commission (NIC) was created on 5 October 2015 on an interim basis and the Government plans to put it into statute. It is tasked with delivering a long-term plan and assessment of national infrastructure needs early in each parliament, setting out what a government is expected to do over the next five years. It will be overseen by a small board, appointed by the Chancellor, and able to commission research and call for evidence from public sector bodies and private sector experts. Lord Adonis, the former Cabinet Minister and Transport Secretary, has been appointed as the Commission's first chair.

7. The NIC's immediate areas of focus include:

7.1 plan to transform the connectivity of the Northern cities, including high speed rail (HS3).

7.2 priorities for future large-scale investment in London's public transport infrastructure.

7.3 how to ensure investment in energy infrastructure can meet future demand in the most efficient way.

8. The Commission will publish advice to the government on these issues before next year's Budget. It will also begin work on a national infrastructure assessment, looking ahead to requirements for the next 30 years.

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9. Its terms of reference on the first two focused areas of work include a requirement to work with relevant stakeholders, including local authorities and sub-national transport bodies (e.g. Transport for the North and Transport for London).
10. The Board may wish to invite Lord Adonis to a future meeting to discuss how local government and the NIC can best work together to get the infrastructure outcomes that the country needs.

Judicial review of the VAT exemption on commercial waste services

11. Council commercial waste services are exempt from VAT under a special regime introduced by HMRC in 2011. The legality and anti-competitiveness of the VAT exemption has been challenged by the Durham Company trading as Max Recycle and is the subject of a judicial review defended by HMRC and the Treasury. Earlier in the year the LGA's SMT and the EEHT Board reviewed the case and decided that it is defensible, and agreed to support HMRC as an interested party because of the potential financial impact on councils operating a commercial waste service. The first court hearing took place on 27 October 2015 and the legality of the VAT exemption has been identified as the main issue for the court. If the VAT exemption is found to be legal the court will then move on to consider whether it is causing distortion in the commercial waste market.
12. The Court has asked all parties to agree on the precise nature of the legal issue and present further evidence by early December. No date has been set for the next hearing and this may still be some weeks away.

Defra working group on the consistency of council waste and recycling collection services

13. A meeting between Rory Stewart MP and waste industry bodies and stakeholders led to the creation of a working group to investigate the potential benefits and considerations of having greater consistency and harmonisation in household waste collection and recycling in England and how this could be achieved. The LGA was not present at the initial meeting but was asked to join the sub-group along with representatives from local authority waste networks and waste and packaging industry bodies.
14. Defra asked Wrap, a charitable organisation that works to reduce waste and improve recycling, to provide analysis to the group and identified a number of models or scenarios for the type of material collected for recycling and the collection method. Next steps are yet to be agreed but are likely to include a "menu of options" for councils and encouragement for councils to adopt one of the chosen scenarios.
15. The LGA position is that waste and recycling collection services are a local decision for councils. Councils have already made significant investment in waste and recycling services and the responsibility for increasing recycling rates must sit with all stakeholders, not just council tax payers. While this is recognised Defra are keen to pursue a goal of moving councils to a consistent set of waste and recycling services. A suggested next step is for Rory Stewart to discuss his proposals with LGA lead members, initially through a discussion with Cllr Peter Box.

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LGA Housing Commission

16. The LGA Housing Commission is having its initial meeting between Lead Members and the Advisory Panel on 2 December 2015. At the meeting Lead Members and the Advisory Panel will agree areas of focus for the Housing Commission, and the outputs it will seek to deliver in the lead up to the final report being launched at LGA Annual Conference 2016. The Commission will launch a Call for Evidence shortly and will host four evidence sessions in the new year.

Environment Agency Board Recruitment

17. The Environment Agency shortly plans to begin recruitment for two new Board members. In advance of the recruitment which we expect to go live in the next few weeks we are raising awareness of these opportunities with relevant groups. The flyer attached as [Annex B](#) provides further details of the recruitment.