

CABINET

**Venue: Town Hall, Moorgate
Street, Rotherham. S60
2TH**

Date: Wednesday, 9 July 2014

Time: 10.30 a.m.

A G E N D A

1. To consider questions from Members of the Public.
2. To determine if the following matters are to be considered under the categories suggested in accordance with the Local Government Act 1972.
3. To determine any item which the Chairman is of the opinion should be considered as a matter of urgency.
4. Declarations of Interest.
5. Minutes of the previous meeting held on 18th June, 2014 (copy supplied separately)
6. General Fund:- Budget Principles: 2015/16 and onwards; 2015/16: Proposed Budget Setting Timetable; and 2014/15: Reporting in year Financial Budget Performance (report herewith) (Pages 2 - 10)
 - Director of Finance to report.
7. School Funding 2015/16 and Beyond (report herewith) (Pages 11 - 15)
 - Strategic Director of Children and Young People's Services to report.
8. Rotherham Local Plan: Adoption of the Core Strategy (report herewith) (Pages 16 - 21)
 - Strategic Director of Environment and Development Services to report.
9. Exclusion of the Press and Public.
The following items are likely to be considered in the absence of the press and public as being exempt under those paragraphs listed below of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended March 2006).

10. South Yorkshire Trading Standards Unit (report herewith)* (Pages 22 - 25)
 - Director of Legal and Democratic Services to report.

(Exempt under Paragraph 5 of the Act – information in respect of which a claim to legal professional privilege could be maintained in legal proceedings)

11. South Yorkshire Broadband Project (report herewith)* (Pages 26 - 42)
 - Strategic Director of Environment and Development Services to report.

(Exempt under Paragraph 3 of the Act – information in respect of finance and business affairs)

In accordance with Section (7) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 the Chairman of the Overview and Scrutiny Management Board has agreed that the item marked (*) contains a decision which needs to be acted upon as a matter of urgency and which cannot be reasonably deferred (see notice attached)

Cabinet Meeting – 9th July, 2014

Take notice, in accordance with Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, that the following reports are to be considered in the private part of the meeting without having provided the required twenty-eight days' notice:-

- **South Yorkshire Trading Standards**

An exemption under Paragraph 5 (information in respect of which a claim for legal professional privilege could be maintained in legal proceedings) of Part I of Schedule 12A of the Local Government Act 1972 is requested, as this report contains commercially sensitive information.

- **BDUK Project Update**

An exemption under Paragraph 3 (information relating to finance or business affairs) of Part I of Schedule 12A of the Local Government Act 1972 is requested, as this report contains commercially sensitive information.

The Chair of the Overview and Scrutiny Management Board has agreed that this item is urgent and cannot reasonably be deferred.

Jacqueline Collins
Director of Legal and Democratic Services
27th June, 2014

1	Meeting:	CABINET
2	Date:	9th July 2014
3	Title:	General Fund: <ul style="list-style-type: none"> • Budget Principles: 2015/16 and onwards; • 2015/16: Proposed Budget Setting Timetable; and • 2014/15: Reporting in year financial budget performance
4	Directorate:	Resources

5 Summary

The Council refreshed its Budget Principles last year for setting the 2014/15 Budget in light of announcements that further significant funding reductions for local government were likely to continue until at least 2018. Having now had the opportunity over the last year to listen to its citizens, residents and other interested stakeholders, Cabinet Members have asked officers to prepare a Budget for 2015/16 and future years that offers ‘Fair Choices in Hard Times’. This report sets out these Budget Principles and the key enablers that will ensure these principles are met.

The report also recommends Cabinet approval for the proposed Budget Setting Timetable for the 2015/16 Revenue Budget and Medium Term Financial Strategy (MTFS), and the proposed approach to reporting the Council’s in-year financial performance to Cabinet for the financial year 2014/15.

Recommendations

Cabinet is asked to:

- **Agree the ‘Fair Choices in Hard Times’ Budget Principles on which the 2015/16 General Fund Revenue Budget and Medium Term Financial Strategy will be based;**
- **Consider and approve the proposed budget setting timetable for the Revenue Budget 2015/16 and MTFS; and**
- **Consider and approve the proposed approach to reporting to Cabinet the Revenue and Capital forecast outturn position for 2014/15 financial year.**

7.1 Background

Many Local Authority Councils, like Rotherham, will continue to see significant funding reductions. Since this Coalition Government was elected this Council has had to find cumulative savings of over £93m. Plans are in place for the Council to deliver £23m savings in 2014/15 and plans must now be developed to identify and implement further sustainable budget reductions of £23m in 2015/16. Current indications are that a further £16.5m recurrent savings will be required in 2016/17 and the Chancellors most recent budget statement indicates that Rotherham will see a funding reduction of more than 10%, with further year on year reductions expected until at least 2018.

The Local Government Association has recently been advised by the Department for Communities and Local Government (DCLG) that there will be a summer local government finance Technical Consultation from around July to September this year. This will cover the 2015/16 finance settlement only. It is expected that the DCLG will be likely to consult on:

- Funding the business rates retention safety net and New Homes Bonus;
- Treatment of Council Tax Freeze Grant; and
- Implementing the top-slice for the Carbon Reduction Commitment changes in 2015/16 – this follows on from the consultation in July 2013.

Although any financial implications of the above is at this stage unknown, Members should note that the July 2013 Technical Consultation resulted in the Council facing additional, recurrent government funding reductions of £5.593m.

7.2 Proposed 'Fair Choices in Hard Times' Budget Principles

7.2.1 Council Priorities

In light of both listening to its citizens, residents and other interested stakeholders and the significance of the ongoing financial challenges, it is essential that the Council reconsiders its core offering to its citizens to ensure clarity of its future position in the Community.

The Council's prime future role is to act as advocate for Rotherham and influence and implement government policy locally to ensure the best outcome for Rotherham Citizens. In doing this we need to direct available resources to maximise the social, economic, environmental and cultural benefit to citizens now and into the future.

The Community Strategy and Corporate Plan objectives can be summarised as:

- **Stimulating the local economy and helping local people into work;**
- **Protecting our most vulnerable people and families, enabling them to maximise their independence;**
- **Ensuring all areas of Rotherham are safe, clean and well maintained; and**
- **Helping people to improve their health and wellbeing and reducing inequalities within the borough.**

7.2.2 Budget Principles

Having regard for both the Council's Priorities, the significant ongoing funding reductions and welfare reform changes that the Council will face until at least 2018, the **Budget Principles** will ensure the Council operates effectively within the funding available to:

- Focus and deliver on business and jobs growth;
- Help people to help themselves wherever possible;
- Provide early support to prevent needs becoming more serious and;

To enable this we need to:

- Recognise the growing concern of residents and citizens around crime & grime;
- Focus on spending on things most important to local people;
- Meet need by targeting and rationing services to a greater extent than at present;
- Promote Local – aim to maximise spending power within the Borough across the supply chain;
- Have a balanced programme of Capital investment that gives a visible sign of the commitment to the Town and its People and;
- Continue strong financial management and governance and tight control on spending.

What this means for Rotherham:

- Need to focus on Business and Jobs Growth and deliver new employment opportunities
- Not doing everything; provide fewer direct services and reshape many Council services to support people to do more for themselves where they are able to.
- Evidence tells us that 'Crime & Grime' are the most important services to all local people – without increasing costs, we must do things differently and get these services right.
- Using our dramatically reduced resources to tackle the biggest problems focussing on deprivation.
- Achieving the best quality, safest, most reliable outcome via the most affordable service delivery method.
- Direct provision of service **only** where we are the cheapest/best quality solution to meet the critical needs of our citizens.

7.2.3 The Council's Challenge

In order to work within the above Budget Principles the Council will need to consider and respond to the following questions:

- What will future Council service delivery look like and to what level should we provide services into the future?
- What does 'working differently' and 'doing different things' look like?
- What should be 'universal' services to all and which should be targeted, rationed or cease?
- How can we take a better lead in the community?

- How do we effectively communicate these new circumstances to our citizens?
- How do we involve our partners to work towards common goals?

7.3 Medium Term Financial Strategy (MTFS) 2015/16 – 2016/17

The proposed approach for updating the Council's MTFS is:

- A) Update our financial model for known Central Government funding announcements. The DCLG estimate of resources available from 2016/17 will be announced in the next Spending Review. For 2015/2016 Resource assumptions are based on previously published DCLG data. The level of these may change pending the outcome of the planned summer Technical Consultation.
- B) Include inflationary increases and grant funding assumptions as follows:
- Pay – 1% per annum for next 3 years
 - Non-Pay (excluding Utilities and Contracts) – 0%
 - Fees and Charges Income – 0% (See below)
 - Benefits Income – 1% under 65 residential care, 2% other
 - Gas/Electricity/Fuel – 5%
 - Water / Business Rates – 5%
 - Contracts – at negotiated contract inflation rates
 - Superannuation – 0.3% per annum (From 19.5% to 19.8% in 2015/16)
 - Recurrent Council Tax Freeze Grant (equivalent to 1% for 2 years) and Council Tax Support Transitional Grant (not confirmed)
 - Recurrent use of additional New Homes Bonus payments
 - Fees and Charges Income (excluding Benefits related income) – 0% (Directorates should review all income generating services and submit details of expected income growth as part of the savings identification process).
- C) Savings proposals covering the next 2 years of the MTFS should be prepared. These should also include any inflation proposals on fees and charges. These proposals should reflect the Budget Principles. The savings proposals should be prepared, quality assured and submitted initially **for SLT consideration by no later than 7th July 2014**. Progression through to Members will be in accordance with the timetable set out at Appendix 1.

7.4 Indicative Funding Gap 2015/16 & 2016/17

On 17th June 2014 a Joint Cabinet/SLT meeting considered a presentation which set out an indicative initial funding gap of £23.084m for 2015/16 and £34.941m for 2016/17 (i.e. an increase of £11.857m from 2015/16 to 2016/17.)

This indicative funding gap is based on the information included in section 7.3 above (A and B). **Therefore this indicative funding gap excludes:**

- The impact of the planned summer 2014 Technical Consultation and
- Any new investment proposals/requirements.

7.5 Proposed Budget Setting Timetable - 2015/16 Budget & MTFS

Attached at Appendix 1 is the proposed timetable for the Council to set its 2015/16 Revenue Budget and MTFS. **Cabinet is asked to approve this timetable.**

7.6 Proposed Approach to Budget Monitoring and Reporting from 2014/15 financial year

This report also proposes changes to the in-year financial budget monitoring and reporting procedure and puts forward a proposed reporting timetable.

7.6.1 Proposed Report Changes

It is proposed that Cabinet Budget Monitoring reports should include:

- Specific reference to any savings proposed for 2014/15 until such time as they have been confirmed as delivered. The extent to which any planned savings will not be delivered in year should include reference to how the Directorate intends to mitigate the in-year pressure.
- In the event that any new significant corporate pressures are identified during the year, these too will be included in the Cabinet Budget Monitoring report with reference to how the Council intends to manage them.

7.7 Proposed 2014/15 Revenue Budget Monitoring Reporting Timetable to Cabinet

For 2014/15 it is proposed that Cabinet receive Budget Monitoring reports as follows:

Budget Monitoring Report to:	Cabinet Meeting Date:
30 th June 2014	30 th July 2014
31 st August 2014	15 th October 2014
31 st October 2014	17 th December 2014
31 st December 2014	4 th February 2015
31 st January 2015	18 th March 2015
28 th February 2015	8 th April 2015
Outturn 2014/15	17 th June 2015

If monthly monitoring during July, August, October or November, highlight any new or emerging pressures, additional reports will be submitted to Cabinet covering this period (taking into account the Summer Recess).

It is proposed that Capital Monitoring and update reports will be brought to Cabinet on a quarterly basis. **Cabinet is asked to approve this timetable.**

8. Finance

There are no direct financial implications.

9. Risks and Uncertainties

Failure of the Council to have in place an effective Financial Planning and Monitoring Process increases the Council's financial risk.

10. Policy and Performance Agenda Implications

The delivery of the Council's Revenue Budget within the parameters agreed at the start of the current financial year is essential if the objectives of the Council's Policy agenda are to be achieved. Financial performance is a key element within the assessment of the Council's overall performance framework.

11. Background Papers and Consultation

- Strategic Directors and Service Directors of the Council

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Appendix 1

MEDIUM TERM FINANCIAL STRATEGY AND BUDGET TIMETABLE
JUNE 2014 – MARCH 2015

	<u>June 2014</u>
<p>Cabinet/SLT To determine the Budget Process for 2015/16 & 2016/17</p>	17th June
<p>Cabinet To consider the 2013/14 Revenue Outturn</p>	18th June
<p>Self Regulation Select Commission To consider the implications of the 2013/14 Outturn</p>	26th June
	<u>July 2014</u>
<p>Council To consider the 2013/14 Revenue and Capital Outturn</p>	2nd July
<p>Cabinet To set out and agree 2014/15 budget strategy for delivering the initial (pre SR) projected resources gap</p>	9th July
<p>Overview & Scrutiny Management Board To consider the agreed 2014/15 budget strategy for delivering the initial (pre SR) projected resources gap</p>	18th July
	<u>September 2014</u>
<p>Cabinet/SLT To consider the Council funding gap taking into account Spending Review announcement, and to note Initial Savings Proposals (no decisions required at this stage)</p>	2nd September
<p>Budget Seminar</p>	9th September
<p>Cabinet To consider the Council funding gap taking into account Spending Review announcement, and Initial Savings Proposals including those proposals requiring 12 weeks Consultation with Stakeholders and other Communities of Interest</p>	24th September

October 2014**Budget consultation process starts:**

Online consultation built including e-survey, paper questionnaires used in workshops with communities of interest. Press release to advertise consultation on budget proposals that require consultation with stakeholders and other interested parties

1st October**Cabinet/SLT**

Consideration of updated Savings Proposals including decisions where required

14th October**Self Regulation Select Commission**

To consider the Council funding gap taking into account Spending Review announcement, and Savings Proposals

23rd October**November 2014****Cabinet/SLT**

To receive an update on the budget process and consider any further potential savings proposals

18th November**Self Regulation**

To receive an update on the budget process and consider any further potential savings proposals

27th November**December 2014****Autumn Statement / Provisional Settlement
Figures Received****Mid Dec****Cabinet/SLT**

Finalise budget proposals (with Impact Assessments) in light of the provisional local government finance settlement

**9th December
(Subject to date of
settlement announcement)**

January 2015**Self Regulation & OSMB Chairs**

To consider budget proposals (with Impact Assessments) in light of the provisional local government finance settlement

8th January**Cabinet/SLT**

To consider and assess the final outcomes of the consultation process and their implications for the Council's Budget and consider the implications of any delayed settlement announcement

13th January**Cabinet**

To propose Council Tax Base, the Council Tax Reduction Scheme and to receive a report proposing 2015/16 Council House rents

14th January**Budget Seminar**

To consider the implications of the Autumn Statement / Provisional LG Finance Settlement

27th January**Full Council**

To agree the Council Tax Base, Council Tax Reduction Scheme and set 2015/16 Council House rents

28th January**Final Settlement Figures Received**

(around) end January

February 2015**Cabinet**

To report the outcomes of the Consultation

4th February**Cabinet/SLT**

To consider the draft Revenue Budget, Council Tax and Capital Programme

10th February**Self Regulation Select Commission**

To consider the outcomes from the Consultation

19th February**Cabinet**

To finalise Recommendation to Council on Annual Revenue Budget and Capital Programme for 2015/16 to 2017/18 and to seek approval for the Council's Treasury Management Strategy and Prudential Indicators for the period 2015/16 to 2017/18

25th FebruaryMarch 2015**FULL COUNCIL Meeting**

To set Council Annual Revenue Budget and Council Tax Level and Capital Programme for 2015/16 to 2017/18

4th March

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS
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1.	Meeting:	Cabinet
2.	Date:	9th July
3.	Title:	School Funding 2015/16 and Beyond
4.	Directorate:	Children and Young People's Services

5. Summary

This report provides Members with details of recent Government announcements with regard to future funding for schools and summarises the potential financial implications for the local authority, its maintained schools and academies

- On the 27th March the Department for Education (DfE) issued the Consultation: Savings to the Education Services Grant (ESG) for 2015/16.
- On the 13th April the DfE issued the Consultation: Fairer Schools Funding in 2015/16 which set out the Departments proposal to allocate an additional £350m to Local Authorities for School Funding from 2015/16.
- On the 6th May 2014 HM Treasury (HMT) published the final Directions and the expected outcome of the Teachers' Pension Scheme valuation resulting in an increase in the employer contribution rate.

6. Recommendations

Cabinet is asked to note the details of the Government announcements and the potential financial implications for the Council, Rotherham Schools and Academies.

7. Proposals and Details

7.1 Background

Before the introduction of the Education Services Grant (ESG), the Local Authority Central Spend Equivalent Grant (LACSEG) was paid to academies to cover the cost of the services that local authorities provide centrally to maintained schools but that academies must secure independently.

The relevant funding amount to be recouped annually from local authorities and paid over to academies was based on how much the local authority spent each year on such services. This methodology led to a significant fluctuation and variation across the country in the amounts paid over by each local authority making it difficult for the local authority to estimate how much money would be recouped, and for academies about how much funding they would receive from one year to the next.

In June 2012, the Department published a consultation document that set out proposals for simplifying the LACSEG arrangements and creating a new grant paid on a simple per pupil basis – the Education Support Grant (ESG). Grant Academies receive the same basic rate per pupil but will also receive transitional protection.

The grant is paid to local authorities in place of Revenue Support Grant. As the number of schools converting to an academy increases in a local authority area, the value of ESG paid to a local authority is reduced.

The services deemed to be funded from ESG are: education welfare services, asset management, central support services, statutory and regulatory duties, premature retirement costs/redundancy costs (new provisions), therapies and other health related services, monitoring national curriculum assessment.

In addition to the basic ESG rate, local authorities received an additional amount per pupil for all pupils attending a state-funded school in 2013-14 (regardless of whether it is a maintained school or an academy). This is to enable local authorities to fulfil the statutory duties that do not transfer to academies. These duties are: education welfare services, asset management, and statutory and regulatory duties.

7.1.1 Proposals

The June 2013 Spending Round announced that DfE would need to make £200 million (around 20%) of savings from the ESG in 2015/16 with the stated priority being 'the protection of core school budgets'. The consultation seeks responses as to how the £200m reduction in funding might be dealt with by Local Authorities.

To help inform the consultation, the DfE visited 18 authorities and 13 academies across the country to gain an understanding of how they each prioritised and spent their ESG. This analysis led them to suggest areas where efficiencies might be obtained by Local Authorities - these are outlined in the consultation and are summarised briefly below:

- **Collaboration** – collaboration with other Local Authorities, facilitation of collaboration between schools; thus achieving economies of scale and increased buying power.
- **Charging for Services** - charging schools for some education services, thus saving local authorities money and enabling cost recovery to reinvest in providing education services.
- **Efficiency Savings through restructuring** –consideration of smarter and flatter management structures and consolidation of back-office functions.

7.1.2 Impact on Rotherham MBC

For 2013/14 the amount of ESG paid was £4.679m. For 2014/15, due to the estimated number of academy convertors during the year, the value of grant to be paid is expected to reduce by approximately £1.2m and by a similar amount in 2015/16. These anticipated grant reductions will contribute to the overall funding gap of the Council as the reduction in grant has been treated as a corporate matter. The estimated grant reductions have been taken in to account in the Council's financial planning.

Rotherham Planned expenditure per pupil for 2013/14 when compared to all England local authorities shows that the Council is either similar to or lower than the England average, but is lower than the maximum. (N.B – DfE benchmarking information for planned expenditure 2014/15 is due to be published in August)

Service	All England Average £ per Pupil	Planned Expenditure Per Pupil 2013/14			
		Maximum £ Per pupil All England	Minimum £ Per pupil All England	£ per Pupil – Rotherham Planned Spend 2013/14	Rotherham £ Per Pupil Compared to All England +/-
School Improvement	31	239	-2	19	-12
Statutory and Regulatory Duties	48	324	-6	7	-41
Education Welfare Services	14	85	0	15	+1
Central Support Services	6	155	-10	14	+8
Asset Management	2	129	-1	7	+5
Premature Retirement Costs/Redundancy Costs (new provisions)	0	86	0	0	0
Therapies and Other Health Related Services	3	100	0	3	0
Monitoring National Curriculum Assessment	0	25	0	0	0

It is not yet known how the reduction of £200million of ESG nationally will be applied, however the above shows that there is little scope for reduction in expenditure in the service areas based on the above comparator information and given that the number of academies opening in Rotherham is increasing.

7.2 Consultation: Fairer Schools Funding in 2015/16

The Consultation – Fairer Schools Funding in 2015-16 issued by the Department for Education (DfE) on the 13th March 2014 sets out the DfE's proposal to allocate an additional £350m to Local Authorities in 2015/16 financial year.

7.2.1 The Government's Proposal

To give every local area a minimum level of funding for each of its pupils and schools (Dedicated Schools Grant – Schools Block), making the distribution of funding to local areas fairer whilst ensuring no area receives a cut to its per-pupil budget.

The consultation invites views on how to set the minimum funding levels, and how the Department should distribute the additional £350m funding.

DfE calculations estimated that 62 Authorities currently attract less than the indicative minimum funding levels. This calculation is based on October 2013 schools pupil number Census and the 2013/14 factor values which drive the level of funding to individual schools budgets. The authorities that are likely to attract funding will gain between £24.5m (Surrey) and £0.4m (Bedford).

In 2014/15 the amount of Dedicated Schools Grant allocated to Rotherham Schools Block (Total £183.773m) on a per pupil basis (£4,844.16) ranks 32nd out of 151 England authorities and is 3.5% higher than the Metropolitan Authority average and 6.8% higher than the Yorkshire and the Humber average.

7.2.2 Impact on Rotherham MBC

The DfE calculation for Rotherham estimates that the level of funding to be allocated to the Council's schools in 2015/16 will be standstill in cash terms – **Rotherham is not expected to benefit or lose as a result of the proposals.**

7.3 Teachers' Pension Scheme Valuation

7.3.1 Proposals

The Government Actuary's Department published its final report on the 9th June confirming a total (employee / employer) **contribution rate of 26%** from September 2015. . Given the Teachers' Pension Scheme proposed final agreement provides that Scheme Members will pay an average contribution rate of 9.6% the new employer contribution rate will be **16.4%** which will be payable from September 2015. Until then, the existing rate of 14.1% will be payable.

. The Department for Education will be consulting in April 2015 on implementation of the new contribution rate. The new employer rate will be payable until the outcome of the following valuation is implemented, which is expected to be April 2019.

7.3.2 Impact on Rotherham MBC

Assuming pay awards of 1% and estimated teachers' pensionable pay of £74.9m in 2015/16 a 2.3% increase in employer's contributions would cost approximately £1.7m (excluding the impact of any proposed academy conversions).

Of the total of teachers' pensionable pay (£74.9m) approximately £0.5m relates to teachers who are employed directly by the Children and Young People's Service. The resulting pressure on the Directorate will be around £12k per year.

The remaining pressure will need to be met by individual schools and academy budgets for which the DfE have indicated that there will be no additional funding.

8. Finance

The Financial issues are covered in 7. Above.

9. Risks and Uncertainties

Schools and academies: There is a risk that existing cost pressures and those resulting from the increase in pension costs will result in individual school and academy budget deficits in 2015/16 and beyond.

The Council: the impact of the Fairer Schools Funding consultation will not impact directly on Council budgets however, it may result in a reduction in the value of services purchased by Schools and Academies from the Council. It is not yet known how the proposed reduction in Education Services Grant will be distributed to local authorities, but there is already an increasing pressure on the Council budget due to the increasing number of academies opening. It is possible, but not certain at this time, that the pressure could be increased further should the level of ESG given to authorities is reduced significantly at a local level.

10. Policy and Performance Agenda Implications

Stimulating the local economy and helping local people into work

- We will focus on all children, young people and their families to improve their qualifications and skills and for them to be economically active through lifelong learning

11. Background Papers and Consultation

DfE Consultation Document: Savings to the Education Services Grant for 2015/16

DfE Consultation Document: Fairer Schools Funding in 2015/16

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ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS
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1.	Meeting:	Cabinet
2.	Date:	9 July 2014
3.	Title:	Rotherham Local Plan: Adoption of the Core Strategy
4.	Directorate:	Environment & Development Services

5. Summary

Approval is sought for the Core Strategy to be referred to Council for formal adoption as part of Rotherham's Local Plan. Following public examination, the inspector's report on the Core Strategy has found it to be "sound" subject to some limited changes.

6. Recommendations

- 1. That Cabinet notes the Inspector's report and his recommended main modifications.**
- 2. That the Core Strategy, as modified, is referred to Council for formal adoption as part of Rotherham's Local Plan.**
- 3. That the Council delegates authority to the Planning Manager and Cabinet Member for Planning, Highways and Street Scene Services to make any minor changes (e.g. typing errors, formatting and images) necessary prior to publication of the adopted Core Strategy.**

7. Proposals and Details

Background

Rotherham's Local Plan consists of two documents; the Core Strategy setting out the broad amount and distribution of future growth and the Sites & Policies document setting out the detailed sites and development management policies to deliver this growth. The Local Plan will replace the existing Unitary Development Plan in guiding growth and investment decisions and deciding on planning applications.

The Core Strategy has to set targets for new homes and land for employment over the next 15 years. It sets out the vision, strategic objectives, strategy and policies to guide public and private sector investment and to manage development and regeneration in the borough.

Since 2005, we have consulted on the Core Strategy with local residents and businesses, interest groups, statutory bodies, services within the Council and elected members. This culminated with us submitting the document to the Secretary of State on 6 June 2013 for examination by an independent planning inspector. The inspector had to decide if the Core Strategy is "sound", in other words does it comply with the law and is it fit for purpose.

We have now received the inspector's final report on the Core Strategy examination.

After looking at our plan the inspector at first said our target should be much higher. We presented more evidence at a further hearing and made a strong case for our lower, local housing target. The inspector has now given us his final verdict and has agreed with our case.

This is excellent news for Rotherham.

The Inspector has said that the Core Strategy is sound subject to some limited changes. He considers that we have fully met all the legal requirements and have complied with the duty to co-operate with other authorities and bodies, noting that there is *"...ample evidence to demonstrate the Councils commitment to co-operation."*

The inspector has agreed with our arguments on the fundamental issue of setting a local housing target based on our own assessment rather than having a target imposed from above. He has clearly given great weight to the evidence we submitted and the arguments we presented at the examination hearings. Throughout his report he commends the Council on our evidence and approach.

To put this in context, we are one of the very few authorities who have submitted a Core Strategy since the National Planning Policy Framework to have achieved a sound plan. The majority have been found unsound, been withdrawn or suspended for further work. Even more uniquely, we are one of only a handful of authorities to get through a housing target lower than the previous regional strategy figure and also be allowed to make up any shortfall over the whole plan period (rather than during the first five years).

This is a significant achievement and will help minimise loss of Green Belt while still providing an ambitious target to support the Council's growth agenda. It provides certainty for the development industry that Rotherham is a place to do business.

The key changes set out in the inspector's report are:

Housing numbers – the Inspector's initial view in January was that our housing target for the Plan period (2013-2028) should be increased to 17,133. This would have meant around 3,000 extra homes on Green Belt land. The Inspector has now been convinced by our further evidence that the target should revert to our original figure. This is 850 new homes per year, plus shortfall in delivery against that target spread across the Plan period. **This requires the Core Strategy to plan for a total of 14,371 new homes.** He has, however, recommended changes which commit us to produce an up-to-date Strategic Housing Market Assessment. We have started this work and are working closely with Sheffield City Council on the project.

Phasing of development sites – the changes delete any phasing of sites (i.e. which development sites should come forward first). This brings the Core Strategy into line with the National Planning Policy Framework. However, although it is not an overriding factor, it still allows us to take account of brownfield status when allocating sites for development.

Bassingthorpe Farm – is confirmed as a Strategic Allocation in the Core Strategy, allowing it to come forward ahead of other sites in the Sites & Policies document. This will allow new homes to come forward quicker to tackle our housing shortage.

Dinnington – the Council's preference for a Broad Location for Growth to the east of Dinnington is supported.

Affordable Housing – our 25% target is endorsed and some policy changes on commuted sums and viability are included. These clarify and strengthen the policy while exempting self-build developments from the requirements.

Waverley – is classed as a Principal Settlement in the Core Strategy settlement hierarchy, rather than as a Local Service Centre. This reflects the scale of development taking place.

Renewable and low carbon energy – the changes better align the Core Strategy with national policy and the move by Government to set future energy efficiency standards through national building regulations.

Infrastructure – the changes amend the Core Strategy to set up a mechanism to ensure the monitoring and delivery of the strategy and the timely provision of the infrastructure on which it depends.

Next steps

We cannot make any major changes to the Core Strategy at this stage; we can adopt it with the main modifications recommended by the inspector or decide to not

proceed with adoption. A decision not to adopt the Core Strategy would mean we have no up-to-date strategy or policies to decide on planning applications. This would risk us losing planning appeals on Green Belt land and would not allow us to decide where new homes and jobs should go. Without the Core Strategy in place we would be unable to provide certainty for residents, developers and investors, and would harm our ability to deliver on our strategic objectives.

Adoption Process

In line with the Planning and Compulsory Purchase Act 2004 adoption of the Core Strategy can only take place following resolution by Council.

As soon as practical after the Council adopts the Core Strategy we must comply with Regulations 26 and 35 of the Town and Country Planning (Local Planning) (England) Regulations 2012 and Regulation 16 of the Environmental Assessment of Plans and Programmes Regulations 2004. These relate to the deposit of documents and publication arrangements. In line with these regulations we will make these documents available in our main office at Riverside House, and on our website:

- the adopted Core Strategy
- an adoption statement
- the inspector's report
- the Sustainability Appraisal report
- a Sustainability/Strategic Environmental Assessment adoption statement

We will also tell those who have previously requested to be kept informed the details of the adoption of the Core Strategy.

The adopted Core Strategy document will be made up of the Publication Core Strategy (2012), as amended by the Focused Changes to the Core Strategy (2013), the inspector's main modifications (2014) and a number of minor amendments set out in the Schedule of Minor Modifications (2014). Further minor amendments may also be necessary to ensure correction of typing errors, issues of formatting and so on.

The Core Strategy will be subject to a six week legal challenge period from the date of adoption, during which applications may be made to the High Court under Section 113 of the Planning and Compulsory Purchase Act 2004 on the grounds that (a) the document is not within the appropriate power, or (b) a procedural requirement has not been complied with.

On adoption the Core Strategy will form part of the development plan for decision making and deciding on planning applications, and will replace some of the saved policies in the existing UDP. The remaining saved policies will be replaced by the subsequent Sites and Policies document.

8. Finance

Adoption of the Core Strategy will incur some costs related to notification of adoption and printing costs which will be met from the existing Planning Policy budget.

9. Risks and Uncertainties

- The Localism Act and National Planning Policy Framework (NPPF) express a strong presumption in favour of sustainable development. Our UDP policies only continue to have any weight where they are in accordance with the NPPF. It is important that Rotherham's Core Strategy is in place as soon as possible to provide an up-to-date planning policy framework for the Borough's future growth and development.
- A failure to achieve timely progress on the Local Plan could delay the spatial strategy required to guide future decision-making on planning applications.
- Having a Local Plan in place will provide a steer for any neighbourhood plans that may emerge under the provisions of the Localism Act.
- Failure to make progress with the Local Plan risks delayed provision of the new homes and employment opportunities that the Borough needs.

10. Policy and Performance Agenda Implications

The implementation of the Local Plan will make a positive contribution to all of Rotherham's Regeneration priorities. When adopted, the Core Strategy and supporting documents will further the objectives of the Corporate Plan and support the delivery of the Rotherham Sustainable Community Strategy by:

- providing sufficient good quality homes
- ensuring well designed, decent affordable housing
- providing employment land to meet the needs of the modern economy, encourage inward investment and support sustainable communities through access to employment opportunities
- promoting the "town centre first" policy approach to help the regeneration and renaissance of Rotherham Town Centre and other town, district and local centres within the borough.

11. Background Papers and Consultation

Inspector's Report including recommended Main Modifications

http://www.rotherham.gov.uk/corestrategyexamination/downloads/file/557/rotherham_core_strategy_inspectors_report_and_appendix

Publication Core Strategy (2012)

<http://rotherham.limehouse.co.uk/file/2210054>

Focused Changes to the Core Strategy (2013)

<http://rotherham.limehouse.co.uk/file/2383011>

Schedule of Minor Modifications (2014)

<http://rotherham.limehouse.co.uk/file/2821806>

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By virtue of paragraph(s) 5 of Part 1 of Schedule 12A
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of the Local Government Act 1972.

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