

CABINET MEMBER FOR REGENERATION AND ENVIRONMENT

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

Date: Monday, 4th October, 2010

Time: 10.30 a.m.

A G E N D A

1. To determine if the following matters are likely to be considered under the categories suggested, in accordance with Part 1 of Schedule 12A (as amended March 2006) to the Local Government Act 1972.
2. To determine any item which the Chairman is of the opinion should be considered later in the agenda as a matter of urgency.
3. Minutes of a meeting of the Members' Sustainable Development Advisory Group held on 3rd September, 2010. (copy attached) (Pages 1 - 5)
4. Minutes of a meeting of the Local Development Framework Members' Steering Group held on 17th September, 2010. (copy attached) (Pages 6 - 12)
5. Opening of Tenders. (report attached) (Pages 13 - 14)
6. Bicycle Salary Sacrifice Scheme 2010 Revised Taxation Arrangements. (report attached) (Pages 15 - 18)
Paul Gibson, Senior Transportation Officer, to report.
- to review the 2010 Bicycle Salary Sacrifice Scheme and to outline changes.
7. Local Transport Plan Funding Consultation. (report attached) (Pages 19 - 25)
Tom Finnegan-Smith, Acting Transportation Unit Manager, to report.
- to report the proposed response to the Department for Transport consultation on Local Transport Funding.

**Date of Next Meeting
Monday, 18th October, 2010**

Members:

**Councillor Smith, Cabinet Member for Regeneration and Environment
Councillor Walker, Senior Adviser
Councillor Pickering, Chair, Planning Board;
Councillor Dodson, Vice-Chair, Planning Board
Councillor Whysall, Chair, Regeneration Scrutiny Panel
Councillor Swift, Vice-Chair, Regeneration Scrutiny Panel**

1 MEMBERS SUSTAINABLE DEVELOPMENT ADVISORY GROUP - 03/ 09/ 10

MEMBERS SUSTAINABLE DEVELOPMENT ADVISORY GROUP
FRIDAY, 3RD SEPTEMBER, 2010

Present:- Councillor Smith (in the Chair); Councillors Austen and Pickering.

together with:-

Sue Budby	Education Co-ordinator for Sustainable Development and Sustainable Schools
Paul Maplethorpe	Affordable Warmth & Sustainable Energy Co-ordinator
David Rhodes	Environmental Manager
Greg Lindley	
Carolyn Barber	Ecologist
Gordon Smith	Quality & Design Co-ordinator

23. INTRODUCTIONS/ APOLOGIES

The Chairman welcomed those present to the meeting.

Apologies for absence were received from:-

The Mayor, Councillor McNeely; Councillors Dodson and Councillor Steele;
David Wilde, LA 21 Officer.

24. MINUTES OF THE PREVIOUS MEETING HELD ON 30TH JULY, 2010

Consideration was given to the minutes of the previous meeting held on 30th July, 2010.

Agreed:- That the minutes be agreed as a correct record.

25. MATTERS ARISING FROM THE PREVIOUS MINUTES

Minute No. 15 – Exercise Nimbus

Those present received a briefing note in respect of the above. It was noted that the post exercise report, once the necessary approvals had been given, would be available in October, 2010.

26. UPDATE ON THE COALITION GOVERNMENT ENERGY POLICY

Consideration was given to a report, presented by Paul Maplethorpe, Affordable Warmth and Sustainable Energy Co-ordinator, relating to the Government's belief that climate change is one of the gravest threats we face, and that urgent action at home and abroad is required.

It was reported that the Government felt a wide range of levers was

required to cut carbon emissions, decarbonise the economy and support the creation of new green jobs and technologies. The Government, therefore, proposed to implement a full programme of measures to fulfil their joint ambitions for a low carbon and eco-friendly economy.

The Coalition Government have made a number of policy announcements and changes to present policies.

Particular reference was made to the following (details and implications of which were set out in the submitted report):-

- implementation of a “Green Deal” and enabling a “Pay as You Save” approach – B & Q pilot
- establishment of a Smart Grid and roll out of Smart metres
- establishment of a full system of feed-in tariffs in electricity
- Renewable Heat Incentive
- creation of a Green Investment Bank
- retention of the Energy Performance Certificates (EPC’s)
- cessation of the Warm Front fuel poverty scheme

Those present discussed and commented on:-

- the Coalition Government’s saving proposals
- confusing and complex mechanism proposed under Green Deal
- scheme costs and issues re: integration of billing systems of energy companies
- EPCs gradings: noting these were likely to change to bring in more tax
- increased energy costs
- implications for low income households

Agreed:- That the contents of the briefing be noted.

27. LA21 NEW FOCUS

Sue Budby, Education Co-ordinator for Sustainable Development and Sustainable Schools, reported on the new focus in respect of LA 21 work.

It was reported that David Wilde was now the South Yorkshire Climate Change Schools officer, working for Sheffield City Council and his work would now take a more regional focus.

However, part of his time would be spend on LA21 working with communities and Rotherham schools.

LA21 would continue to co-ordinate the Rotherham Education for Sustainable Development Partnership (RESDP) and would take a lead role on the “Rotherham in Root” food project.

28. LOCAL FOOD PROJECT

3 MEMBERS SUSTAINABLE DEVELOPMENT ADVISORY GROUP - 03/ 09/ 10

Sue Budby, Education Co-ordinator for Sustainable Development and Sustainable Schools, reported on the progress of "Rotherham in Root" local food project.

Reference was made to Todmorden's "Incredible Edible" scheme where fruit and vegetables were grown at a variety of locations e.g. cemeteries, schools, public land.

Other projects could be found in Huddersfield, Macclesfield, Rossendale, Wakefield and Doncaster/Bentley.

It was reported that a small working group had now been set up in association with Voluntary Action Rotherham looking at how to get the project going and promote interest.

Steps taken to date included VAR bidding for £2,000. It was proposed to organise a conference "Rotherham in Root" to promote community interest in food growing. This was being arranged for Tuesday, 30th November from 5.30 p.m. to 8.30 p.m. at The Hub, Canklow. Councillor Smith, Cabinet Member for Regeneration and Environment, was invited to Welcome attendees and introduced the project. The event would include Madam Zucchini, vegetable entertainer. It was also proposed that the social enterprise "The HoneyPot" (café) from Swinton would source, prepare and serve soup and bread. Short presentations about community allotments (linked to Links Project in Maltby and Abundance project in Sheffield, Eastwood UMCS allotment), keeping hens etc were also proposed.

The working group would also look into:-

- free range egg mapping
- creation of a Fruit orchard by buying 20 trees
- development of a Recipe book
- edible riverside walk
- local food road map
- wild food foraging
- local farms
- garden share schemes
- green gym programme
- Fair-trade
- providing a free goodi-bag (soil testing kit, seeds etc.)

It was pointed out that it was proposed to involve/consult with Fire and Police; NHS and the PCT; Churches; Food for life; Rotherham 2010 Ltd; South Yorkshire Housing Association: ROAR: Dearne Valley ????: EDS composting; Farmers' markets.

Those present also commented on:-

- opportunities for volunteering

- The Big Society
- involvement of Parish Councils and Allotment Societies

- vertical growing
- website development
- the issue of pollution to food grown on roundabouts
- information about tools etc

Carolyn Barber, Ecologist made the following suggestions:-

- (i) using the Horticultural tent at Rotherham Show as a promotional opportunity (Sue and Carolyn would discuss)
- (ii) propagation of new stock from an old local orchard (Carolyn to provide Sue with details)

David Rhodes suggested that liaison should also take place to co-ordinate/integrate with tree planting by RMBC's Landscape Team. (Sue to contact Steve Mellard, Landscape Team Manager).

Those present thought that this was an excellent project.

In addition Sue reported that she was working with School Catering to draw up a policy and guidance for the use in school meals of food schools are now growing.

29. ENVIRONMENTAL MANAGEMENT

David Rhodes, Environmental Manager, distributed copies of his report and highlighted the following:-

2 photovoltaic panels projects:- (i) putting arrays of PV panels on old landfill sites; (ii) installing panels at 60 schools

Carbon Reduction Commitment – energy efficiency scheme:- both the Council and schools were registered. League tables had been set up for schools and cluster groups. Work continued preparing for reporting and purchasing allowances in April 2011.

Sustainable Procurement and Commissioning Code of Practice:- it was proposed to present this to the Procurement Panel on 11th October, 2011.

EMAS Verification Audit: this would commence on 6th September, 2010.

NI 185/194:- awaiting direction from Government.

Key issues: legal compliance with EPBD; CRC; maintaining EMAS Registration and going beyond the 2% reduction target.

Agreed: That the progress to date, and key issues, be noted.

30. FUTURE ROLE OF THE GROUP - FOR DISCUSSION

In the light of the new Cabinet Member portfolios, the introduction of new ways of working, and based on previous attendances, those present discussed the future role of this Advisory Group.

Agreed:- (1) That Elected Members present at this meeting be invited to future meetings of the Sustainability Partnership. (Sue and Emma)

(2) That the Chair seek guidance on the future direction of this group from other members.

(3) That due to the cross cutting nature of items reported to this group and the increased future focus on sustainability, arrangements be made for a Council Seminar. (Emma)

31. DATE AND TIME OF NEXT MEETING

Agreed:- That the next meeting of this group be held on FRIDAY, 29TH OCTOBER, 2010 at 10.00 a.m. in the Town Hall, Moorgate Street, Rotherham.

ROTHERHAM LOCAL DEVELOPMENT FRAMEWORK STEERING GROUP
Friday, 17th September, 2010

Present:- Councillor Smith (in the Chair); Councillors Jack, Pickering, St. John, Sangster, Whelbourn and Whysall.

together with:-

Andy Duncan	Strategic Policy Team Leader
Neil Finney	Technical Assistant, Planning and Regeneration
Anthony Lowe	Solicitor
Ken MacDonald	Planning Manager
Bronwen Peace	Principal Officer, Planning and Regeneration
Neil Rainsforth	Senior Planner
Helen Sleigh	Senior Planner
Ryan Shepherd	Quality and Design Co-ordinator
Gordon Smith	

19. INTRODUCTIONS/ APOLOGIES

The Chairman welcomed those present to the meeting.

Apologies for absence were received from the following members of the Steering Group:-

The Mayor	Councillor McNeely
Councillor Austen	Chair, Democratic Renewal Scrutiny Panel
Councillor Dodson	Vice-Chair, Planning Board
Councillor Lakin	Cabinet Member for Safeguarding and Developing Learning Opportunities for Children
Councillor R. S. Russell	Cabinet Member for Town Centres
Councillor Walker	Senior Adviser, Regeneration and Environment
Councillor Wyatt	Cabinet Member for Resources and Commissioning

20. MINUTES OF THE PREVIOUS MEETING HELD ON 16TH JULY, 2010

Consideration was given to the minutes of the previous meeting held on 16th July, 2010.

Resolved:- That the minutes of the previous meeting be approved as a

correct record.

21. ANY MATTERS ARISING FROM THE PREVIOUS MINUTES

There were no matters arising from the previous minutes.

22. TOWN CENTRES RETAIL SURVEY AND BOROUGH-WIDE RETAIL AND LEISURE STUDY

Consideration was given to a report, presented by Neil Rainsforth, Research and Spatial Analysis Officer, and Ryan Shepherd, Senior Planner, relating the results of the latest surveys of the main borough town centre shopping areas, including Rotherham town centre.

The report highlighted the general increase in vacancy rates seen over the last few years and the varying fortunes across the borough's retail centres. It also provided information on the appointment of consultants to undertake an update of the Borough-wide Retail and Leisure Study which will form part of the evidence base for the preparation of the LDF.

Particular reference was made to:-

(i) the Town Centre Retail Surveys

It was reported that the annual survey in respect of Rotherham Town Centre, Bramley, Dinnington, Kiveton Park, Maltby Parkgate and Rawmarsh, Swallownest, Swinton, Thurcroft, Wath and Wickersley had taken place in July, (rather than October), in order to provide consultants with the latest information.

Attention was drawn to the graph within the report, which illustrated town centre vacancy rates over the period 2001 to 2010. It was noted the graph showed a steady increase in the retail vacancy rates. This however was a national trend.

(ii) Borough-wide Retail and Leisure Study

It was reported that PPS4 highlighted the need for an up to date and sound evidence base to plan positively for town centre uses. It was explained that due to the detailed and technical nature of the study, and in accordance with Standing Orders, Colliers CRE had been commissioned to undertake the study. A copy of the brief was attached to the submitted report. It was anticipated that the study would take between 3-4 months to complete and a further report would be presented to a future meeting of the Steering Group.

Those present raised and discussed the following:-

- misleading figures which indicated a centre was thriving when in fact it was not

- occupancy by Take-aways which distorted the figures
- infrastructure provision e.g. easy links to transport
- success of the Business Vitality Grants in Rotherham town centre
- the need for a marketing policy to increase the number of units let in townships
- what were the barriers preventing properties being let e.g. those that had been vacant for several years
- decline in traditional markets and other changes in shopping behaviour e.g. internet shopping and banking
- inclusion of leisure facilities e.g. bowling alleys, cinemas

Resolved:- (1) That the content of the report and the general upward trend in retail vacancy rates experienced in many of the main borough town centres, particularly in Rotherham town centre, be noted.

(2) That the commissioning of a borough wide retail and leisure study, which will form part of the evidence base for the Local Development Framework, be noted.

23. EMPLOYMENT LAND REVIEW CONSULTATION

Ryan Shepherd, Senior Planner, reported on the feed back from the consultation in respect of the Employment Land Review which was carried out during June and July 2009.

It was reported that 76 representations had been received from 23 individual consultees from a range of organisations e.g. Yorkshire Forward, landowners, local organisations and members of the public.

The purpose had been to look at the amount of employment land required over the LDF period and to assess the suitability of existing employment land and its continued use in the future and also identify any sites to be re-allocated for other uses.

A re-assessment of the figures was now needed following the abolition of the RSS. This would include looking at how much growth existing sites could take up.

All the comments received would be entered onto the Council's LDF Consultation Portal. The original document would be amended accordingly to take account of the comments and a future report brought to a future meeting of this Steering Group.

24. PUBLICATION OF BDR JOINT WASTE PLAN

Consideration was given to a report, presented by Neil Finney, Technical Assistant, relating to the Barnsley, Doncaster & Rotherham (BDR) Joint Waste Plan that had been developed by planning officers from the three authorities as part of the Local Development Framework.

The aim of the Plan was to provide policies to determine planning applications for waste management facilities and included facilities for the following waste types: Municipal, Commercial & Industrial, Construction & Demolition, Hazardous, and Agricultural.

It was further explained that the BDR Joint Waste Plan was a formal Development Plan Document which had already been subject to statutory public consultation and other stages of consultation with public and private bodies, to assist in its development.

In addition to providing policies to inform the determination of planning applications, the Plan also proposed to allocate four strategic sites of up to 5 hectares (12 acres), for the development of larger scale waste management centres and to encourage the co-location of similar facilities from the waste industry.

The 3 local authorities were simultaneously moving the Plan forward to the publication stage, and that would be followed by a further 6 weeks consultation period to challenge the soundness of the Plan. Ultimately the Plan would be submitted to Government to be examined for soundness by an Independent Inspector from the Planning Inspectorate. If the Inspector's report was favourable then the BDR Joint Waste Plan would be recommended to each of the Local Authorities' full Councils for formal adoption.

Reference was made to the importance of the design of the facilities and also to the planning process.

Resolved:- (1) That the formal Publication of the BDR Joint Waste Plan be endorsed insofar as this Steering Group is concerned.

(2) That a report be submitted to Cabinet seeking approval for the formal publication of the BDR Joint Waste Plan.

25. LDF SETTLEMENT HIERARCHY

Consideration was given to a report, presented by Helen Sleight, Senior Planner, proposing a settlement hierarchy to guide ongoing work on the Core Strategy and to assist in the selection of sites for future development.

It was explained that a clear spatial strategy for the Borough was the bedrock for the preparation of the final draft Core Strategy and would guide the preparation of the Sites and Policies DPD Issues and Options Consultation Draft Development Plan Documents (DPD's).

Some of the key issues that had been considered in preparing the suggested settlement hierarchy were:-

- to clearly demonstrate the settlement hierarchy for the borough

- to determine how the settlement hierarchy will function in the future
- to determine how a settlement identified for growth will change in the future

The proposed settlement hierarchy reflected the status of the centres / settlement groupings as they were and also their potential future role. It reflected the availability of existing facilities and where growth could potentially be supported in the future.

The settlement hierarchy and the emerging Spatial Strategy would be the over arching policy to guide future development.

Members were asked to consider the wording of the draft Spatial Strategy for the Borough as set out in the submitted report. This spatial strategy would guide the preparation of the Sites and Policies DPD Issue and Options Consultation Draft. It was explained that the submitted report proposed a settlement hierarchy to guide ongoing work on the Core Strategy and in the selection of sites for future development.

Further reference was made to:-

- the greenbelt review background paper to support the draft Core Strategy
- Preferred sites and those that are the most sustainable
- Changed terminology – principal town was now 'principal settlement'
- Identification of settlement groupings by population and dwellings
- Super Output Areas mapped out
- 7 key issues (listed in the submitted report) that had been considered in proposing the suggested settlement hierarchy
- Tables summarising the proposed settlement hierarchy and comparison to the Retail Hierarchy
- Identification of principal settlements for growth:- Rotherham Urban Area; Dinnington, Anston and Laughton Common/ Wath, Brampton Bierlow, West Melton/Bramley, Wickersley and Ravenfield/Kiveton Park and Wales.
- Identification of Waverley as a Local Service Centre with significant potential for Growth

Members present raised and discussed the following:-

- the Dearne Valley Eco Vision
- renewable energy – sustainability (noting the required sustainability appraisal) and climate change
- local wildlife and geological sites
- provision of schools re: number of homes proposed, and other infrastructure requirements
- preservation and development of local communities

- provision of affordable housing
- proximity to rail links and the M1/M18/A1 corridors
- potential future benefits from the development of the Chesterfield Canal (noting legal advice re: whether those aspirations can be achieved over the lifetime of the Plan)
- area of the Borough that would welcome development of housing and employment opportunities, and the proximity of the South Yorkshire Navigation

Resolved:- That the content of the report be noted as work in progress.

26. LDF NEXT STEPS

Andy Duncan, Strategic Policy Team Leader, reported on the next steps in the LDF process.

He reported that Cabinet on 8th September, 2010 had considered a report which set out details of the public consultation on the Local Development Framework (LDF) Core Strategy over the summer of 2009, together with the feedback on that consultation response. This report had also been considered by the Regeneration Scrutiny Panel on 8th September, 2010.

Consideration as given to the next round of public consultation and the proposed timetable. It was pointed out that approval had also been given to a new approach to standard letters and petitions.

Reference was made to the revocation of the housing targets set in the Regional Spatial Strategy and it was reported that the Cabinet had supported proposals to set an interim housing target to provide continuity. This would demonstrate to the market that there was land available for mixed and affordable housing development over the next five years and provide a stop-gap figure until the LDF process had been completed.

Reference was also made to the yet uncertain role of the Local Economic Partnership (LEP), noting that a bid had already been submitted to form a LEP.

It was also noted that the details of the new homes scheme had not yet been made available and so it was uncertain which organisations (i.e. the Council or the LEP) would benefit from this reward grant.

It was confirmed that the Council would need to continue to work closely with other local authorities within the sub-region.

Resolved:- That this Steering Group notes the following:-

(1) the draft Local Development Framework Consultation Plan and the draft Local Development Framework timetable.

(2) the revised approach to standard letters and petitions received in

response to future Local Development Framework consultation.

(3) the adoption of an interim housing target for Rotherham of 750 net new dwellings per annum (based on the 2005 draft RSS figure, or “Option 1” figure, as allowed for by Government guidance following revocation of regional strategies).

(4) the further public consultation through the Local Development Framework process on a range of housing targets to determine a final housing target.

(5) the issuing of a Press Release on the position.

27. ANY OTHER BUSINESS

The following issue was raised:-

(i) Census data

It was reported that the April 2011 census was to be the last. The question was asked what other population/demographic information would be available in its place to guide work such as the LDF.

It was reported that the ONS had a range of statistics updated and available every two years.

28. DATE, TIME AND VENUE OF NEXT MEETING

Resolved:- That the next meeting of this Steering Group be held on Friday, 15th October, 2010 at 10 a.m. in the Town Hall.

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS
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1.	Meeting:	Cabinet Member for Regeneration and Environment
2.	Date:	4TH OCTOBER, 2010
3.	Title:	OPENING OF E-TENDERS AND OFFERS
4.	Directorate:	Chief Executive's

5. Summary

The purpose of this report is to record the opening of e-tenders for the following:-
on 13th September, 2010:-

Highways waste

6. Recommendation:-

That the action of the Cabinet Member in opening the e-tenders be recorded.

7. Proposals and Details

The following were opened by the Cabinet Member for Economic Development, Planning and Transportation on 13th September, 2010:-

- e-tenders in respect of Highways Waste

8. Finance

To secure value for money.

9. Risks and Uncertainties

Service implications and public perception issues.

10. Policy and Performance Agenda Implications

In accordance with financial and contractual requirements.

11. Background Papers and Consultation

Emails: Category Manager, RBT

Contact Name : Janet Cromack, Senior Democratic Services Officer

Ext: 22055

Email: janet.cromack@rotherham.gov.uk

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS
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1.	Meeting:	Cabinet Member for Regeneration and Environment
2.	Date:	4th October 2010
3.	Title:	Bicycle Salary Sacrifice Scheme 2010 Revised Taxation Arrangements
4.	Directorate:	Environment and Development Services

5. Summary

To review the 2010 bicycle salary sacrifice scheme and to outline changes to the final valuation fees for bicycles that may be sold to employees at the end of 12 month scheme.

6. Recommendations

That employees who joined the 2010 Bicycle Salary Sacrifice Scheme are informed about recent advice issued by HMRC which requires that any employment income gained through the final purchase of bicycles at the end of the scheme is taxed via the income tax coding system.

7. Proposals and Details

The Council adopted a Travel Plan for staff, visitors and customers in January 2003. (Council Minute 320 of 20th January 2003 refers). The aim of the plan is to contribute to the aims and objectives of the South Yorkshire Local Transport Plan and regional and national aspirations by:

- Reducing the need to travel and especially the need to travel by private car
- Improving travel mode choice
- Having a healthier workforce by promoting more trips on foot or by bicycle
- Leading by example to others

Amongst other initiatives, the Travel Plan recommended that a “cycle purchase / loan scheme” should be introduced to encourage more staff to cycle between home and work and to use bicycles for some work related trips. The 1999 Finance Act introduced tax incentives for such a scheme in the form of a salary sacrifice, giving an employee a benefit in kind, free of tax and Class 1 National Insurance Contributions and also employer savings on Secondary National Insurance contributions. The Council approved the introduction of a salary sacrifice scheme for 2010 to give employees an opportunity to hire bicycles over a 12 month period (Council Minute 153 of 19th April 2010 refers).

8. Finance

80 employees joined the 2010 scheme. The value of bicycles and accessories hired to them was £39,255 (exclusive of VAT). This amount will be recouped via salary sacrifices by July 2011.

Scheme income from employer savings in Secondary National Insurance Contributions will be approximately £3500.00. Further scheme income of approximately £1950.00 will be realised if the Council opts to sell bicycles to employees at the end of the 12 month hire for a one off final purchase fee.

There is no automatic entitlement for an employee to take ownership of the bicycle. At the end of the 12 month sacrifice/hire employees can, by contract, be asked to return their bicycles and pay 5% of the original purchase price (inc. VAT) to cover basic costs of inspecting the goods. Actual return costs may be much higher and can include:

- Storage costs estimated at £5.00 per month/ bicycle.
- Full safety check / service of each bicycle at a cost of £60.00 to £80.00.
- Administration of the subsequent sale of the bicycles at an estimated cost of £30.00 per bicycle.

When taking into account return costs, it is more common for employers to encourage employees to use any additional payments to purchase their bicycle outright at the end of the scheme under separate contract. Final purchase costs are usually set at 5% of the bicycles initial cost.

HMRC has recently issued guidance on the final purchase option. *EIM21667a - Particular Benefits: Bicycles: Simplified Approach to Valuing Cycles Sold to Employees After End of Loan Period* advises that employers should impose generally higher final purchase values than those that have become custom and practice (5%). HMRC argue that if an employee pays less than their assessment of market value, the difference will be taxable as employment income. HMRC purchase option values are shown in Table 1.

Table 1: The HMRC Valuation

Age of Cycle	Acceptable Disposal Value Percentage	
	Original Price of Cycle Less Than £500 (Excluding VAT)	Original Price of Cycle More Than £500 (Excluding VAT)
1 year	18%	25%
18 months	16%	21%
2 years	13%	17%
3 years	8%	12%
4 years	3%	7%
5 years	Negligible	2%
6 years & over	Negligible	Negligible

Shaded area shows percentages applicable to the 2010 Rotherham Scheme.

There is a significant difference between the default purchase valuation (5%) and those of HMRC. A cost illustration based on a maximum and average 'spend' per bicycle is show in Table 2.

Table 2: HMRC vs. Default Valuation

12 Month Hire Period				
	Maximum Value		Average Value (below £500.00 exc. VAT)	
	HMRC Valuation @ 25%	Default Valuation @ 5%	HMRC Valuation @ 18%	Default Valuation @ 5%
Purchase Cost (inc VAT)	£1000.00	£1000.00	£577.00	£577.00
Purchase Cost (less VAT)	£851.00	£851.00	£491.00	£491.00
Estimated Cost to Employee	£587.00	£587.00	£339.00	£339.00
Final Purchase Fee (inc VAT)	£250.00	£50.00	£104.00	£29.00
TOTAL COST TO EMPLOYEE	£837.00	£637.00	£443.00	£368.00

It is common practice for employers to illustrate the final purchase cost of a bicycle at the start of salary sacrifice scheme. In the 2010 scheme, the widely accepted figure of 5% was quoted. Whilst the Council has not committed to sell bicycles to employees, it has suggested an 'expected' final purchase fee which may have influenced an employees' decision to join the scheme. Although the Council is not contractually obliged to do so, it would seem reasonable to honour the illustration given at the start of the 2010 scheme. This can be done in two ways:

(i) Employees would need to be advised that in paying less than the HMRC assessment of market value, the difference will be taxable as employment income. The Council would need to declare to HMRC each employee's benefit via the internal Taxation team. HMRC would then recalculate the employee's tax code the following year in order to recover the tax. Based on the maximum and average spends outlined in Table 2, this is likely to equate to a cost of between £1.50 and £4.00 per month spread over a single tax year. There would also be a cost to the Authority in respect of Class 1A NIC's (currently 12.8%) on the benefit amount. This is estimated to be £700.00 and could be comfortably met from scheme income.

(ii) Allowing a continuation of the initial hire of the bicycles for a fixed one off payment (5% of initial purchase) for 6 years and until such time where the bicycle has no residual value. However, should an employee leave the Authority within the 6 year period, the taxation arrangements in (i) above would apply. This option would require ongoing administration from both the Transportation Unit and RBT payroll/HR over 6 years.

Assessing the options available, option (ii) is not preferred because it will place an otherwise avoidable administrative burden on the Council during a period where staff resources may be under extreme pressure. It would be more prudent to terminate the salary sacrifice scheme as planned in mid 2011 and to inform participants of the revised taxation arrangements detailed in (i) above.

9. Risks and Uncertainties

Complying with HMRC advice will negate any taxation risks and uncertainties associated with the 2010 Bicycle Salary Sacrifice Scheme.

11. Background Papers and Consultation

- Department of Transport Cycle to Work Schemes
- EIM21667a - Particular Benefits: Bicycles: Simplified Approach to Valuing Cycles Sold to Employees After End of Loan Period

Consultation has taken place with:

- RMBC Central Finance (Taxation)
- RBT Payroll

Contact Name : Paul Gibson, Senior Transportation Officer, x2904.
paul.gibson@rotherham.gov.uk.

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS
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1.	Meeting:	Cabinet Member for Regeneration and Environment Delegated powers
2.	Date:	4 October 2010
3.	Title:	Local Transport Plan Funding Consultation
4.	Programme Area:	Environment and Development Services

5. Summary

To report the proposed response to the Department for Transport consultation on Local Transport Funding

6. Recommendations

That Cabinet Member resolves that: -

The response to points raised in the DfT consultation (see Appendix 1) be supported for inclusion within the response being prepared on behalf of South Yorkshire by the LTP Programme Director

7. Proposals and Details

In August 2010 the Department for Transport (DfT) issued consultation on the way Local Transport Plan (LTP) funding is calculated and distributed. LTP funding has previously been allocated in two 'blocks' the 'Integrated Transport (IT) Block' – capital funding for small transport improvement schemes and the 'Maintenance Block' – capital funding for maintenance schemes.

The effects of altering the formulae used to determine IT and Maintenance Blocks (potential reduction or increase in funding) is separate to any funding announcements as part of the Comprehensive Spending Review (CSR) on 20th October 2010. However, the CSR will clearly determine the overall level of funding that will be available and following the in year cuts announced in June it is expected that the level of funding available could be reduced by up to 40%.

Any changes to the way in which LTP Block funding is allocated will be incorporated into the Local Government Finance Settlement (2011/12 – 2014/15) to be published in December 2010. This settlement is expected to include individual local authorities' LTP capital allocation for the IT and Maintenance Blocks.

Responses to the consultation will feed into the decisions that the DfT takes on how the allocations for the two transport blocks are calculated. The consultation also highlights that LTP IT and Maintenance Block funding are not ring-fenced allocations.

The formal response to the consultation is being prepared on behalf of South Yorkshire by the LTP Programme Director for DfT's deadline of 6 October 2010. Our full response to all of the points raised in the consultation for inclusion within the South Yorkshire response is shown in Appendix 1. However, the key points the DfT seeks feedback on in the consultation are:-

Maintenance Block

Changing from a formula based on road condition to a formula that is determined using the overall length of highway network to be maintained.

It is also proposed to update the datasets that are used to calculate the funding allocations.

Implications:

Refreshing the condition dataset would result in Rotherham's Maintenance Block reducing by 14%.

Changing from a formula based on condition to one based on length of road would result in a reduction of 6%.

However, the impact of the likely reduction in funding available following the CSR is unlikely to be known until December 2010.

If condition is to be used in the formula it means that relatively small changes in condition can result in a change of an authority's quartile position and have a disproportionate effect on funding. It can also be viewed as rewarding failure. However, if additional funding is not directed to authorities with the worst networks then it is difficult to see how they will improve. We consider that a balanced approach would be to allocate half of the funding based on road length alone and the other half factored to reflect condition in line with comments the region has previously provided to consultation on this issue.

Integrated Transport Block

It is not proposed to change the formula, although the DfT do indicate their willingness to do so and acknowledge the benefit in revising the formula so that it is focused more on goals of carbon reduction and supporting the economy. However, any revision to the IT Block formula will be in the longer-term and not prior to the finance settlement in December.

A refresh of the datasets is also proposed.

Implications:

The refresh of the dataset will result in South Yorkshire receiving a 1% increase in its allocation of the overall IT block fund. However, the impact of the likely reduction in funding available following the CSR is unlikely to be known until December 2010.

The longer-term review of the way in which the formula is 'made up' is welcomed.

Allocation of funding

The consultation invites feedback on whether block funding should be paid out as grant or supported borrowing.

For the six Metropolitan Areas, and in joint Local Transport areas, such as South Yorkshire the consultation asks for views on whether the funding blocks should be paid solely to Integrated Transport Authorities (ITA).

Implications:

At present the IT Block is paid to the ITA and to the Metropolitan Districts. 50% is managed at South Yorkshire ITA level on the Strategic Programme and 50% is managed by districts to establish a Local IT programme of schemes. The Maintenance Block is currently allocated direct to Metropolitan Districts.

If the entire IT and Maintenance Block allocations were paid solely to the South Yorkshire ITA the way in which it is then distributed would need careful consideration. This could be managed in a straightforward way by reflecting the formula allocation for maintenance and districts then receiving their 'fair share' of the funding and for the current IT block arrangements to continue. It is considered that an arduous bidding process for specific local schemes would not be an efficient use of likely reduced LTP resources at district or ITA level.

However, if funding is allocated to the ITA there are likely to be associated improvements to how local funding is prioritised with potentially greater LTP benefit in terms of the outcomes that schemes deliver. In addition, by allocating funding to the ITA the funding will also be prioritised to schemes that maintain and manage the network and provide the associated benefits to carbon reduction, supporting the economy, and ensuring safety that the funding is intended to deliver.

Grant funding is our preferred way of receiving funding.

8. Finance

This report has no financial implications at this time, although the responses to the consultation will influence how the LTP allocations are calculated and the funding that RMBC receives for its future Highways Programmes from 2011/12 onwards.

9. Risks and Uncertainties

There is significant uncertainty regarding the levels of funding to be allocated via LTP programmes from 2011/12 onwards. The CSR announcements on the 20th October 2010 will provide some clarity although individual allocations are unlikely to be known until December 2010.

10. Policy and Performance Agenda Implications

Consultation on the Sheffield City Region Transport Strategy, which will also form LTP3, is currently underway. Many of the Councils Corporate Plan priorities are delivered through or influenced by LTP funded projects. Reduced funding towards LTP IT and Maintenance programmes will affect our ability to deliver the goals and policy objectives set out in the strategy and, depending on the size of funding cuts, could affect our ability to effectively deliver our transportation and highways statutory duties. If funding is allocated directly to RMBC and this is then allocated to non-transport and highways projects this would significantly affect our ability to function as an effective member of the South Yorkshire LTP Partnership and our ability to deliver key elements of the Corporate Plan.

11. Background Papers and Consultation

DfT consultation: Consultation on Local Transport Funding, DFT-2010-32. August 2010.

Contact Name:

Tom Finnegan-Smith, Acting Transportation Unit Manager, Planning and Transportation, extension 2967, tom.finnegan-smith@rotherham.gov.uk

Local Transport Funding Response

The consultation period closes on Wednesday 6th October 2010. We do not require every question to be answered.

Name of Authority: **Rotherham Metropolitan Borough Council**

Contact details in case of queries: Tom Finnegan-Smith 01709 822967

Question 1 - The only change that the Department is considering in either of the two formulae in advance of this year's Local Government Finance Settlement is the option to disregard road condition in the maintenance block formula. What are consultees' views on this approach?

To disregard the road condition data is not supported. This implies that areas with poor road condition have made the conscious decision to neglect road maintenance. However, a formula based solely on road condition with updated data refresh may not take account of those authorities that have not used their previous maintenance allocations wisely and disadvantage those authorities that have.

If condition is to be used in the formula it means that relatively small changes in condition can result in a change of an authority's quartile position and have a disproportionate effect on funding. It can also be viewed as rewarding failure. However, if additional funding is not directed to authorities with the worst networks then it is difficult to see how they will improve.

We consider that a balanced approach would be to allocate half of the funding based on road length alone and the other half factored to reflect condition in line with the regions comments on previous consultation.

Question 2 – What are consultees' views on possible longer term changes to the formulae, in particular on the comments above on potential developments to the IT Block?

We are supportive of any investigative work which results in allocation formulae better reflecting actual need. We would support a change to the formula to include factors that reflect carbon reduction and supporting economic growth although the datasets for these goals would need careful consideration.

Question 3 – Do consultees agree that there should be a data refresh?

We agree that data should be refreshed as using timely, up to date information is important in any allocation formula. However, we feel that the sensitivity of the formulae needs to be considered as there are large distributional changes particularly in the e.g. -21% (St Helens) and +27% (Peterborough). As mentioned in 1 this sensitivity does appear to have a disproportionate effect on funding.

Question 4 – Do consultees have any comments on the refreshed data as set out in Annex G?

A full data check is to be undertaken by the LTP Central Team and specific comments on the accuracy of the South Yorkshire dataset related to the IT Block will be made. We have provided DfT with updated information relating to street lighting and bridge condition.

Question 5 – Do consultees wish to see transitional arrangements to mitigate the impact of the data refresh, and if so, what should these be?

Given the large scale changes to some authorities in the exemplifications, in line with other government funding (e.g. Formula Grant), there should be some transitional arrangement set at a reasonable level to allow change to come through the system, while protecting others from large sudden change. It would be helpful in managing the transition if the impact was spread over the 3 year allocation period.

Question 6 – Do consultees agree with the Department's approach for merging funding for structures on the Primary Route Network and for detrunked roads within the maintenance block formula from 2011/12?

Yes the funding for PRN Structures and detrunked roads needs to be integrated into the maintenance block but there is no detail about how this is proposed to allow for comments on whether the method is reasonable.

Question 7 – Would local authorities prefer to receive funding as grant or supported borrowing, and what are consultees' views on the priorities for paying out grant if there is a mix of grant and supported borrowing?

We would prefer to receive funding as grant.

Question 8 – What are consultees' views on the option to allocate the IT and maintenance blocks solely to Integrated Transport Authorities in the six Metropolitan Areas?

We would agree that funding for IT and maintenance blocks should be allocated directly to ITA's in the six Metropolitan areas. However, we recognise the importance of Local Highway Authorities defining their priorities for maintaining and managing their highway network whilst also seeing the benefits in working collectively across South Yorkshire to target funding at those schemes that can provide significant strategic benefit.

Should funding be allocated directly to the ITA decisions on how it is then distributed will need to be considered carefully. This could simply be done by reflecting the formula allocation for maintenance and for the current IT block arrangements to continue whereby 50% is managed at South Yorkshire ITA level on the Strategic Programme and 50% is allocated to local IT schemes. It is considered that an arduous bidding process for specific local schemes, particularly maintenance ones, would not be an efficient use of resources. However, if funding is allocated to the ITA there are likely to be associated improvements to how local funding is prioritised with potentially greater benefit in terms of the outcomes that schemes deliver.

Question 9 – Should Metropolitan Areas and other areas producing Joint Local Transport Plans be allowed to retain the flexibility to vire IT Block funding between authorities as permitted in the last funding settlement?

Yes - Metropolitan areas should be able to vire funds between authorities. In South Yorkshire 50% of the South Yorkshire LTP IT allocation is used to prioritise a Strategic Programme of schemes that are assessed and included on merit. This programme needs the potential flexibility to allow funding allocated to schemes that are not progressing to be allocated to other schemes. This approach ensures that the expenditure of the Strategic Programme is maximised to achieve greatest benefit. However, the discretion on the appropriateness of viring funding between authorities should be a decision for ITA's.

Question 10 – Do consultees have any other issues they would like to raise about the calculation or distribution of the integrated transport or highways maintenance blocks, including on the overall size of the blocks relative to other capital funding and relative to each other?

We consider the current balance between the size of the IT and maintenance block allocations to be appropriate.

Whilst acknowledging the benefit that funding for Major transport and highway improvements can bring, particularly in unlocking potential significant development and associated economic growth, we also recognise the significant impact that a broad programme of Integrated Transport schemes can have on the travel behaviour and effective management of a Local Authorities highway network for a comparatively small budget.

Please send consultation responses to:

LT.PLANS@dft.gsi.gov.uk

or

Local Transport Funding Consultation

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