

**Council Cabinet  
1 October 2014**

## **Key Decisions**

### **56/14      Derby Core Strategy – Publication and Submission for Examination**

The Council Cabinet considered a report on Derby Core Strategy – Publication and Submission for Examination. Consultation took place on the draft Local Plan Part 1 (Core Strategy) between October and December last year. This established a housing provision figure of 12,500 homes for Derby over a plan period of 2008 to 2028 and identified sites for development to meet this. It also included detailed policy wording on a wide range of topic policies covering regeneration, the economy, affordable housing, the city centre, shopping, transport, the environment and the River Derwent, including the 'Our City Our River' flood defence project. A summary of comments made and officer responses to these was attached as Appendix 2 to the report and Members were asked to approve the responses to them. This document would be made available as part of the consultation on the Publication Plan and submitted to the Examination.

The report set out the key issues facing the plan, including those raised through the consultation and sought approval for a number of relatively minor changes that were being proposed for the next stage of the process which was formal Publication of the Plan followed by Submission and Examination. The majority of amendments made had been to make the policies clearer or rectify minor errors such as spelling mistakes. The main substantive changes to policy were set out in the report. Many of the issues raised had been considered before, particularly those relating to housing need, scale of provision and the location of development sites proposed. Whilst many housing allocations, particularly those on greenfield sites, remained unpopular with local residents, the lack of alternatives means there was little flexibility in the plan. No significant changes were proposed. Those that were, dealt mainly with the detail of policy wording. The main changes were highlighted in the report and a more detailed schedule of issues and proposed changes was set out in Appendix 3 of the report. Members were being asked to approve these for inclusion in the Publication Plan. They were also being asked to authorise the Cabinet Member for Planning, Environment and Regeneration, together with the Strategic Director for Neighbourhoods, to finalise the text for the Publication Plan and to make the necessary arrangements to Submit the Plan provided no significant new issues were raised. A 'track changed' version of the text was attached as Appendix 4 to the report. This illustrated the proposed changes in context.

One of the key tasks Local Authorities were required to undertake in drawing up their local plans was to assess their housing needs and to prepare a strategy for meeting these. Housing need was assessed across the three Housing Market Area (HMA) authorities through a Housing Requirements Study and refined through the Strategic

Housing Market Area study. Housing need for the City from 2008 to 2028 was assessed at 16,125 new homes.

In recognition that Derby could not meet its housing needs in full, last year's draft plan set a housing provision figure, or target, of 12,500 new homes. The remaining 3,625 homes were to be met in South Derbyshire and Amber Valley, mainly as urban extensions to the City. At the same time, a further 3,000 homes were proposed in South Derbyshire as urban extensions to the City to meet their own needs. This was justified on the basis of the sustainability advantages a city offered and because of Derby's economic growth ambitions. However, Members would recall that Derby City Council informed South Derbyshire that it did not support the two additional reserve sites identified on the edge of the City in their draft plan, partly because it was considered that enough extensions to the city were now proposed. South Derbyshire had taken these comments on board and were no longer proposing these reserve sites. However, they were currently considering a planning application for a smaller scheme of about 300 homes on one of these sites to the west of Mickleover.

Amber Valley submitted their plan for Examination earlier this year and formal Hearings began in March 2014. Early on in this process, the Inspector asked for some further work to be undertaken on the HMA housing need figure to take account of the latest thinking on how to assess need. As a result, he had advised that in order to have 'Sound' Plans, the HMA housing need figure should be increased by just under 1,500 homes and that the three authorities should decide between themselves how to distribute these. Derby remained unable to increase its housing target due to a lack of suitable land and South Derbyshire had also indicated they were unable to take more. Amber Valley was currently consulting on additional sites that would meet this additional need in full. This process had resulted in some delay to all three Authorities timetables, but had been necessary to ensure Sound Plans. The Amber Valley Inspector had also advised that the start of the plan period should be amended to 2011 rather than 2008. This was mainly to align the basis of the figures with the 2011 census. Members were being recommended to accept this technical adjustment which would not affect the amount of land that had to be identified.

Prior to 'submitting' the Plan to the Secretary of State for Examination, the Council must formally consult on it to give people an opportunity to comment on a number of 'Tests of Soundness'. This was different to previous consultations which were more informal and allowed people to make comments as they wished. The Examination was not intended primarily to consider people's objections to the plan, but rather to use comments to test whether it was Sound or not. Respondents would therefore be asked to relate their responses to these tests and to specify why they believe a Test of Soundness was not being met. Given their importance to the Examination, the report included a short explanation of the tests. The Examination would also test whether the plan was compliant with a number of legal tests, such as the 'Duty to Cooperate' and had been subject to an appropriate 'Sustainability Appraisal'. These were also briefly explained in the report.

The Publication Plan was not a draft. It was what the Council considered to be finalised and 'Sound'. In accordance with the constitution it therefore needed to be approved by Council at this stage. It was intended that Council would consider the Plan at its 26th November 2014 meeting and that if approved, it would be Published

for consultation as soon as practicable following that meeting and then Submitted to the Secretary of State in early 2015. Examination hearings were then likely to begin in the spring/summer of 2015.

Submission for Examination usually followed immediately after Publication, unless issues were raised which suggested otherwise. In addition to approving the plan for formal publication, Members were therefore also being asked to authorise the Cabinet Member for Planning, Environment and Regeneration and the Strategic Director for Neighbourhoods to make the necessary arrangements to Submit the Plan provided no significant new issues are raised. Representations made on the Publication Plan were forwarded to the Inspector.

Examinations were rigorous processes, requiring quick responses to the Inspector, and inevitably identify issues requiring a degree of clarification and modification. Members were therefore also being asked to authorise officers to offer minor changes to the plan for the consideration of the Inspector. If the Inspector agreed with these, they would need to be consulted on after the Examination. More significant issues would be referred back to Council Cabinet.

### **Options Considered**

Government now advised Local Authorities to prepare a single Local Plan rather than the suite of different documents of the Local Development Framework. Delaying Publication to produce a single Local Plan was considered but would result in too much delay and uncertainty on key planning issues. Instead, a Part 2 Local Plan would be progressed and, once both are adopted, would be combined with the Part 1 Plan (Core Strategy) to form a single Local Plan.

### **Decision**

To recommend Council

1. To agree the responses to comments made on last year's Draft Plan as set out in Appendix 2 of the report.
2. To agree the changes to the draft plan as set out in Appendix 3 of the report and the adjusted housing figures in Paragraphs 4.20 – 4.26 of the report to rebase the start of the plan period from 2008 to 2011.
3. To authorise the Strategic Director for Neighbourhoods, following consultation with the Cabinet Member for Planning, the Environment and Regeneration, to finalise the plan for Publication and to undertake consultation on this from October onwards.
4. To authorise the Strategic Director for Neighbourhoods, following consultation with the Cabinet Member for Planning, the Environment and Regeneration, following consultation to submit the Plan for Examination, including making minor amendments to it.
5. To authorise officers to offer minor modifications to the Examining Inspector

for his or her consideration.

## **Reasons**

1. To consider comments made on the draft plan and to bring forward the start of the plan period to 2011.
2. To take on board comments made on the draft plan and to bring forward the start of the plan period to 2011 as advised by the Inspector Examining Amber Valley's Core Strategy.
3. To enable the text for the Publication Plan to be finalised.
4. To enable the plan to be submitted for formal Examination provided no new significant issues are identified through consultation on the Publication Plan.
5. To enable officers to quickly address issues of concern raised by the Inspector and allow for an efficient Examination process.
6. To authorise the Publication Plan.

**Council Cabinet**  
**22 October 2014**

## **Budget and Policy Framework**

### **83/14 Medium Term Financial Strategy**

The Council Cabinet considered a report on the Medium Term Financial Strategy.

It was clear from the financial position facing the Council, compared to the needs of our residents, that the Council was no longer capable of affording the services it had provided for many years. Many of these services would have to stop unless they were provided externally and at no cost to the Council. The Council was on a forecast trajectory to only be able to provide statutory services by the end of the Medium Term Financial Plan - MTFP- and these would have to be at a greater level of risk.

The Council had already identified £96m of savings since between 2010 and 2014, with a further £69m to deliver between 2015 and 2018. As the Council's budget decreased, and was redirected to address pressures and pay for statutory service areas, the ability to deliver savings of this level placed the Council in a critical financial position.

The change in demography in our city meant that the Council was facing cost pressures similar to those impacting on the NHS. This position was something which did not get the same public exposure that the pressure in the Health sector receives. We had similar budgetary pressures and Local Government was being continually impacted by reducing levels of funding, no funding to address inflationary pressures,

underfunding to meet new legislative burdens and increasing demand for our services.

The financial crisis facing the Council also highlighted the need to relaunch the 'Fair Deal for Derby' campaign. Derby had previously evidenced that the level of funding given to Derby was not aligned with our need to spend and the Council had had much needed funding totalling approximately £11m withheld by central government. The impact of this position was now becoming more critical, as the ability to meet our budget gap becomes more difficult.

The report outlined the Medium Term Financial Strategy - MTFS - for the revenue and capital budget over the three year period 2015/16 to 2017/18. The MTFS sets out the Council's strategic approach to the management of its finances. It detailed the resource projections for the forthcoming three years, the financial challenges that the council faces and the approach planned to meet the priorities set out in the Council Plan. It also comments on the significant risks facing the Council in the forthcoming years and explained what the Council was doing to reduce those risks.

The purpose of the Medium Term Financial Strategy was to ensure that the overall vision, objectives and outcomes sought for the local community were affordable within the resources that were available or likely to be available in the medium term. The MTFS was also designed to ensure the Council continued to maintain a stable and sustainable budget capable of withstanding financial pressures. This position was becoming more difficult as funding continued to reduce at the same time as pressures were escalating.

Each year there was a short-term requirement to prepare an annual budget and set the Council's council tax. The achievement of the City Council's longer term objectives, however, required service and financial planning to be undertaken over a longer period. The MTFS therefore looked to take into account the medium term implications of the key issues facing the Council and also examined longer-term considerations.

The key financial issue facing the Council for 2015/16 to 2017/18 was to continue to manage the on-going reductions in national public finances, and consequently in the Council's own resources. The MTFS sought to address this by the application of a number of overarching principles, which were designed to support the delivery of a balanced budget position.

The Council's Medium Term Financial Strategy should ensure that any budgetary decisions were based on the priorities for the city. The 15-year City Plan would set out the long term priorities for the city. The Council Plan 2014-17 would show how we would work with partners to deliver outcomes for local people in the shorter term. Both documents were currently being refreshed. The MTFP would aim to reflect the aspirations of both plans.

The Council had been consulting with the public and partners on a broad scale since the launch of the Big Conversation, supported by local partners and community groups, and the Budget Simulator, a tool to allow participants to set the Council's budget. As at 8 October 2014, there had been approximately 5,000 starts to the

budget simulator and over 700 completions. The budget simulator was still live and further snapshots of the findings would be used throughout the budget process.

## **Decision**

1. To endorse the Council's Medium Term Financial Strategy for 2015/16 to 2017/18 and recommend that Council approve the strategy.
2. To note the budget risks associated with the MTFS, as set out in section 8 of the report.
3. To note the estimated financial position and funding gaps for 2015/16 to 2017/18, and the assumptions included within these forecasts, as set out in section 10 of the report.
4. To approve the key principles underlying the budget process outlined in section 11 of the report.
5. To approve the proposed financial methodology to identify service savings over the next three years, as set out in section 11 of the report.
6. To approve the recommended approach to public consultation on the budget to increase engagement and encourage community action, as set out in section 14 of the report.
7. To approve the outline timetable set out in paragraph 14.7 of the report.