

Part A

Report to: Cabinet
Date of meeting: 5 March 2018
Report of: Deputy Managing Director
Title: South West Herts Joint Strategic Plan

1.0 Summary

1.1 Delivering more homes to meet growing need has become a key issue for Government. Recent Government announcements indicate that the Duty to Co-operate is going to be strengthened in favour of more formalised joint spatial planning among local authorities. At a Leader, Portfolio Holder and Senior Officer meeting in January 2018 the principle of supporting the preparation of a South West Herts Joint Strategic Plan was agreed. This report outlines the issues, benefits and implications of preparing such a plan and seeks authority to progress such a plan including the preparation of a Memorandum of Understanding as the next step in the process, to be followed by a Statement of Common Ground.

2.0 Risks

2.1

Nature of Risk	Consequence	Suggested Control Measures	Response <i>(Treat, tolerate, terminate, transfer)</i>	Risk Rating (the combination of severity and likelihood)
Changing Government legislation	New national policy could require additional work or change of focus	Adapt plan and evidence studies to reflect changes in national policy	Treat	8
Changing local	Could	Effective	Tolerate	8

politics	undermine progress on joint plan	involvement of members from all authorities and strong leadership		
Staff changes	Currently all authorities are experiencing staff moving on which could delay progress on the SW Herts work programme	A knowledge bank will be shared across the five authorities to support the delivery of the SW Herts Joint Plan and provide resource resilience	Treat	8
Resource reduction	All Councils are having to find solutions to resource reduction	More efficient use of existing resources across the authorities and bids for external funding	Tolerate	12
Brexit	Brexit could affect multiple issues including demographic, investment and policy.	Given the timescales for Brexit and uncertainties a number of scenarios would need to be tested as part of the plan making process.	Tolerate	12

3.0 **Recommendations**

To recommend to Council :

1. To agree to work with the other South West Herts Authorities (Three Rivers, Dacorum, Hertsmere and St.Albans Councils) to prepare a Joint Strategic Plan. Details of working arrangements and governance structures will be included in a Memorandum of Understanding which is currently being worked on. A timetable and the relationship with individual local plans will be set out in a Statement of Common Ground, to be agreed by all partners.
2. To agree to progress a Memorandum of Understanding as the framework for governing future joint working arrangements and for the final terms of the Memorandum of Understanding to be delegated to the Deputy Managing Director for agreement.
3. To agree to officers progressing work on the joint plan and to note that this will come back to Council for final approval.
4. To note the support of Hertfordshire County Council and the Hertfordshire LEP for this process.

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Report approved by: Nick Fenwick, Deputy Managing Director

4.0 **Detailed proposal**

- 4.1 South West Hertfordshire faces significant strategic challenges in accommodating the required new homes, jobs and supporting infrastructure over the next fifteen years and beyond. The five local authorities which make up this area – Dacorum, Hertsmere, Three Rivers, St Albans and Watford – continue to experience an acute shortage of new and affordable housing and beyond existing built up areas, are almost entirely designated as Green Belt land.
- 4.2 In recent years it has become increasingly evident that the scale of growth Government is expecting local authorities to deliver is of such a scale that it cannot be delivered sustainably by individual local authorities working in isolation. Neighbouring

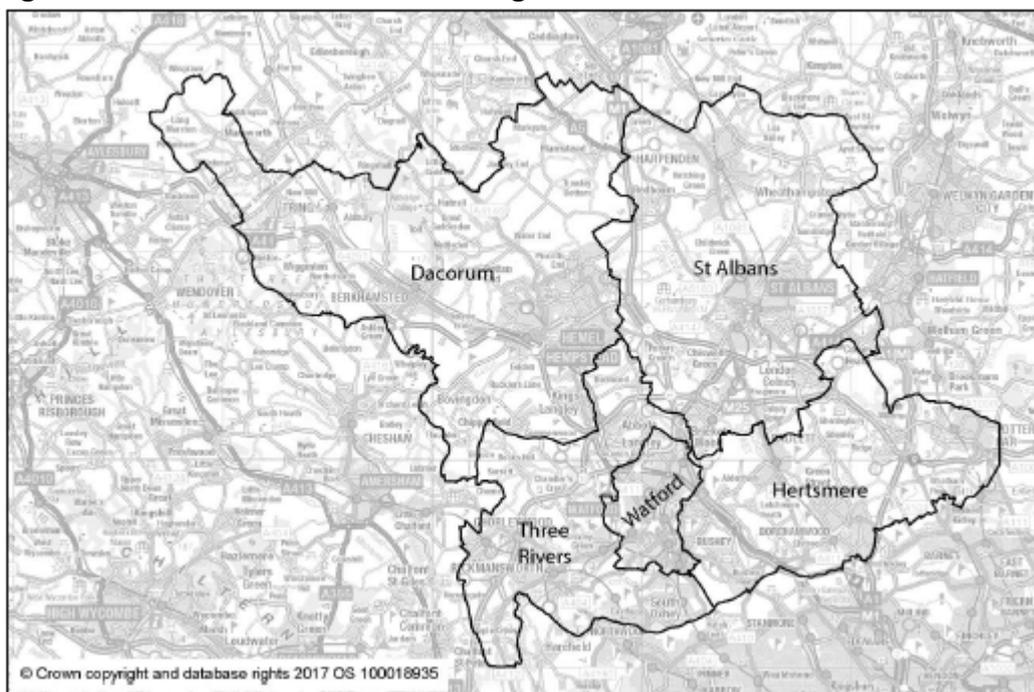
authorities are therefore increasingly being encouraged to work together to provide the high quality homes, jobs and infrastructure where people want to live their lives. The opportunity to agree new arrangements for strategic planning across the area is particularly timely as all five SW Herts authorities are now at a similar stage in the plan making process.

4.3 Following a meeting on the 23 January 2018 attended by Leaders, Portfolio Holders and Senior Officers from Dacorum, Hertsmere, St Albans, Three Rivers, Watford Councils and Hertfordshire County Council, it was agreed to progress work towards a joint strategic plan for South West Herts. As such an undertaking is of such a strategic scale, this report seeks support from members to proceed with the preparation of a South West Herts Joint Strategic Plan and for governance arrangements to be put in place to enable this work to move forwards.

4.4 Dacorum, Hertsmere, Three Rivers and Watford Councils have been working together as an informal planning group since 2014, when a Strategic Housing Market Assessment and an Economy Study were jointly commissioned to inform the Local Plan reviews. Further joint technical work, including a Retail and Leisure Study and a Strategic Flood Risk Assessment, is underway. Since November 2017, St Albans Council has formal Member agreement to move forward with joint work on this SW Herts geography (see Figure 1 below).

All five authorities have already been working as a group with Hertfordshire County Council on transport matters, including the SW Herts Growth and Transport Plan.

4.5 **Fig.1 South West Hertfordshire Housing Market Area and Functional Economic Market Area**



4.6 **The Duty to Co-operate**

The duty to cooperate was created in the Localism Act 2011. It places a legal duty on local planning authorities, county councils in England and public bodies to engage constructively, actively and on an ongoing basis to maximise the effectiveness of Local Plan preparation in the context of strategic cross boundary matters.

4.7 Whilst the duty to cooperate is not a duty to agree local planning authorities are required to make every effort to secure the necessary cooperation on strategic cross boundary matters before they submit their Local Plans for examination.

4.8 Local planning authorities must demonstrate how they have complied with the duty at the independent examination of their Local Plans. If a local planning authority cannot demonstrate that it has complied with the duty then the Local Plan will not be able to proceed further in examination. This has already been a stumbling block at examination for a number of local plans in recent years including Castlepoint in Essex and St Albans.

4.9 In February 2017 the Housing White Paper: 'Fixing our broken housing market' proposed a new spatial local plan based on effective joint working as part of the new Housing Delivery Test. To strengthen the duty to co-operate, a Statement of Common Ground (SoCG) would also be required. The clear expectation from Government is that these would be prepared on Housing Market Area geographies i.e. involving the authorities shown in Figure 1 above.

4.10 The Government's "Right Homes in Right Places" published in November 2017 proposes two new tests of soundness for local plans including:

a) plans should be prepared based on a strategy informed by agreements over the wider area, and

b) plans should be based on effective joint working on cross-boundary strategic priorities, which are evidenced in the statement of common ground.

4.11 With the Government driving for a step change in housing delivery these proposals are highly likely to be implemented in 2018 with the publication of the new National Planning Policy Framework (NPPF), which is expected by the end of March. These new soundness tests will effectively mean that local planning authorities will need to change the way they work together on strategic and cross boundary matters for their plans to be found 'sound'.

4.12 At the same time the Government is offering resources to local authorities to support wider area based plans. A SW Herts bid for £220,000 has been submitted to the Ministry for Housing, Communities and Local Government to support the development of a joint plan. It is understood that further funding opportunities will be announced.

4.13 **Examples of Joint Planning**

Following the demise of the old county structure plans and the regional spatial

strategies, it has become evident that many key planning and infrastructure issues extend beyond individual borough and district boundaries. Consequently there are a number of cases where authorities are working together on strategic planning matters. Some partnerships of local authorities have taken a non-statutory approach to preparing infrastructure frameworks and plans. Areas that have been doing this include West Sussex and Greater Brighton and South Essex. Such plans are useful for bringing infrastructure providers together and helping co-ordinate growth. However as they are non-statutory they only have of limited weight when guiding the preparation of individual Local Plans and strategic development proposals. As a result of this limitation, a number of authorities are now working together to prepare statutory Spatial / Strategic Plans. Examples include Greater Exeter, Oxfordshire and Greater Manchester.

4.14 The closest example of what is being considered for SW Herts is a statutory document akin to the emerging West of England Joint Spatial Plan which covers Bath and North East Somerset, Bristol City, North Somerset, and South Gloucestershire. The emerging plan contains 7 high level policies and 12 area policies which sets the broad direction and strategic approach for development across the whole area. This is then supported by detailed policies in each authority's local plan. These two levels of plans are being prepared in tandem.

4.15 **Role of Hertfordshire County Council and the Hertfordshire Local Enterprise Partnership (LEP)**

Both the County and the LEP have an important role in helping to deliver a new joint plan; the County from its perspective as a major service provider, funding partner and land owner and the LEP as a key business and funding partner. County Councils are identified as participants in the Duty to Co-operate. LEPs have a less formal requirement but it is generally considered best practice to work closely with the LEP. As a result both organizations would be invited to be signatures of the MOU and SoCG. However the joint plan would only need to be approved by district and borough authorities.

4.16 **Benefits**

A statutory joint plan has a number of significant benefits, the first is that it provides a more effective way of place shaping, by providing a bigger canvas to direct development to the right areas that deliver growth and that are, or can be, supported by the right infrastructure.

4.17 Second joint planning brings with it increased funding opportunities and secures wider support from Government and other agencies such as Homes England (formerly Homes and Communities Agency) and the LEP. Joint plans are increasingly favoured by the Ministry for Housing, Communities and Local Government (i.e. Housing Infrastructure Fund and Planning Delivery Fund). There is also greater potential for a bespoke housing deal to deliver strategic infrastructure where significant growth is proposed.

- 4.18 Third a joint plan can help local authorities to manage their housing delivery more effectively. Currently the Government is proposing to allow 5 year housing land supply and the new Housing Delivery Test to be managed across strategic areas where there is a joint plan in place. This could be particularly useful where very complex and large scale developments are being progressed with significantly longer lead-in times i.e. houses can typically be delivered faster than an apartment scheme.
- 4.19 Fourth joint planning can provide a more robust and coherent basis for negotiating with others. In the SW Herts case, by working together we would be in a stronger position when dealing with the Greater London Authority to ensure that there are greater mutual benefits arising from London's growth, and to the north, how we work with the Cambridge- Milton Keynes-Oxford Growth corridor where one million new homes are proposed and being supported by Government.
- 4.20 Fifth, by having a joint plan in place it would address the duty to co-operate and help to deliver technically sound and legally compliant local plans.

4.21 **Risks**

The primary risk is for one of the partners to break away from the arrangement. To reduce the risk of this occurring, a Memorandum of Understanding (MOU) would establish the governance and ambitions for the new plan. It would also increase the likelihood of that authority, in particular, failing to meet the requirements of the Duty to Co-operate and the possibility of the Secretary of State intervening in the Local Plan process.

- 4.22 The preparation of a MOU would be followed by the authorities agreeing a Statement of Common Ground which would identify the key cross boundary issues. This SoCG is expected to be a new statutory requirement, to be introduced by the new NPPF.

- 4.23 Resource availability and changes in staffing would be a risk to the plan's preparation as resources would need to be committed from all participating authorities. To address this, a skills bank would be prepared and specific officers would be expected to work with Officers of all other member authorities of the joint plan as appropriate.

- 4.24 The risk of programme slippage significantly increases when multiple parties are involved. To address this, a governance structure will be included in the Memorandum of Understanding. A standard project planning approach will be put in place across the participating authorities.

4.25 **Budget**

In terms of budgets, it is estimated that the combined cost across South West Herts for a joint plan would be £400,000 over a three year period. A number of funding sources are available and a joint bid to the MHCLG Joint Working Fund has been submitted for £242,000 covering the period to the end of the 2018/2019 financial year. This would provide additional resources including two temporary specialists. The outcome of this process is due before the end of February 2018 with the initial tranche of c£15,000

being made available before the end of the current financial year and the balance due at the start of 2018/19. Alternative funding from the East of England Local Government Association (EELGA) may also be available if the MHCLG grants are not awarded.

4.26 It is considered that the new strategic plan making requirement can be contained within the existing local plans budget for 2018/19 £6,000 per authority. Autumn 2018 would provide the opportunity to review the budgets for the local plan as the progress of the Local and Strategic Plan will be clearer in timescales and cost of preparation.

4.27 In 2019/20 and 2020/21 it is anticipated that a further £150,000 would be required across the two years to cover public consultations, legal and consultancy advice and the examination. This would equate to c£15,000 per annum per authority. Ideally we would want to keep the two specialists in post during 2019/20.

4.28 In terms of financial risk c £40,000 is considered acceptable across the five authorities. Autumn 2018 would provide the opportunity to review the budgets for each authority to cover any additional expenditure that may arise.

4.29 Subject to the successful award of funding, the recent 20% increase in planning fees could be used to meet the additional cost along with a further bid to government or/and EELGA. Therefore a growth bid is unlikely to be required for Watford.

4.30 **Next Steps**

The first step to embark on a South West Herts Joint Plan is for all the authorities to agree a Memorandum of Understanding. The next step will be to progress a Statement of Common Ground. This document will identify the relevant cross-boundary strategic priorities and will also be expected to set out how growth will be distributed across the area and what key supporting infrastructure will be required. The five South West Herts authorities and Hertfordshire County Council will be the signatories. During the time the Statement of Common Ground is being drafted, a new timetable for the plan's preparation will be drafted and officers will be working to progress the evidence to support the new plan.

4.31 **Retention of Sovereignty**

A new joint strategic plan would need to be agreed individually by all authorities. Members would be consulted as the plan progressed at each stage through a series of workshops and broader consultation events. Each authority would continue to maintain its own Local Development Scheme, setting out arrangements for both the preparation of its own Local Plan documents, as well as the agreed timescales for the Joint Strategic Plan.

4.32 Both the Submission and Adoption joint plan documents would need to be approved by each Council.

4.33 In addition to the joint plan, each authority will progress their own local plans to

address local issues and provide site allocations.

- 4.34 Whilst an adopted joint plan will form part of the development plan for the district/borough, local development management committees would retain sovereignty when it came to determining planning applications in their area.

5.0 **Implications**

5.1 **Financial**

- 5.1.1 The Shared Director of Finance comments that funding for 2018/19 has been applied for from the MHCLG and if this is not successful then alternative funding may be available from EELGA. Funding for future years may be through additional grant applications or can be included in the annual budget setting process.

5.2 **Legal Issues** (Monitoring Officer)

- 5.2.1 The Head of Democracy and Governance comments that section 28 of the Planning and Compulsory Purchase Act 2004 give the power for two or more local planning authorities to agree to prepare one or more joint development documents. Under the constitution any decision to agree to make a joint development plan must be agreed by Council.

5.3 **Equalities/Human Rights**

- 5.3.1 An Equalities Impact Assessment will be undertaken as the plan progresses, alongside a health impact assessment and a sustainability appraisal. As part of this work there will be a consideration of the impact of the plan on Human Rights including an assessment of how proposals would outweigh any detriment to them.

5.4 **Staffing**

- 5.4.1 Two additional staff are being proposed for two years to be funded from the Planning Delivery Grant. These would be based in Dacorum but would work across SW Herts.

5.5 **Accommodation**

- 5.5.1 No additional requirements identified.

5.6 **Community Safety/Crime and Disorder**

- 5.6.1 N/A

5.7 **Sustainability**

- 5.7.1 The plan would be subject to a full Sustainability Appraisal that complies with national guidance and legislation.

Background Papers

West of England Joint Spatial Plan 2016

Fixing the Broken Housing Market 2017

Planning for the Right Homes in the Right Places: Consultation Proposals 2017

File Reference

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