

POLICY AND RESOURCES COMMITTEE

19 MARCH 2018

PART I - DELEGATED

6. SW HERTS JOINT STRATEGIC PLAN (DCES)

1. Summary

1.1 The purpose of this report is to advise the Policy & Resources Committee on 1 the joint strategic planning work being undertaken across South West Hertfordshire including a Memorandum of Understanding to be agreed by the participating local authorities. This work will ultimately lead to the preparation of a Joint Strategic Plan covering five local authorities, including Three Rivers, providing a framework within which Local Plans can be progressed and reflecting the strengthening of the Duty to Co-operate requirements by the Government.

2. Details

2.1 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.

2.2 South West Hertfordshire faces significant strategic challenges in accommodating the required new homes, jobs and supporting infrastructure over the next fifteen years and beyond.

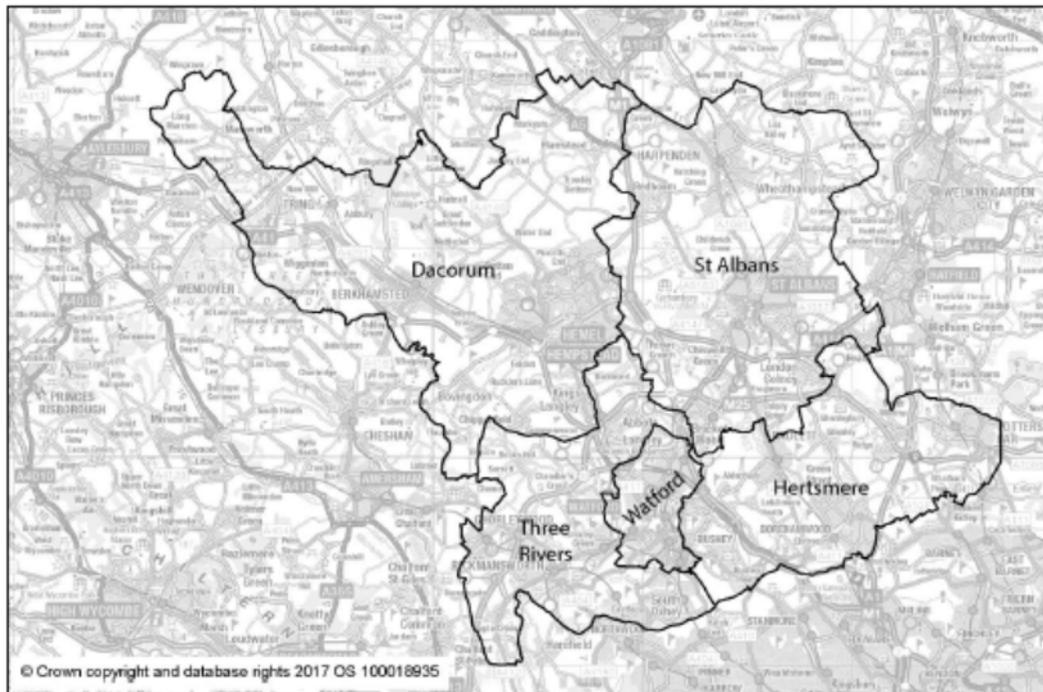
2.3 The five local authorities which make up this area – Three Rivers, Hertsmere, St Albans, Watford and Dacorum – continue to experience an acute shortage of new and affordable housing and, beyond existing built up areas, are mostly entirely designated as Green Belt.

2.4 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 authorities working in isolation. Neighbouring authorities are therefore increasingly being encouraged to work together to provide 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.

2.5 Following a meeting on the 23 January 2018 attended by Leaders, Portfolio Holders and Senior Officers from Three Rivers, Dacorum, Hertsmere, Watford, St Albans and Hertfordshire councils, it was agreed to progress work towards a joint strategic plan for South West Hertfordshire. Further background information and the notes and recommendations from the meeting are contained in Appendix 1 to this report.

2.6 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.

- 2.7 Three Rivers, Dacorum, Hertsmere 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 & Leisure Study and a Strategic Flood Risk Assessment, is underway. Since November 2017 St Albans City & District Council has formal Member agreement to move forward with joint work on this SW Herts geography (see Figure 1 below).
- 2.8 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.
- 2.9 Fig.1 South West Hertfordshire Housing Market Area and Functional Economic Market Area



2.10 The Duty to Co-operate

- 2.11 The Duty to Co-operate was created in the Localism Act 2011. It places a legal duty on local planning authorities, county councils and public bodies in England 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.
- 2.12 Whilst the Duty to Co-operate is not a duty to agree, local planning authorities are required to make every effort to secure the necessary co-operation on strategic cross-boundary matters before they submit their Local Plans for examination.
- 2.13 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 authorities in recent years including Castlepoint in Essex and St Albans.

- 2.14 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 a 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 local authorities shown in Figure 1 above.
- 2.15 The Governments' 'Right Homes in Right Places' published in November 2017 proposes the following new tests of soundness for local plans:
- 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.*
- 2.16 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.
- 2.17 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 Local Plans to be found 'sound'.
- 2.18 At the same time the Government is offering resources to local authorities to support wider area based plans. A SW Herts bid for revenue funding to address a skills deficit in relation to strategic cross-boundary planning and the delivery of strategic sites was successful in securing funds (£227,000) to recruit two shared officers (a Joint Strategic Planning Director and a Housing and Employment Delivery Director) for 2018/19. It is understood that further funding opportunities will be announced.
- 2.19 Examples of Joint Planning**
- 2.20 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.
- 2.21 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 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.
- 2.22 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.

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

2.24 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 organisations will be invited to be signatories of the MOU and SoCG. However, the joint plan would only need to be approved by district and borough authorities.

2.25 Benefits

2.26 A statutory joint plan has a number of significant benefits:

1. It provides a more effective way of place shaping by providing a bigger canvas on which to direct development to the right areas that deliver growth and that are, or can be, supported by the right infrastructure.
2. 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 Local Enterprise Partnership. Joint plans are increasingly favoured by the Ministry of 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.
3. It 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. It 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.
5. It would address the Duty to Co-operate and help deliver technically sound and legally compliant local plans.

2.27 **Risks**

2.28 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.

- 2.29 The preparation of a MOU would be followed by the authorities agreeing a Statement of Common Ground (SoCG) 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.
- 2.30 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.
- 2.31 The risk of programme slippage significantly increases when multiple parties are involved. To address this, a governance structure is proposed in the Memorandum of Understanding contained in Appendix 2. A standard project planning approach will be put in place across the participating authorities.

2.32 **Next Steps**

- 2.33 The first step to embark on a SW Herts Joint Plan is for all authorities to agree a Memorandum of Understanding (Appendix 2).
- 2.34 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 SW 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.

2.35 **Retention of Sovereignty**

- 2.36 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.
- 2.37 Both the Submission and Adoption joint plan documents would need to be approved by each Council.
- 2.38 In addition to the joint plan, each authority will progress their own local plans to address local issues and provide site allocations.
- 2.39 Whilst an adopted joint plan will form part of the development plan for the district/borough, local planning committees would retain sovereignty when it came to determining planning applications in their area.

3. **Options/Reasons for Recommendation**

- 3.1 The recommendations in this report arise from a government requirement and reflect the outcomes of the meeting attended by Leaders, Portfolio Holders and Senior Officers from Three Rivers, Dacorum, Hertsmere, St Albans, Watford and Hertfordshire County Council.

3.2 There are no reasonable alternatives in light of the above and the risks associated with not progressing work on a Joint Strategic Plan set out in paragraph 2.27.

4. Policy/Budget Reference and Implications

[Link to current policies](#)

4.1 The recommendations in this report are within the Council's agreed policy and budgets.

4.2 The recommendations in this report relate to the achievement of the following performance indicators:

ESD01 Net additional homes provided
ESD02 Number of affordable homes delivered
ESD03 Housing land supply in years
ESD06 Change in employment floor space

4.3 The progression of a Joint Strategic Plan will have a positive impact on these performance indicators as it will facilitate the provision on high quality homes, jobs and infrastructure.

5. Financial Implications

5.1 In terms of budgets, it is estimated that the combined cost across SW Herts for a joint strategic plan would be £400,000 over a three year period. A joint bid to the MHCLG Joint Working Fund for £227,000 for additional resources (to include 1 year costs for two full time posts – Joint Strategic Plan Director and Housing and Employment Delivery Director) covering the year 2018/19 was successful.

5.2 In terms of financial risk, it is considered that the new strategic plan making requirement can be contained within existing local plans budget for 2018/19. 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. Any additional requirements can be built into the 2019/2020 budget-setting process.

5.3 In 2019/20 and 2020/21 it is anticipated that £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 officers in post during 2019/20. To achieve this, a new funding bid to Government would be required.

5.4 The continued commissioning of joint technical studies across the SW Herts authorities will continue to deliver savings for each authority. These savings have already been reflected in the Local Plan budget agreed in 2017.

6. Legal Implications

6.1 Section 28 of The Planning and Compulsory Purchase Act 2004 gives the power for two or more local planning authorities to agree to prepare one or more joint development documents.

6.2 The proposed Joint Strategic Plan would be a statutory document and subject to the same regulatory requirements as a local plan. Both the Submission and Adoption joint plan documents would need to be approved by Full Council.

7. Equal Opportunities Implications

7.1 Relevance Test

Has a relevance test been completed for Equality Impact?	No
Did the relevance test conclude a full impact assessment was required?	N/A

7.2 Impact Assessment

What actions were identified to address any detrimental impact or unmet need? 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 consideration of the impact of the plan in Human Rights including an assessment of how proposals would outweigh any detriment to them.

8. Staffing Implications

8.1 None for the purposes of this report although two shared posts across SW Herts for the year 2018/19 funded from the successful bid to the Joint Working Fund are proposed. These would become part of Dacorum's establishment but would move around the five SW Herts authorities.

9. Environmental Implications

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

10. Community Safety Implications

10.1 Not applicable.

11. Public Health implications

11.1 None for the purposes of this report.

12. Customer Services Centre Implications

12.1 CSC will be advised of contact details.

13. Communications and Website Implications

13.1 Press releases and information on the web sites about the plan will be agreed by the SW Herts authorities through an agreed communications strategy.

14. Risk Management and Health & Safety Implications

14.1 The Council has agreed its risk management strategy which can be found on the website at <http://www.threerivers.gov.uk>. In addition, the risks of the proposals in the report have also been assessed against the Council's duties under Health and Safety legislation relating to employees, visitors and persons affected by our operations. The risk management implications of this report are detailed below.

14.2 The subject of this report is covered by the Economic & Sustainable Development service plan. Any risks resulting from this report will be included in the risk register and, if necessary, managed within this plan.

14.3 The following table gives the risks if the recommendation(s) are agreed, together with a scored assessment of their impact and likelihood: (See paragraphs 2.27 – 2.31).

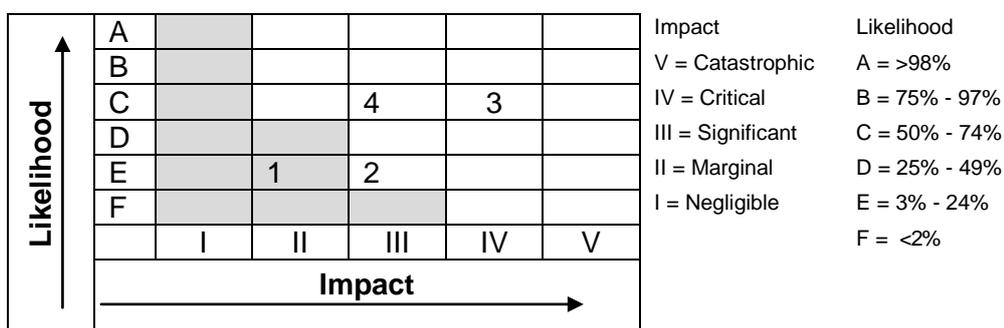
Description of Risk		Impact	Likelihood
1	Resource availability and changes in staffing would be a risk to the joint plan preparation	II	E
2	Risk of programme slippage is increased when multiple parties are involved with a project and delay in the delivery of a sound Local Plan may result in the Secretary of State intervening in the Local Plan Process	III	E

14.4 The following table gives the risks that would exist if the recommendation is rejected, together with a scored assessment of their impact and likelihood:

Description of Risk		Impact	Likelihood
3	Failure to meet the Duty to Co-operate requirements resulting in TRDC's Local Plan being found unsound	IV	C
4	Delay in the delivery of a sound Local Plan may result in the Secretary of State intervening in the Local Plan Process	III	C

14.5 All the risks above are already included in the Economic Sustainable Development Service Plans.

14.6 The above risks are plotted on the matrix below depending on the scored assessments of impact and likelihood, detailed definitions of which are included in the risk management strategy. The Council has determined its aversion to risk and is prepared to tolerate risks where the combination of impact and likelihood are plotted in the shaded area of the matrix. The remaining risks require a treatment plan.



14.7 In the officers' opinion none of the new risks above, were they to come about, would seriously prejudice the achievement of the Strategic Plan and are therefore operational risks. The effectiveness of treatment plans are reviewed by the Audit Committee annually.

15. Recommendations

15.1 The Policy & Resources Committee are recommended:

To agree that work is undertaken with the other South West Herts Authorities (Dacorum, Hertsmere, St Albans, Three Rivers and Watford local authority areas) to prepare a Joint Strategic Plan.

To note that details of the timetable, working arrangements, governance structures and the relationship with individual local plans will be set out in a Statement of Common Ground, to be agreed by all partners

To agree to progress the Memorandum of Understanding (Appendix 2) as the framework for governing future joint working arrangements and for the final terms of the Memorandum of Understanding and the Statement of Common Ground to be delegated to the Head of Planning Policy & Projects for agreement

To agree to Officers progressing work on the future joint plan

To note the support of Hertfordshire County Council and the Hertfordshire LEP for this process.

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Data Quality

Data sources: N/A

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](#)

APPENDICES / ATTACHMENTS

Appendix 1 Planning Strategically across SW Herts –Member Workshop Report

Appendix 2 Draft Memorandum of Understanding