



**AGENDA ITEM:  
SUMMARY**

<b>Report for:</b>	<b>Cabinet</b>
<b>Date of meeting:</b>	<b>27 March 2018</b>
<b>PART:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>Joint Strategic Plan for South West Hertfordshire</b>
Contact:	Graham Sutton, Portfolio Holder for Planning and Regeneration  James Doe, Assistant Director (Planning, Development and Regeneration)  Laura Wood, Team Leader (Strategic Planning)
Purpose of report:	To seek 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.
Recommendations:	That Cabinet recommend Council to: <ol style="list-style-type: none"> <li>1. Agree to work with the other South West Herts Authorities (Three Rivers, Watford, Hertsmere and St. Albans Councils) to prepare a Joint Strategic Plan.</li> <li>2. Agree to progress a Memorandum of Understanding as the framework for governing future joint working arrangements and for the final terms of this Memorandum of Understanding to be delegated to the Assistant Director – Planning, Development and Regeneration, in consultation with the Planning and Regeneration Portfolio Holder, for agreement.</li> <li>3. Agree to Officers progressing work on the joint plan and to note that this will be reported to Cabinet and Council for approval at key stages.</li> <li>4. Note the arrangements for the appointment of staff to be jointly managed between the five Local Authorities and to delegate to the Assistant Director – Planning, Development and Regeneration in consultation with the</li> </ol>

	<p>Corporate Director Finance and Operations and the Assistant Director Performance, Policy and Innovation to make the necessary arrangements and agreement with the other Local Authorities for recruitment, appointment, joint management and sharing of costs and liabilities.</p> <p>5. Note the support of Hertfordshire County Council and the Hertfordshire LEP for this process.</p> <p>6. Agree the recruitment arrangements for an urban design officer, shared with St Albans City and District Council, to provide specialist advice.</p>
Corporate objectives:	<p>The Joint Strategic Plan would set the context for the Council's own Local Plan and together both documents would help support all 5 corporate objectives:</p> <ul style="list-style-type: none"> <li>• <i>Safe and clean environment:</i> e.g. contains policies relating to the design and layout of new development that promote security and safe access;</li> <li>• <i>Community Capacity:</i> e.g. provide a framework for communities to prepare area-specific guidance such as Neighbourhood Plans, Town / Village Plans etc;</li> <li>• <i>Affordable housing:</i> e.g. sets the Borough's overall housing target and the proportion of new homes that must be affordable;</li> <li>• <i>Dacorum delivers:</i> e.g. provides a clear framework upon which planning decisions can be made; and</li> <li>• <i>Regeneration:</i> e.g. sets the planning framework for key regeneration projects, such as Hemel Hempstead town centre and the Maylands Business Park.</li> </ul>
Implications:	<p><u>Financial</u></p> <p>Having an up-to-date and comprehensive planning framework helps reduce the incidence of planning appeals (and hence costs associated with these). It is also the most effective way of ensuring the optimum level of developer contributions and critically, external funding for infrastructure and in mitigation of development impacts can be achieved.</p> <p>It is estimated that the combined cost across South West Herts for a joint plan would be approximately £400,000 over a three year period. A joint bid to the MHCLG Planning Delivery Fund has been successful in securing £242,000 covering the period to the end of the 2018/2019 financial year. This will provide additional resources including two temporary specialists to help take the JSP forward. Additional funding and support opportunities are also being explored through the East of England Local Government Association (EELGA) to help support a series of workshops with Members to develop a clear vision for the SW Herts area, which will set a clear framework for the JSP.</p> <p>It is considered that the initial costs can be absorbed within the</p>

existing local plan budget, equating to around £6,000 per authority. Autumn 2018 would provide the opportunity to review these budgets, as the progress of both the Local and Joint Strategic Plans will be clearer in terms of agreed timescales and cost of preparation.

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 of the JSP. This would equate to c£15,000 per annum per authority. Ideally we would want to keep the two specialist officers in post during 2019/20 and this would result in the need to seek additional grant funding, or to split additional costs arising between the five participating authorities. This would equate to a maximum additional cost of £29,000 per authority. The posts would only be extended if a successful bid for grant is received or that the five councils all agree to commit to the funding. For Dacorum it is intended that the funding be drawn from the Local Development Framework budget.

A second funding bid to MHCLG, submitted jointly with St Albans was also successful. This was for to provide funding for additional urban design expertise to help support masterplanning work for key development sites and to provide a design guidance document for the Borough. The grant for 2017/18 and 2018/19 is £135,792 for salary and research and publication costs. There are no additional costs associated with this post that would need to be covered through other budgetary sources.

#### Value for Money

Where possible, technical work that supports plan-making is already carried out across the five authorities to ensure value for money. The creation of a formal joint planning partnership will help maximise existing resources across the authorities and put the Council in a stronger position to benefit from external funding opportunities.

The joint planning work will sit above the preparation of statutory Local Plans which are to be prepared in any event by the five Councils. Experience from elsewhere in the country shows that the strategic planning document that would be prepared can be kept to a high level and therefore costs minimised.

Having a joint plan will provide the South West Herts authorities with a platform for improving their ability to secure external funding for key infrastructure.

#### Legal

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.

	<p>It is expected that some specialist external legal support will be required to support the JSP process on an ad-hoc basis, as occurs for the Council's own plan-making processes. This advice has historically been provided by Robert Jameson of Attwaters Jameson and Hill, who has also provided support to Three Rivers and Hertsmere Councils. Subject to agreement with the other participating authorities, and compliance with procurement standing orders, it is suggested that this arrangement continues.</p> <p><u>Staff</u></p> <p>The recent successful funding bid provides funding for two additional members of staff to lead key aspects of the JSP process. Subject to agreement with the other Councils, Dacorum Borough Council could act as host authority for 'pay and rations' for the new appointments, but they would work operationally across SW Herts.</p> <p>In this event, these Officers will work alongside staff in the Planning, Development and Regeneration service, and equivalent Officers from the other participating authorities.</p> <p>Whilst this arrangement has been agreed on an in principle basis, a specific agreement will be needed across all five Councils about the sharing of costs for the appointments, and any redundancy costs should these arise. Recommendation 4 of this report refers to this.</p> <p>A 'knowledge bank' will be shared across the five authorities to support the delivery of the SW Herts Joint Plan and provide resource resilience.</p> <p>Having the shared use of a specialist urban design officer will add to the skills and expertise available to the Council, but as externally financed, can be recruited at nil cost to the Council. They will be split their time between St Albans and Dacorum Councils, with precise working arrangements to be confirmed as part of the recruitment process.</p> <p><u>Land</u></p> <p>No direct implications as a result of this report. However it is envisaged that the JSP itself will set the scale and distribution of growth across SW Herts, and indicate the location of key strategic sites. Precise site boundaries of strategic sites and the allocation of smaller development areas will fall to individual Local Plans.</p>
Risk implications:	<p>A full risk assessment for the JSP process will be included within the Statement of Common Ground (SoCG). However an initial assessment has indicated the following key risks:</p> <ul style="list-style-type: none"> <li>• The primary risk is if 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</li> </ul>

	<p>governance and ambitions for the new plan. A draft of this document is attached for information as Annex A to this report. 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. The preparation of the 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.</p> <ul style="list-style-type: none"> <li>• 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 the two specialist JSP Officers would be expected to work with Officers of all other member authorities on the joint plan as appropriate.</li> <li>• 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.</li> </ul> <p>Despite these risks, as the main report sets out, the risk of not progressing joint working are advised to be higher than the risks outlined above, in terms of enabling a ‘sound’ development plan to be adopted for the area.</p>
<p>Equalities implications:</p>	<p>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.</p>
<p>Health and safety implications:</p>	<p>No implications as a result of this report.</p>
<p>Sustainability implications:</p>	<p>Like all statutory planning document, the JSP would need to be subject to detailed sustainability appraisal (incorporating strategic environmental assessment) throughout its development. Sustainability Appraisals covers social, economic and environmental considerations, including equalities and health and safety issues. It is expected that this work will be carried out by independent specialist consultants as is currently the case for Dacorum’s own plan.</p>
<p>Monitoring Officer/S.151 Officer comments:</p>	<p><u>Monitoring Officer</u></p> <p>The Memorandum of Understanding (MoU) will be the key document to agree the governance arrangements to take the plan forward but officers will need to ensure that it does not fetter the Council’s own decision making processes.</p> <p>The Statement of Common Ground will set the framework and agree key principles and priorities for the Joint Strategic Plan</p>

	<p>and therefore this should be approved by Cabinet and Council.</p> <p><u>Section 151 Officer</u></p> <p>The Service will need to ensure that the financial risks to the Council of appointing shared staff are adequately mitigated. This will require a robust MoU that provides for the equitable sharing of potential redundancy costs and agreement on the way forward in the event that no funding is allocated by MHCLG beyond that already awarded. This process will need to involve both the Legal and Finance teams.</p>
Consultees:	<p>The principle of preparing a JSP for SW Herts area has been discussed at recent a Member / Chief Officer workshop, attended by Dacorum's Leader, Planning and Regeneration Portfolio Holder, Chief Executive and other relevant Officers. There was equivalent Member and senior Officer attendance from the other SW Herts authorities and the Council Council. This workshop was facilitated with Catriona Riddell from the Planning Officer's Society who is an expert in this field of planning, and liaises closely with the Ministry for Housing, Communities and Local Government (MHCLG) on strategic planning matters. A copy of the workshop report is appended as Annex 2 to this report.</p> <p>Formal consultation on key stages of the JSP would be governed by a Statement of Community Involvement (SCI), with the need for Member endorsement as per the Council's constitution. Legal advice is currently being sought to determine if this should be a separate SCI solely for the JSP, or if it is more appropriate for each authority to add reference to consultation arrangements for the JSP into their existing SCIs.</p> <p>Dacorum's current Statement of Community Involvement (SCI) was adopted in July 2015.</p>
Background papers:	<ul style="list-style-type: none"> <li>• West of England Joint Spatial Plan (2017) <a href="https://www.jointplanningwofe.org.uk/consult.ti/JSPPublication/consultationHome">https://www.jointplanningwofe.org.uk/consult.ti/JSPPublication/consultationHome</a></li> <li>• Fixing the Broken Housing Market (2017) <a href="https://www.gov.uk/government/publications/fixing-our-broken-housing-market">https://www.gov.uk/government/publications/fixing-our-broken-housing-market</a></li> <li>• Planning for the Right Homes in the Right Places: Consultation Proposals (2017) <a href="https://www.gov.uk/government/consultations/planning-for-the-right-homes-in-the-right-places-consultation-proposals">https://www.gov.uk/government/consultations/planning-for-the-right-homes-in-the-right-places-consultation-proposals</a></li> </ul>
Glossary of acronyms and any other abbreviations used in this report:	<p>SCI Statement of Community Involvement</p> <p>LDS Local Development Scheme</p> <p>NPPF National Planning Policy Framework</p> <p>NPPG National Planning Practice Guidance</p> <p>JSP Joint Strategic Plan</p> <p>SoCG Statement of Common Ground</p> <p>MOU Memorandum of Understanding</p> <p>MHCLG Ministry for Housing, Communities and Local</p>

	Government
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## **BACKGROUND**

### **1. 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 strategic planning among local authorities. At a Leader, Portfolio Holder and Chief Executive meeting in January 2018 the principle of supporting the preparation of a SW 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. Context**

2.1 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.

2.2 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.

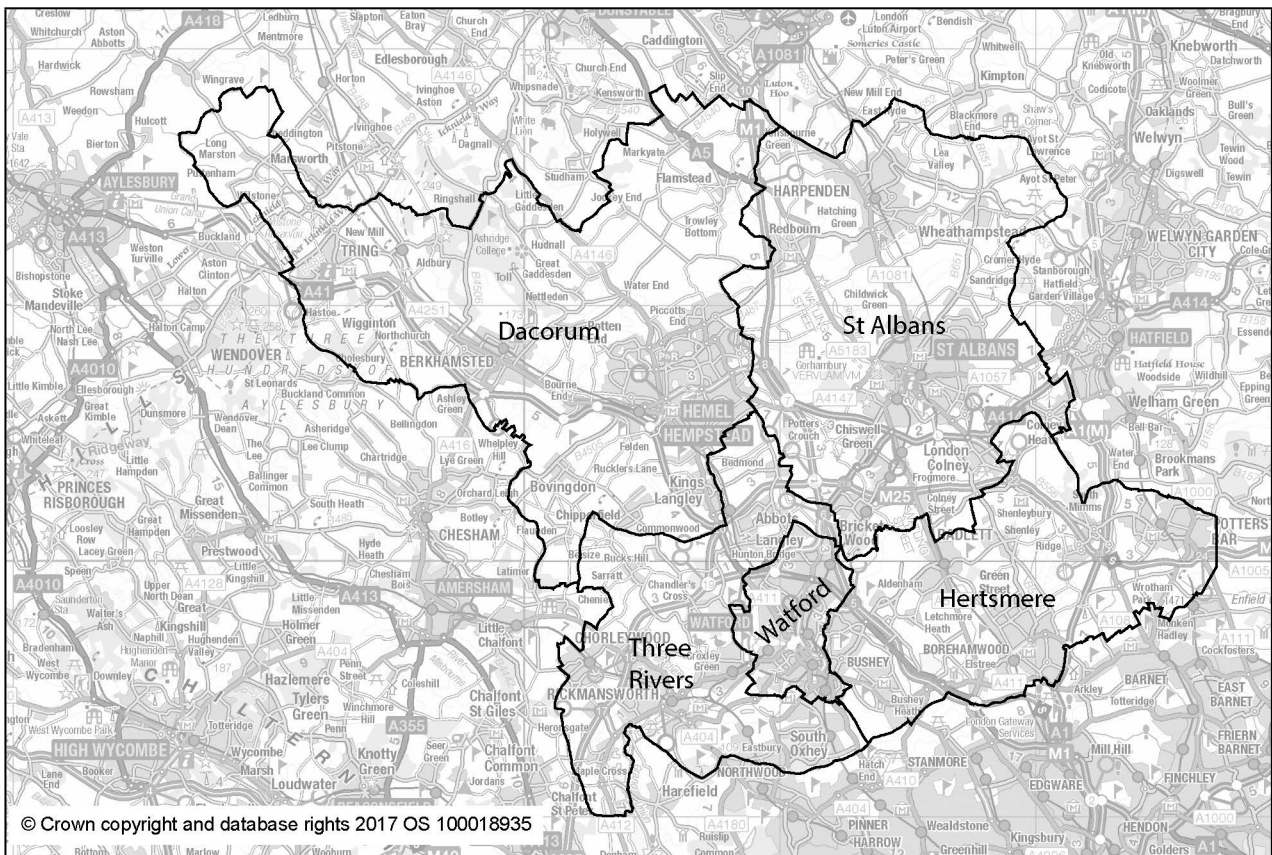
2.3 Following a meeting on the 23 January 2018 attended by Leaders, Portfolio Holders and Senior Officers from Dacorum, Hertsmere, St Albans, Three Rivers, Watford Councils and Hertfordshire County Council, it was agreed to progress work towards a joint strategic plan for South West Herts (see Annex A for Workshop Report). 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.

2.4 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).

2.5 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.



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



### 3. The Duty to Co-operate

- 3.1 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.
- 3.2 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.
- 3.3 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 Castle Point in Essex and St Albans.
- 3.4 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.

- 3.5 The Government's "Right Homes in Right Places" published in September 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.
- 3.6 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), recently received as a consultation draft. 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'.
- 3.7 At the same time the Government is offering resources to local authorities to support wider area based plans. A SW Herts bid for £242,000 has been approved by 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 for the 2019/20 period in due course.

#### **4. Examples of Joint Planning**

- 4.1 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.
- 4.2 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.

#### **5. Role of Hertfordshire County Council and the Hertfordshire Local Enterprise Partnership (LEP)**

- 5.1 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.

## **6. Benefits**

6.1 Preparing 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 to direct development to the right areas that deliver growth and that are, or can be, supported by the right infrastructure.
2. It 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.
3. 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. 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.
5. 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.

## **7. Costs**

7.1 As set out under the financial implications section above, there will be some costs associated with production of the Joint Strategic Plan. However, at this stage no additional Council funding is being requested, as the expected commitment can be met from the Local Development Framework budget for 2018/19 and 2019/20. The nature of the MHCLG grant recently received is such that any unspent elements can roll forward to the next financial year, for example to account for a delay in recruitment time and the possibility that one or both of the postholders would operate only 3 or 4 days per week thus stretching the budget. There may be additional opportunities to bid for funding for subsequent years however success cannot be guaranteed.

7.2 The reports being considered by the other Councils' Cabinet / Executive all note that there will be the need for all five authorities to share future costs should grant funding not be repeated. This issue will be discussed further between all parties and text included in an appendix to the draft MOU setting out how this process will be managed. This process will also need to be formalised by the JSP Board that will include Leaders and Chief Officers.

7.3 In addition to some financial support, there will also be an element of additional costs in terms of staff time required to support the Officer working group for the JSP. However, increased joint working also means that in effect a substantial 'knowledge

bank' will be shared across the five authorities to support the delivery of the JSP and provide resource resilience.

## **8. Retention of Sovereignty**

- 8.1 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. Both the Submission and Adoption joint plan documents would need to be approved by each Council. In addition to the joint plan, each authority will progress their own local plans to address local issues and provide site allocations.
- 8.2 Whilst an adopted joint plan would 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.

## **9. Next Steps**

- 9.1 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 (SoCG). 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.

## **10. Additional Urban Design Capacity**

- 10.1 To help support the delivery of high quality new development, money has also successfully been secured through an MHCLG (Planning Delivery Fund) bid for design and masterplanning expertise. This money will fund a new Officer post – to be shared with St Albans Council. This Officer's principal role will be to assist with future masterplanning of key development sites and oversee production of new design guidance. Whilst direct recruitment on a 1 year contract will be explored, the role is likely to be filled through the use of an agency or specialist consultant. This contract will be reviewed at the end of the 1 year period, and a decision taken at that time if this post needs to be continued on a jointly funded basis, and budget options reviewed as appropriate at that time.

## **11 Annexes to this report**

- 11.1 The following documents are annexed to this report:

- Annex 1 – Draft Memorandum of Understanding (MOU)
- Annex 2 – Member Workshop Report 'Planning Strategically in South West Hertfordshire – Next steps' February 2018.