

**Committee:** Cabinet

**Agenda Item**

**Date:** 30 March 2017

**10**

**Title:** Memorandum of Understanding on the Distribution of Objectively Assessed Housing Need across the Strategic Housing Market Area

Statement of Common Ground between North Herts and Uttlesford District Councils

**Portfolio Holder:** Councillor Susan Barker

Key decision: No

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### Summary

1. A Memorandum of Understanding (MoU) relating to the distribution of objectively assessed housing need across the West Essex/East Hertfordshire Housing Market Area has been drawn up by the Strategic Housing Market Area (SHMA) authorities and related organisations. The MoU has been endorsed by the Co-op Member Board and is ready for signature.
2. A Statement of Common Ground (SoCG) relating to strategic cross boundary issues between Uttlesford and North Herts has been drafted under the Duty to Co-operate. It states that the Duty has been met in respect of the North Herts Local Plan Submission version.

### Recommendations

3. That Cabinet approve the Memorandum of Understanding and the Statement of Common Ground.

### Financial Implications

4. N/A

### Background Papers

5. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

None

### Impact

- 6.

Communication/Consultation	The MoU has been subject of detailed debate at the Co-op Member Board and
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	within the partner authorities.
Community Safety	N/A
Equalities	N/A
Health and Safety	N/A
Human Rights/Legal Implications	The Duty to Co-operate is a legal requirement of the Localism Act
Sustainability	The MoU endeavours to manage the impacts of growth in a sustainable way.
Ward-specific impacts	All
Workforce/Workplace	N/A

## Situation

7. The Co-op Member Board was set up to meet the Duty to Co-operate which was established under 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.
8. The area covered by the Board relates to the West Essex/East Hertfordshire Strategic Housing Market Area (SHMA) and comprises East Herts, Epping Forest, Harlow and Uttlesford District Councils. Board Meetings are also attended by representatives of Essex and Hertfordshire County Councils. The agendas and minutes of the meetings are reported to the Planning Policy Working Group (PPWG)
9. During the examination of their local plans the four district councils will need to demonstrate to Government Inspectors that the Duty to Co-operate has been complied with. To assist this process three related MoU's have been drafted; firstly, relating to the distribution of Objectively Assessed Housing Need (OAN); secondly, on highways and transportation and; thirdly, managing the impacts of growth across the HMA on the Epping Forest Special Area of Conservation (SAC). The Co-op Board ratified the latter two MoU's towards the end of last year and agreed that they can be signed by the representative bodies. Cabinet agreed that Uttlesford sign these documents at last month's meeting.
10. The third MoU relates to the spatial distribution of housing across the four district authority areas. Based on the 2012 population projections for the West Essex and East Herts SHMA this figure was 46,100 from 2011-2033. Taking into account district wide factors, the Uttlesford component of this figure was 12,500 dwellings. This is in the 2015 published SHMA report.

11. In July this year CLG published the new 2014 based population projections which showed an increase in the overall projected numbers. The SHMA authorities have modelled the 2014 projections. The 2014 projections set the need (2011 – 2033) at 54,600 new homes rather than 46,100 new homes with the 2012 projections. Uttlesford's component of 54,600 is 14,100 new homes.
12. The SHMA authorities tested a range of potential distribution options taking into consideration the 2012 need. Having undertaken a Sustainability Appraisal of the potential options the authorities agreed a preferred strategy of 51,000 new homes (2011- 2033) based on environmental capacity and infrastructure constraints. This figure was derived from the AECOM Sustainability Appraisal (September 2016).
13. The SHMA authorities considered the distribution of 51,000 new homes across the individual authorities and proposed the preferred strategy based on what is considered sound planning reasons as shown in the following table:

	Need – 2012 Projections	Need -2014 Projections	Preferred Distribution Strategy	Difference in 2014 Need and Preferred Distribution
East Herts	16,400	19,400	18,100	- 1,300
Epping	11,300	13,300	11,400	- 1,900
Harlow	5,900	7,800	9,000	+1,200
Uttlesford	12,500	14,100	12,500	- 1,600
Total	46,100	54,600	51,000	- 3,600

14. The differences in identified need and preferred distribution reflect the focus on Harlow as the preferred growth location.
15. The MoU which is attached at Appendix A is designed to address the distribution of Objectively Assessed Housing Need (OAN) within the SHMA. It was discussed and agreed at the Co-op Member Board Meeting on 27 February. It is critical that the MoU is signed by all parties before the beginning of April so that East Herts District Council can demonstrate that it has met the Duty to Co-operate when it submits its Plan for Examination.
16. It should be noted that the housing figure for Uttlesford in the MoU is 12,500. At the Local Plan Inspector's Advisory Visit in November 2016 the Inspector, Simon Emerson, focussed on the figure of 12,500 new homes. His informal advice was that the Council should be taking the higher 14,100 new homes figure derived from 2014 Sub National Housing Population Projections. This

advice was echoed by the Council’s retained QC and the Planning Advisory Service. On that basis the Council is testing the figure of 14,100 new homes for the Local Plan. There is nothing contradictory in testing this higher figure and signing the MoU as drafted with the lower figure and it is recommended that the MoU be signed on this basis.

17. The Duty to Co-operate applies to all Uttlesford’s neighbouring authorities, including North Herts District Council. A Statement of Common Ground (SoCG) has been drawn up between the two authorities and is attached at Appendix B. The SoCG states that there are no significant cross boundary issues owing to the extent of the shared boundary and the limited relationships and links between the two Councils. It is recommended that the SoCG is signed.

### Risk Analysis

18.

Risk	Likelihood	Impact	Mitigating actions
That the Duty to Co-operate is not complied with leading to plans being found unsound.	Unlikely if the MoU and SoCG are signed.	Catastrophic if the Duty to Co-operate is not met.	Ensure that the MoU and SoCG are signed.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.