

REPORT TO: Executive Board

DATE: 14 January 2016

REPORTING OFFICER: Strategic Director – Community and Resources

PORTFOLIO: Physical Environment

SUBJECT: Memorandum of Understanding between the six Liverpool City Region authorities and West Lancashire Council to commission joint research on housing and employment requirements

WARDS: Boroughwide

1 PURPOSE OF THE REPORT

- 1.1 This report seeks approval for the Council to sign a Memorandum of Understanding (MoU), concerning the commissioning of joint research to quantify the need for additional housing and employment land across the City Region and for individual districts.

- 2 RECOMMENDATION: That Executive Board delegates authority to the Operational Director – Policy, Planning and Transportation in consultation with the Portfolio Holder (Physical Environment) to agree a Memorandum of Understanding between the six Liverpool City Region authorities and West Lancashire Council to commission research to quantify the need for additional housing and employment land across the City Region and for individual districts. (Draft MoU : Appendix A).**

3 SUPPORTING INFORMATION

Duty to Co-operate and the Devolution Agenda

- 3.1 Under the Duty to Co-operate, the Council is legally bound to co-operate constructively with neighbouring authorities and other designated bodies on strategic planning matters, i.e. matters that are likely to have a significant impact on more than one Local Planning Authority (LPA) area.
- 3.2 The National Planning Policy Framework requires that planning for housing should be undertaken on at the Housing Market Area (HMA). There are various definitions and approaches for defining HMAs, utilising self-containment (the proportion of people moving house, moving within the area) and market signals, e.g. house prices; house price changes; housing typologies.

- 3.3 Halton has previously been identified as lying within the Liverpool Eastern (Mid-Mersey) Housing Market Area together with St.Helens and Warrington. This grouping has been established for a number of years and has been reconfirmed by a number of studies over this period, the most recent of which is the Mid-Mersey Strategic Housing Market Assessment (SHMA) currently being prepared by specialist consultants GL Hearn on behalf of the three constituent authorities.
- 3.4 National Planning Policy Guidance also suggests that authorities need to have regard to the 'functional economic market area' within which they sit. For Halton, this is taken to be the wider Liverpool city region (including Warrington).
- 3.5 The Liverpool City Region has recently agreed a Devolution Agreement for further devolution of powers from Central Government. These devolved powers include, for the first time, 'strategic planning' powers. The proposed Memorandum of Understanding is not contradictory to, or rendered irrelevant by, the Devolution deal, as it will provide a clear agreement between the signatory authorities to allow the commissioning of specialist research that is vital to both the emerging strategic planning powers and more immediately the Local Plan preparation of a number of the LCR partners.

The MoU – Why now?

- 3.6 The advantages of commissioning a joint housing and employment evidence base for the city region has been discussed at the (officer level) District Planning Officers group over many years. Unfortunately, with seven authorities all at different stages in the plan making process, it has not been possible to find a time that suited all authorities, as the emergence of fresh evidence at key stages of progressing a Plan can have serious repercussions for that Plan.
- 3.7 Indeed, the emergence of new (national) evidence has had a destabilising effect on the progress of one of our LCR partner's Plans, and this has, in part, together with the emerging devolution agenda triggered an opportunity to finally achieve a coherent consideration of the housing and employment development needs for the city region as a whole.

The MoU – Costs?

- 3.8 As mentioned in 3.3 above, Halton has recently commissioned a Strategic Housing Market Assessment with St.Helens and Warrington to quantify the Objectively Assessed Need (OAN) for housing in the period through to 2037. As part of this commission we have also purchased economic forecast data (Oxford Economics) to quantify the likely change in employment across different market sectors.

- 3.9 This SHMA is being undertaken by GL Hearn, who have separately been commissioned by Liverpool City to undertake a similar study for their area. Nathaniel Lichfield are retained by Sefton and Wirral to advise on these matters.
- 3.10 The MoU essentially seeks to commit the partner authorities to commission a similar piece of work for the entire city region. Whilst this appears to be duplication, it may not come at significant additional cost, as the most recent data from individual studies may be able to be 'knitted together', with minimal additional processing to produce evidence that is of greater value than the sum of its parts.
- 3.11 There is precedence for this potential approach, with Halton's last Mid-Mersey SHMA combining new data for Halton and St.Helens with data for Warrington prepared a year earlier.
- 3.12 The MoU does not include an estimate of total cost, or how that cost will be distributed between partner authorities, as these will depend on the scope and scale of the work undertaken. The MoU proposes that an officer level Task and Finish Group be established to produce a study brief and manage any commission. Costs are expected to be met from current Local Plan Evidence Base budgets.

The MoU – Impact on Halton's Local Plan?

- 3.13 The MoU is unlikely to have significant implications for the progression of Halton's Local Plan. The commissioning of joint evidence requires the 'up front' commitment of significant officer time, but can realise similar or greater savings later in terms of duty to co-operate and time spent reviewing neighbouring authorities evidence base and Plans.
- 3.14 The MoU also seeks to scope and commission this work to a very tight timetable, which should limit the potential impact on Halton's Local Plan as it should minimise the chance of our timetable having to be significantly amended to take account of key milestones / publication dates.

4 POLICY IMPLICATIONS

- 4.1 The MoU is seeking agreement to work jointly to commission city region wide evidence base material. The MoU in itself will have no policy implications.
- 4.2 The provision of shared evidence on strategically important matters such as housing need and economic forecasting for the City Region will assist the devolution process of improving 'strategic planning'.

5 OTHER IMPLICATIONS

- 5.1 No other implications to the Council have been identified.

6 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

The MoU will have no direct impacts on Children and Young People.

6.2 Employment, Learning and Skills in Halton

The MoU will have no direct impacts on Employment Learning and Skills.

6.3 A Healthy Halton

The MoU will have no direct impacts on A Healthy Halton.

6.4 A Safer Halton

The MoU will have no direct impacts on A Safer Halton.

6.5 Halton's Urban Renewal

The MoU will have no direct impacts on Halton's Urban Renewal.

7 RISK ANALYSIS

- 7.1 The commitment to prepare joint evidence base and the devolution 'ask' for strategic planning powers will strengthen co-operation between the seven Local Planning Authorities and reduce the risks of not complying with the statutory Duty to Co-operate.

8 EQUALITY AND DIVERSITY ISSUES

- 8.1 The MoU will have no direct impacts on Equality and Diversity.

9 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
	Planning & Transport Strategy	Alasdair Cross

Appendix A:

Memorandum of Understanding - Liverpool City Region Strategic Housing and Employment Land Market Assessment

This **Memorandum of Understanding** is made the day
of.....2015.

BETWEEN:

- (1) HALTON BOROUGH COUNCIL;
- (2) KNOWSLEY METROPOLITAN BOROUGH COUNCIL;
- (3) LIVERPOOL CITY COUNCIL;
- (4) SEFTON METROPOLITAN BOROUGH COUNCIL;
- (5) ST.HELENS METROPOLITAN BOROUGH COUNCIL;
- (6) WEST LANCASHIRE BOROUGH COUNCIL; AND
- (7) WIRRAL METROPOLITAN BOROUGH COUNCIL.

BACKGROUND:

- (A) National Planning Policy and legislation sets the requirement for local authorities to cooperate on strategic and cross boundary matters, under the “Duty to Cooperate”. The Liverpool City Region authorities are producing a Statement of Cooperation to identify the matters on which cooperation is required, and how this cooperation will be undertaken.
- (B) National Planning Policy and Guidance sets the requirement for comprehensive housing and employment land needs assessments to be undertaken to support the preparation of Local Plans. These needs assessments should account for full housing market area and functional economic market area geographies.
- (C) It is acknowledged that authorities within the Liverpool City Region, alongside West Lancashire, contain shared housing market areas and

functional economic areas which overlap local authority boundaries. The preparation of robust and effective evidence of housing and employment land needs, which meets the requirements of National Policy and legislation, must acknowledge this geography.

- (D) In order to support the preparation of future statutory Local Plans and/or any future joint statutory Local Plan, it is proposed that a Strategic Housing and Employment Land Market Assessment (SHELMA) is jointly commissioned by the above-mentioned local authorities.

IT IS AGREED as follows:

1. Definitions and Interpretations

“Liverpool City Region” for the purpose of this Memorandum of Understanding means the area covered by Halton, Knowsley, Liverpool, Sefton, St.Helens, Wirral and West Lancashire Councils.

“Strategic Housing and Employment Land Market Assessment (SHELMA)” means the joint evidence with the scope outlined in (2).

“CLG Household Projections” means the latest sub-national household projections issued by the Department for Communities and Local Government.

“Superport” means the integrated cluster of logistics assets and expertise that will associated with the continuing operation of City Region port facilities, including an enlarged post-Panamax container port at the Port of Liverpool.

“District Planning Officers” means the Heads of Planning of each of the Liverpool City Region Authorities.

“Planning Policy Managers” means the Local Planning managers of each of the Liverpool City Region Authorities.

“Housing and Spatial Planning Board” means the formal board which is a constituent part of the Liverpool City Region Combined Authority.

2. Scope of works

The proposed Strategic Housing and Employment Land Market Assessment (SHELMA) will cover:

- The nature and geography of the housing market areas and functional economic market areas affecting the Liverpool City Region;

- A projection for job creation in the City Region as a result of the anticipated economic growth, especially in light of the Superport proposals and changing technologies in logistics and other key sectors, using a range of appropriate evidence;
- A projection for employment land need across the functional economic market areas to address the need to provide sufficient land to facilitate the anticipated economic growth and Superport proposals (where appropriate)
- A projection for housing need across the City Region (or by housing market area) based upon the latest CLG Household Projections, factoring in local demographic / migration circumstances, affordable housing needs, historic unmet housing need (where/provided this can be demonstrated to exist), market signals and the potential impact of any economic growth; and
- Options as to how the employment land and housing need across the City Region should be divided between the seven authorities to form the basis of discussion between the LCR authorities regarding a strategic spatial planning framework.

3. Commencement and Termination

The proposed Strategic Housing and Employment Land Market Assessment (SHELMA) will be commissioned by the end of 2015, subject to Procurement. The works will be completed by March 2017.

4. Funding

The cost per Authority will be a £25,000, and any unspent funding will be returned to each Authority pro rata.

5. Management Arrangements

The LCR District Planning Officers will be responsible for the commissioning of the SHELMA and the management of its production. The LCR Planning Policy Managers Group will support the District Planning Officers in this task.

The final SHELMA will be presented for approval at the LCR Housing & Spatial Planning Board, the LCR Combined Authority and the West Lancashire Borough Council Cabinet.

St Helens Metropolitan Borough Council will be the Lead Authority for commissioning the SHELMA.

SIGNATORIES

Signed on behalf of:-

(1) HALTON BOROUGH COUNCIL;

(2) KNOWSLEY METROPOLITAN BOROUGH COUNCIL;

(3) LIVERPOOL CITY COUNCIL;

(4) SEFTON METROPOLITAN BOROUGH COUNCIL;

(5) ST.HELENS METROPOLITAN BOROUGH COUNCIL;

(6) WEST LANCASHIRE BOROUGH COUNCIL;

(7) WIRRAL METROPOLITAN BOROUGH COUNCIL.
