



Appendix 1:

**Memorandum of Understanding
between
Cambridge City Council
and
South Cambridgeshire District Council**

Greater Cambridge Joint Housing Trajectory

Purpose of the Memorandum of Understanding

1. This Memorandum of Understanding confirms the agreement between the Councils under the duty to co-operate that the housing trajectories for the two areas should be considered together, including for the purposes of calculating 5-year housing land supply. This is consistent with:
 - Paragraph 181 of the National Planning Policy Framework (NPPF, RD/NP/010) which states that local planning authorities will be:

“expected to demonstrate evidence of having effectively cooperated to plan for issues with cross-boundary impacts when their Local Plans are submitted for examination. This could be by way of plans or policies prepared as part of a joint committee, a memorandum of understanding or a jointly prepared strategy which is presented as evidence of an agreed position. Cooperation should be a continuous process of engagement from initial thinking through to implementation, resulting in a final position where plans are in place to provide the land and infrastructure necessary to support current and projected future levels of development.”
 - Paragraph 035 of the National Planning Practice Guidance (RD/NP/020) concerns how local planning authorities should deal with past under-supply of housing, stating they should aim:

“to deal with any undersupply within the first 5 years of the plan period where possible. Where this cannot be met in the first 5 years, local planning authorities will need to work with neighbouring authorities under the ‘Duty to Cooperate’.

Background

2. There is a close functional relationship between Cambridge and South Cambridgeshire that has long been recognised in planning terms. In accordance with the duty to co-operate, the Councils have worked closely throughout the preparation of their respective Local Plans to prepare complementary plans that together set out a clear development strategy for the Greater Cambridge area. Section Two of the submitted Cambridge Local Plan (RD/Sub/C/010, pages 11 – 37) and Chapter Two of the submitted South Cambridgeshire Local Plan (RD/Sub/SC/010, pages 11 – 42) set out the overall spatial strategy, with key evidence base including:
 - Population, Housing and Employment Technical Report, April 2013 (RD/Strat/080)
 - Cambridge Sub-Region Strategic Housing Market Assessment (SHMA), 2012 (RD/Strat/090)
 - Cambridgeshire and Peterborough Memorandum of Co-operation: Supporting the Spatial Approach 2011-2031, May 2013 (RD/Strat/100)
 - Approach to Establishing Objectively Assessed Needs for Additional Housing, March 2014 (RD/Strat/280)
 - Cambridge and South Cambridgeshire Development Strategy Review, November 2012 (RD/Strat/040)
 - Inner Green Belt Appraisal, May 2012 (RD/Strat/200)
 - Inner Green Belt Study Review, December 2012 (RD/Strat/210)
 - Transport Strategy for Cambridge and South Cambridgeshire, March 2014 (RD/T/120)
 - Cambridge Sub Regional Transport Modelling Report for Cambridge and South Cambridgeshire local Plan, July 2013 (RD/Strat/160)

- Cambridge City Council Sustainability Appraisal of the Cambridge Local Plan 2014. Volume 1 Final Appraisal for Submission to the Secretary of State, March 2014 (RD/Sub/C/030)
 - South Cambridgeshire Draft Final Sustainability Report, March 2014 (RD/Sub/SC/060)
 - Cambridge Strategic Housing Land Availability Assessment, 2012, (RD/Strat/130) 2013, (RD/Strat/140)
 - South Cambridgeshire Strategic Housing Land Availability Assessment, August 2013 (RD/Strat/120).
3. The Councils are party to a Memorandum of Co-operation agreed in May 2013 (RD/Strat/100), under the duty to co-operate, that sets out the continued support of all the Councils in the wider Cambridge Sub Region housing market area to the development strategy for the area, including the development sequence. It also confirms those Councils' commitment, together with Peterborough City Council, to meet in full the objectively assessed needs of the housing market area, as identified in the Cambridge Sub Region Strategic Housing Market Assessment.
 4. As part of that agreement, Cambridge City and South Cambridgeshire District Councils have committed to the development strategy for the Greater Cambridge area and to meeting their respective needs in full in their Local Plans. For Cambridge, Policy 2 and Policy 3 in the submitted Local Plan reflect this position (RD/Sub/C/010, pages 23–26). Policy S/5 and S/6 reflect this position for South Cambridgeshire (RD/Sub/SC/010, pages 25–30).
 5. The Councils considered that the approach they followed in the preparation of the submitted Local Plans already supported the approach to consider the two housing trajectories together. However, a number of changes in circumstance have indicated that a further statement under the duty to co-operate is necessary to confirm that position formally.

Changes in Circumstances

6. Since the Local Plans were submitted, there have been four significant changes in circumstances that together have indicated the need for this additional Memorandum of Understanding between the two Councils:
 - i. The Councils signed up to a City Deal agreement on 19 June 2014, along with Cambridgeshire County Council, Cambridge University and the Cambridgeshire and Peterborough Local Enterprise Partnership. This defines the area covered by the two districts as 'Greater Cambridge' and recognises the strong inter-relationship between the two areas. In particular, it acknowledges that Cambridge City and South Cambridgeshire District Councils, along with Cambridgeshire County Council as the Transport Authority, "have worked closely together on new local plans and associated transport strategy and have aligned plan making processes to achieve the benefits of what amounts to a single overarching development, infrastructure and delivery strategy for Cambridge" (City Deal document page 7, RD/Strat/300¹). Furthermore, as part of the City Deal arrangements, the Councils have agreed to prepare a joint Local Plan and Transport Strategy starting in 2019.

¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/321722/Greater_Cambridge_City_Deal_Document.pdf

- ii. Two section 78 planning application appeals were allowed on 25 June 2014 for sites in Waterbeach village in South Cambridgeshire on the basis that the Inspector concluded that the Council was not able to satisfactorily demonstrate a 5-year supply of housing land as required by the National Planning Policy Framework (NPPF). The Inspector did not consider that it would be the correct approach to take account of the housing supply situation in Cambridge. He commented that this approach would be 'without precedent'. The Inspector also concluded that there was no sound basis for taking into account the Greater Cambridge City Deal in the current 5-year housing land supply calculation. The City Deal had not been signed at the time.
- iii. The National Planning Practice Guidance (NPPG, RD/NP/020), published on 6 March 2014 (and therefore too late to influence the Local Plans submitted on 28 March), provides that in certain circumstances where a local planning authority cannot demonstrate a 5-year housing land supply, it may be able to seek agreement with its neighbours under the duty to co-operate, to meet that shortfall (paragraph 035).
- iv. The Councils note that the East Cambridgeshire Local Plan Inspector has endorsed the 2013 Memorandum of Cooperation in his interim conclusions of 14 July 2014 (RD/Strat/310)². He comments in respect of the approach to part of East Cambridgeshire's objectively assessed needs being met in Peterborough under the duty to co-operate, that he has "seen no substantive evidence that providing an element of the Cambridge HMA's needs within Peterborough would conflict with the Framework's sustainable development objectives. Indeed, given Peterborough's accessibility, infrastructure availability and range of service provision, the intended arrangement would broadly accord with general sustainable development principles" (paragraph 23) and that "furthermore, given that the intended apportionment of development has been agreed by local authorities working in co-operation as required by the legal duty already discussed, it seems to me that the approach that is now proposed is consistent with the principles of localism. National planning policy allows for circumstances where development requirements from one local authority area will be met in another" (paragraph 24).

The Agreement between the Councils

7. This Memorandum of Understanding supplements the Memorandum of Cooperation of May 2013 (RD/Strat/100), under which the Councils have committed to meeting in full their objectively assessed needs within their respective areas, as required by the first bullet of paragraph 37 of the NPPF.
8. This additional memorandum is specifically about the phasing of the delivery of housing to meet objectively assessed needs in the Greater Cambridge area during the plan period. It formalises the development strategy contained in the submitted Local Plans. It will also ensure that both Councils can demonstrate a continuous 5-year housing land supply as required by the second bullet of paragraph 47 of the NPPF. Consequential modifications to both local plans maybe be required; and the Councils commit to these as necessary.

² <http://www.eastcambs.gov.uk/sites/default/files/IN14%20ECLP%20Inspector%27s%20Interim%20Conclusions.pdf>

9. Both Councils have already committed to meeting their objectively assessed needs in full. That commitment is unchanged. Both Councils are determined to have sound strategies to achieve the necessary delivery through their combined Local Plans. This statement is made without prejudice to the consideration of the above housing supply issues at the examination, but with the aim of demonstrating sound plans and appropriate and on-going collaboration in planning across the Greater Cambridge area. This agreement supports the joint development strategy and sequence and is about when needs will be met, appropriate to that strategy. Cambridge City Council confirms and is demonstrably delivering housing within the urban areas and urban fringe sites in the early and middle parts of the plan period. South Cambridgeshire District Council confirms it is committed to delivery of housing in the urban fringe sites and at new settlements, with an emphasis on the middle and latter parts of the plan period, but with an element of village housing allocations to provide some early delivery. This is a logical and appropriate way of delivering sites that meet the combined housing need across the Greater Cambridge footprint area. This agreement is also a duty to co-operate statement under paragraph 035 of the NPPG.
10. The phasing of development outlined in the submitted plans follows the development sequence and carries forward the strategy from the adopted plans. As expected, development is coming forward within the urban area of Cambridge and on the edge of Cambridge early in the plan period with new settlements following later in the plan period as they have a longer lead-in time before the start of delivery. In particular, the fringe sites that were released from the Green Belt in the last round of plan making are now well underway and delivering new homes, jobs and associated infrastructure on the ground. These cross-boundary sites are logically building out from the edge of the existing built-up area with more homes being built in Cambridge in the early part of the plan period and then moving into South Cambridgeshire later on.
11. This is evidenced by two key illustrations at Appendices A and B (note that these are based on the figures included in the housing trajectories available at the time of submitting the Local Plans, that will be updated for the examination):
 - Appendix A shows the overall trend in delivery rates in each district overlaid with each other. This demonstrates that Cambridge is providing more than its annualised average figure early on, tapering down later, and South Cambridgeshire is building up towards its annualised average early in the plan period and delivering significantly more later in the plan period. Considering the two trajectories together is logical, and recognises an appropriate and more even delivery of housing across the Greater Cambridge area, over the plan period as well as a continuous 5-year housing land supply.
 - Appendix B shows the emphasis on delivery of the fringe sites predominantly in Cambridge in the early part of the plan period and then predominantly in South Cambridgeshire.
12. Taking account of the changes in circumstances identified in the previous section, in particular paragraph 035 of the NPPG, as evidenced through Appendices A and B, the Councils now confirm through the signing of this additional Memorandum of Understanding that they commit, under the duty to co-operate, to their housing trajectories being considered together, including for the purposes of calculating 5-year housing land supply.
13. The Councils recognise that this agreement may be without precedent, as noted by the Waterbeach appeals Inspector. However, this area is unique as it is the only place in the country where one administrative area completely surrounds another with very tightly drawn boundaries around an entire urban area. The agreement is consistent

with the Greater Cambridge City Deal, in which the Government recognises the strong inter-relationship between the two areas and the appropriateness of working on a Greater Cambridge footprint basis, such that a statutory combined authority is to be constituted for certain functions, with a commitment through that formal process to preparing a single Local Plan for both areas, with work starting by 2019. The Councils consider that the approach in this agreement should be considered on its merits and that it is consistent with the NPPF and the NPPG under the duty to co-operate on plan making. It is also consistent with the process of moving towards a single Local Plan for the Greater Cambridge area.