



**AGENDA ITEM: 11**

**CABINET: 19 JANUARY 2010**

**EXECUTIVE OVERVIEW AND SCRUTINY  
COMMITTEE: 4 FEBRUARY 2010**

**PLANNING COMMITTEE: 11 FEBRUARY 2010**

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**Report of: Executive Manager, Planning, Regeneration and Estates (Interim)**

**Relevant Portfolio Holder: Councillor M. Forshaw**

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**SUBJECT: INTERIM HOUSING POLICY FOR WEST LANCASHIRE**

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Wards affected: Borough wide

## **1.0 PURPOSE OF THE REPORT**

1.1 To inform Members of the preparation of an Interim Housing Policy for West Lancashire, and to seek approval to publish the interim policy for public consultation.

## **2.0 RECOMMENDATIONS TO CABINET**

2.1 That, subject to any changes agreed by Cabinet, the Executive Manager Planning Regeneration and Estates be given delegated authority, in consultation with the Planning Portfolio Holder, to publish the Interim Policy for publication after taking into consideration any views expressed by the Executive Overview and Scrutiny and Planning Committees.

2.2 That call in is not appropriate for this item as the report is to be submitted to the Executive Overview and Scrutiny Committee on 4 February and Planning Committee on 11 February 2010.

## **3.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW AND SCRUTINY COMMITTEE**

3.1 That Executive Overview and Scrutiny Committee consider the Interim Housing Policy and submit any agreed comments on, or proposed changes to, the policy to the Executive Manager Planning Regeneration and Estates for consideration, prior to her exercising the authority granted by Cabinet to publish the document for public consultation.

## **4.0 RECOMMENDATIONS TO PLANNING COMMITTEE**

- 4.1 That Planning Committee consider the Interim Housing Policy and submit any agreed comments on, or proposed changes to, the policy to the Executive Manager Planning Regeneration and Estates for consideration, prior to her exercising the authority granted by Cabinet to publish the document for public consultation.
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## **5.0 BACKGROUND**

- 5.1 In November 2002, the Council adopted a new residential development policy in the form of a Supplementary Planning Guidance note applying across West Lancashire. This policy was subsequently incorporated into the Replacement West Lancashire Local Plan as Policy DE1: Residential Development. The Replacement Plan was adopted in July 2006, and Policy DE1 was saved until further notice by virtue of a Secretary of State Direction issued on 14 May 2009, as reported to Council in July 2009.
- 5.2 Policy DE1 was introduced during a period when levels of housing completions and planning permissions for residential development in West Lancashire were significantly above the target figures set out in the Joint Lancashire Structure Plan (JLSP) and Regional Spatial Strategy (RSS) in force at that time. This situation was described as a 'housing land oversupply'. Policy DE1 sought to restrain development in West Lancashire to avoid the JLSP and RSS targets being exceeded by a significant amount. It was also in line with regional policy which directed development to the most sustainable locations, and to areas in need of regeneration.
- 5.3 Policy DE1 is a policy of restraint in terms of new permissions for housing which has been referred to by some parties as a 'moratorium'. The policy has been applied consistently and upheld successfully on appeal in West Lancashire since its adoption in 2002. It has had the effect of limiting the Borough's housing land oversupply, increasing the proportion of new housing on brownfield land, and the proportion of new housing in the Borough's three main settlements of Skelmersdale, Ormskirk/Aughton and Burscough.
- 5.4 In 2007, central government's Planning Policy Statement 3: Housing (PPS3) came into force, representing a 'step change' in government policy towards house building, with a greater emphasis on the delivery of housing. PPS3 requires local planning authorities (LPAs) to demonstrate and maintain a rolling five year supply of specific deliverable housing sites. 'Deliverable' is defined in PPS3 as meaning available now, in a suitable location for housing, and having a reasonable prospect of delivering housing completions within five years.
- 5.5 If an LPA is unable to demonstrate a five year supply of deliverable housing sites, PPS3 requires that planning applications for housing be viewed favourably, albeit taking into account a number of considerations, including the effects of a grant of permission on wider policy objectives (such as delivering regeneration).

- 5.6 A new North West RSS was adopted in September 2008, and forms part of the development plan for West Lancashire. This new RSS continues to direct the majority of development in the Borough to Skelmersdale to aid regeneration, encourages development in sustainable locations which have good levels of local services and infrastructure, and requires the majority (65%) of new housing development to be on brownfield land. It contains a revised housing requirement for West Lancashire of 5,400 net new dwellings over the period 2003-2021, i.e. an average of 300 net new dwellings per annum, 33% higher than the former RSS and JLSP requirement. Furthermore, any surplus of housing completions that was in existence at the base date of the RSS (i.e. 2003) is to be ignored.
- 5.7 Significantly, central government made changes to the RSS before its adoption in 2008 in order to bring the document into line with PPS3. The housing requirements were changed from being maximum figures to minimum figures, or “floors” rather than “ceilings”, and in the RSS’s strategy for housing development in West Lancashire, the word ‘restraint’ was removed, and replaced with ‘careful monitoring and management’.
- 5.8 Policy DE1 contains a mechanism whereby if there is no housing land oversupply, it will allow residential development on brownfield sites within Skelmersdale, Ormskirk /Aughton and Burscough. This mechanism came into operation in January 2009, following the adoption of the new RSS in autumn 2008. It is important to note that the implementation of this mechanism was not a change to Policy DE1 itself, but simply a change to the way the policy operated given different circumstances.
- 5.9 One consequence of the restrictions of Policy DE1 has been to severely limit the amount of affordable housing being provided in the Borough, especially within the rural settlements. Whilst schemes for 100% affordable housing are permitted by Policy DE1, market housing schemes which would include a proportion of affordable housing units by virtue of Policy DE3 have been rare since the implementation of Policy DE1. Indeed, only 33 affordable housing units have been granted permission and 16 completed in the Borough in conjunction with market housing developments since the implementation of Policy DE1, with no such affordable housing units secured in the rural settlements.

## **6.0 CURRENT POSITION**

- 6.1 The application of the restrictive Policy DE1 over recent years, coupled with the adoption of higher RSS housing targets and the nationwide recession have had the effect of altering West Lancashire’s housing land supply to such an extent that the ‘oversupply’ position in existence from 2001 until autumn 2008 no longer remains.
- 6.2 West Lancashire’s current housing land supply is currently being calculated as part of the work for the LDF Annual Monitoring Report. Latest estimates are that the supply is marginally over five years. The actual supply will be reported in the 2009 AMR, which is to be submitted to the Government Office for the North West in December 2009.

- 6.3 Work on the West Lancashire LDF Core Strategy is progressing well, with consultation on “Options” taking place in September 2009, and publication of a “Preferred Option” anticipated later in 2010. Preparing the Core Strategy will provide the opportunity for a revision of all aspects of housing policy for the Borough. It is estimated that the Core Strategy will be adopted sometime in 2012, followed by adoption approximately a year later of a Site Allocations Development Plan Document (DPD), which would allocate specific sites for various uses, including housing. Together, these documents will, as required, ensure a fifteen year supply of housing, including at least a five year supply of specific deliverable sites. The LDF will also address the issue of affordable housing provision, with various policy options available, including a variation of affordable housing requirements for market housing schemes, and the possibility of allocating specific sites for affordable housing.

## **7.0 ISSUES /PROPOSALS**

- 7.1 There is a possibility that continuing with Policy DE1 in its present form could result in the amount of deliverable housing land within the Borough dropping below the five year supply required by PPS3 before the expected dates for the adoption of the LDF Core Strategy and Site Allocations DPD.
- 7.2 Not having a five year supply of deliverable housing sites in West Lancashire could lead to the submission of an increased number of planning applications in less than ideal locations (for example Green Belt sites, or unsustainable sites some distance away from facilities and services) which under PPS3 would need to be considered favourably. There would also be a greater possibility of any housing appeals being allowed, as Inspectors would afford significant weight to PPS3 and the Borough’s lack of housing land supply. In addition, LPAs are currently rewarded with Housing and Planning Delivery Grant for demonstrating a five year supply of housing.
- 7.3 In order to maintain a rolling five year supply of deliverable housing sites, it is considered necessary to change Policy DE1, relaxing some of its current restraints, whilst keeping the policy in line with the RSS strategy of directing development to Skelmersdale and the most sustainable areas of the Borough, and ensuring the majority of development is on brownfield land. Furthermore, in order to help address the pressing need for affordable housing in West Lancashire, the delivery of more affordable housing (or financial contributions towards delivery) from any additional development being allowed under the amended policy is considered desirable.
- 7.4 A revised housing policy for West Lancashire has been prepared with the above objectives in mind, and is attached to this report as Appendix 1. This Interim Housing Policy allows for all types of residential development currently permitted by Policy DE1, plus market housing in the more sustainable villages and rural settlements within West Lancashire, and for greenfield housing development on small sites within these sustainable settlements, subject to careful monitoring. The interim policy also proposes a requirement for affordable housing units and/or contributions towards affordable housing, for schemes of fewer than 10

units, subject to the outcome of the affordable housing viability study (currently underway). As part of the consultation process views will be sought on a possible lower threshold.

## **8.0 FUTURE ACTION**

- 8.1 Following approval, the public will be consulted on the Interim Housing Policy for four weeks. If any amendments to the interim policy are considered necessary as a result of comments received, these will be made. The revised Interim Housing Policy (plus a consultation statement setting out people's comments and the Council's responses) will be reported to Council with the aim of approving the Interim Housing Policy for development control purposes until the adoption of the LDF Core Strategy.
- 8.2 As the Interim Housing Policy has not been prepared in accordance with the Town and Country Planning (Local Development) (England) (Amendment) Regulations 2009, it will not be classed as a DPD. However, it will be used by the Council as a material planning consideration in determining applications for residential development. The Interim Policy will be applied to any new planning applications submitted after adoption by the Council, and to any applications pending a decision at the time of the document's adoption.
- 8.3 The effect of the Interim Policy will be carefully monitored, looking at *inter alia* the Borough's housing land supply, the amount of development granted permission in the villages and rural settlements, the proportion of new permissions on greenfield sites, and any challenges to the policy by means of planning appeals. If amendments to the Interim Policy are considered necessary at a future date, these will be brought before Council at the appropriate time.

## **9.0 SUSTAINABILITY IMPLICATIONS /COMMUNITY STRATEGY**

- 9.1 One of the main purposes behind Policy DE1 is to direct residential development to the most sustainable locations within West Lancashire. The reasoning behind the Interim Housing Policy is similar, continuing to direct development to the most sustainable locations, albeit with a slightly lower 'sustainability threshold'.
- 9.2 The Interim Housing Policy should help guarantee at least a five year housing land supply on sustainable sites within West Lancashire and is intended to procure more affordable housing across the Borough. This is consistent with the Sustainable Community Strategy objectives of working to ensure a place with excellent, easily accessible and sustainable jobs and services, and to provide more appropriate and affordable housing to meet the needs to local people.

## **10.0 FINANCIAL AND RESOURCE IMPLICATIONS**

- 10.1 Not having a five year supply of deliverable housing sites could result in the Council losing out on Housing and Planning Delivery Grant. It could also lead to more planning appeals, with implications for staff time and possible legal and other fees associated with appeals.

10.2 The amended policy could result in more affordable housing units, or contributions towards affordable housing in West Lancashire.

## **11.0 RISK ASSESSMENT**

11.1 Waiting two or more years until the adoption of the LDF Core Strategy and Site Allocations DPD could result in the supply of housing land dropping below five years. However, implementing the revised policy in the interim should help ensure housing land supply remains above five years. Even if the amended policy appears to have little effect, the fact that it has been put in place should demonstrate to Inspectors at appeal that the Council has taken appropriate management action to boost housing land supply, which should be taken into account when determining appeals on unsustainable sites.

## **12.0 CONCLUSIONS**

12.1 It is considered necessary to change Policy DE1 of the Replacement Plan in order to safeguard against the Borough's housing land supply falling below five years, which could result in housing being allowed in unsustainable locations in West Lancashire, and in order to secure more affordable housing in the Borough. An interim housing policy has been prepared for consultation, with the intention of it applying until the adoption of the LDF Core Strategy.

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### **Background Documents**

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

### **Equality Impact Assessment**

There is no evidence from an initial assessment of an adverse impact on equality in relation to the equality target groups.

### **Appendices**

Appendix 1: Draft Interim Housing Policy for West Lancashire