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FutureMerton Team
London Borough of Merton
Civic Centre
London Road
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By Email (future.merton@merton.gov.uk)

Dear Sir / Madam

Consultation on the Merton Local Plan – Stage 2A Draft Local Plan Representations made on behalf of Aviva Life and Pensions UK Ltd

These representations are submitted on behalf of Aviva Life and Pensions UK Ltd (c/o Aviva Investors). Aviva Investors are a key stakeholder in the Borough, with longstanding aspirations to redevelop a site at 80-86 Bushey Road, Raynes Park ('the Site').

The Site is one of the largest underutilised, brownfield, single ownership sites in the London Borough of Merton (LBM) and has significant redevelopment potential. Aviva Investors have ongoing aspirations to bring the Site forward for residential-led mixed use development, as demonstrated by recent pre-application discussions with LBM. It is important that there is a policy framework in place to ensure that this allocated site (as recognised by LBM) is delivered and the maximum benefits associated with this are realised.

These representations build upon those submitted during early consultation on Merton's Local Plan (namely the Consultation of Stage 1 and Stage 2 of Merton's Local Plan, in January 2018 and January 2019 respectively).

It is in this context that the representations have been prepared.

1 Raynes Park

Policy N3.4 ('Raynes Park')

This draft policy deals specifically with the Raynes Park neighbourhood. We continue to be in broad support of the approach outlined within the Local Plan in respect of Raynes Park, which includes the focus of new homes on larger sites closer to Shannon Corner.

We also support the continuation to allocate the site at 80-86 Bushey Road (Site Allocation Ref. RP4) for residential-led mixed use development. However, there remains the opportunity for the proposed allocation to recognise that the Site has the potential for a high-density development to assist in

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ensuring that the pressing housing needs in the Borough and across London are met. This should include acknowledgement of the potential to delivery of tall buildings within this Site.

In terms of specific comments in respect of the proposed Site Allocation reference is made to the Public Transport Accessibility Level (PTAL) as 1 (i.e. very poor access to public transport). We do not accept this classification. As acknowledged during formal pre-application advice with Transport for London (TfL)¹ the Site was acknowledged as having a PTAL rating of up to 3 ('moderate'). This needs to be reflected in the site allocation description.

2 Housing Provision

Policy H4.1 ('Housing Choice')

Criterion (f) of Policy H4.1 sets a minimum affordable housing requirement for the development of 10no. dwellings or more on non-public land of up to 50% with a minimum provision of 40%. This represents an increase from a minimum provision of 35% set out in the Stage 2 Consultation Draft to the Merton Local Plan.

No viability evidence has been published to support this higher figure, and the proposed approach towards affordable housing requirements is inconsistent with Policy H5 of the Draft London Plan (Publication London Plan December 2020), which states:

“The threshold level of affordable housing on gross residential development is initially set at (a) a minimum of 35 per cent...”

The wording of Policy H5 of the Draft London Plan should replace the wording currently stated at criterion (f) of Policy H4.1 in relation to the affordable housing requirements.

Criterion (f) of Policy H4.1 also sets the tenure split for affordable housing for development of 10no. dwellings or more. This consists of 70% low-cost rent (i.e. social rent; affordable rent) and 30% intermediate rent (i.e. affordable home ownership; intermediate rent). This continued approach reduces the ability to meet '*all sectors of the community and at all stages of people's lives*', which is identified as a key objective of this policy.

The proposed approach towards the tenure split for affordable housing is again inconsistent with the Draft London Plan. Specifically, Policy H6 of the London Plan states that the following tenure split be applied to residential development:

“

¹ As confirmed in written advice from TfL dated 13th June 2019



- (1) a minimum of 30 per cent low cost rented homes, as either London Affordable Rent or Social Rent, allocated according to need and for Londoners on low incomes;
- (2) a minimum of 30 per cent intermediate products which meet the definition of genuinely affordable housing, including London Living Rent and London Shared Ownership;
- (3) the remaining 40 per cent to be determined by the borough as low cost rented homes or intermediate products (defined in Part A1 and Part A2) based on identified need”.

It is recommended that the tenure split is applied on a site-by-site basis. Alternatively, there should be at least flexibility for target tenure split to be varied to take account of site-specific circumstances including, but not limited to the nature of the site, meeting local housing needs and financial viability.

The minimum provision / tenure split stated in criterion (f) should also be in accordance with the Draft London Plan and should be revised to be based on habitable rooms (as per criterion (g) and paragraph 4.1.24). This will incentivise the delivery of larger affordable homes to meet priority needs.

Reflecting London Plan policy and the other issues outlined above, it is appropriate to amend the table within Policy H4.1 of the Emerging Merton Local Plan as follows (additional text in bold and underlined):

Threshold	Affordable Housing target (measured in units)	Affordable housing tenure split	Provided
10 or more units	50% for public sector land and industrial land For all other sites up to 50% with a minimum provision of <u>35%</u>	70% <u>30%</u> low cost rent (i.e. social rent, affordable rent, London Living Rent); 30% intermediate <u>40% selected on a scheme-by-scheme basis</u>	On Site Only in exceptional circumstances will the provision of affordable housing off-site or financial contribution in lieu of provision on-site and this must be justified and such schemes will be required to provide a detailed viability assessment.

Notwithstanding this, the minimum target for individual sites in Policy H4.1 must be based on a detailed



local plan viability study, which evidences that it is viable and deliverable in accordance with national planning policy. No viability evidence has been published (or at least in the public domain), contrary to Paragraph 57 of the National Planning Policy Framework (2019) which states:

“All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available”.

Planning decision precedent set out in the latest London Plan Annual Monitoring Report (September 2018) evidences that only 14% of affordable housing has been provided in the last three years. This would suggest that a significantly lower target than 40% is typically viable for sites across London, including Merton. Critically, setting the minimum target too high will detract investment from the borough and will likely lead to an overall reduction in housing and affordable housing delivery.

In line with the above, the policy wording to criterion (f) of Policy H4.1 should be revised to explicitly state that viability evidence and future viability reviews will not be required if the minimum affordable housing provision is met in accordance with the threshold approach set out in Policy H5 of the Draft London Plan. This will provide an incentive for developers to provide the full policy level without the need for a viability assessment at assessment stage.

In addition, the supporting text to Policy H4.1 (from paragraph 4.1.25) suggests that proposals referable to the GLA providing 35% or more affordable housing will not be required to provide viability evidence or late stage viability reviews (i.e. fast track). This must be made explicit in the policy wording in that Policy 5 of the Draft London Plan should be – should be made explicit in the wording of Policy H4.1 under a new criterion.

Criterion (e) of Policy H4.1 confirms that LBM’s target is for 50% of new homes built in the Borough between 2020-2035 to be affordable for public sector land and industrial land. The proposed aim for 50% of new homes to be built in Merton to be affordable on such land is simply not achievable. Whilst it can be an aspiration within the Plan it should not form specific policy.

It is recommended that criterion (e) is revised, and the table contained under Policy H4.1 clarifies that this strategic target is for affordable housing for council-led delivery) and does not therefore apply to individual sites. Indeed, a potential requirement to deliver 50% affordable housing on non-public sector land (as proposed), has the potential to undermine the affordable housing stock in the Borough. Such an onerous requirement could lead to schemes not coming forward and consequently leading to an overall fall in completions.

In light of this, criterion (e) of Policy H4.1 should be removed or amended to refer to a strategic target of 50% of new homes built in Merton on public sector land (as referred to the suggested changes in the table above) between 2020 and 2035 to be affordable.



The suggested amendments will ensure a sound and effective Plan and one that assists in meeting the housing needs of all sectors of the community.

Policy H4.3 ('Housing Mix')

Policy H4.3 states that residential development proposals will be considered favourable when they provide a mix of dwelling sizes, taking into account the borough level housing mix. The borough level housing mix is outlined as; 33% 1-bed, 33% 2-bed and 33% 3+ bed.

The proposed approach is prescriptive and inconsistent with Policy H10 of the Draft London Plan which states that:

“Schemes should generally consist of a range of unit sizes. To determine the appropriate mix of unit sizes in relation to the number of bedrooms for a schemes, applicants and decision-makers should have regard to...”

The Draft London Plan seeks to ensure that the market and private tenure split in proposed developments is flexible and dependent on a number of factors.

Whilst the wording of Policy H4.3 does allow for some flexibility and allows for site specifics and economic of provision to be taken into account (which is welcome) some further revision to this Policy to include greater flexibility should be provided.

Within this context, we believe that the relevant text of Policy H4.3 should be amended as follows:

“The indicative borough level housing mix will be applied on a site-by-site basis having regard to relevant factors, including individual site circumstances, site location, constraints, identified local needs, viability and economics of provision.

The supporting text to Policy H4.3 should also acknowledge the important role 1-bed properties play in providing housing for concealed households (house shares) and downsizers, which free's up family housing (i.e. with front doors and gardens).

The supporting text should also note that the provision of a smaller unit mix may be appropriate in suitable locations and / or sites considered suitable for higher densities and / or tall buildings.

Policy H4.7 ('Build to Rent')

Criterion (c) of Policy H4.7 states that build to rent schemes must provide a minimum of 3 years tenancies with a six month break clause in the tenants' favour and have a pre-agreed structure and limited in-tenancy rent increases.

As currently written, criterion (c) is not in line with Policy H11 of the Draft London Plan which states that to qualify as a Build to Rent scheme the following criteria must be met:



“

(6) longer tenancies (three years or more) are available to all tenants. These should have break clauses for renters, which allow the tenant to end the tenancy with a month's notice any time after the first six months...”.

Whilst longer tenancies of up to 3 years should be made available to all tenants there should be flexibility for those who require a shorter term. Therefore, to ensure that Policy H4.7 is in line with the Draft London Plan, and so that there is flexibility for those who require a shorter term tenancy, criterion (c) should be revised to state:

“Build to rent schemes must provide up to 3 year tenancies with a six month...”.

Criterion (d) of Policy H4.7 states that homes are secured as Build to Rent under a covenant for a minimum period of 30 years. Furthermore, criterion (h) states that a clawback mechanism must be in place that ensures that where any of the Build to Rent homes are sold within the 30 years, this will trigger a penalty charge towards affordable housing provision in accordance with Policy H4.7(f).

As currently written, criterions (d) and (h) are not in line with Policy H11 of the Draft London Plan which states:

“To qualify as a Build to Rent scheme the following criteria must be met...”

(2) the homes are held as Build to Rent under a covenant for at least 15 years;

(3) a clawback mechanism is in place that ensures there is no financial incentive to break the covenant...”.

Instead of a minimum period of 30 years, criterions (d) and (h) should instead state a period of **15 years** in accordance with Policy H11 of the Draft London Plan. Both central government and the GLA have completed extensive consultation with the Build to Rent industry and have concluded that a 15 year covenant is the maximum that can be imposed. A longer period would negatively impact investment and viability of Build to Rent schemes, reducing the viable level of affordable housing and other planning obligations.

Criterion (f) states that Build to Rent schemes should provide a minimum of 40% affordable housing, comprising a tenure of 100% London Living Rent equivalent. The requirement of 40% affordable housing must be supported by the local plan viability study in accordance with national planning policy. Build to Rent schemes have distinct economics which make them less viable than conventional private sale schemes.

Criterion (f) is also inconsistent with Policy H11 of the Draft London Plan which states that:



“The Mayor expects at least a 30 per cent of DMR [Discounted Market Rent] homes to be provided at an equivalent rent to London Living Rent...”

The proposed requirement to deliver 100% London Living Rent will significantly reduce the viable level of affordable housing compared to a conventional housing scheme. It will also result in a smaller range of housing need being met. As such the requirement set by Policy H4.7 should be revised to reflect the London Plan, of requiring at least 30% London Living Rent equivalent.

Criterion (g) states that the Council’s nomination rights to secure nomination of tenants to specified affordable housing units and the management and monitoring arrangements will be secured via the S106 legal agreements. It also states that all affordable housing elements of the scheme must be affordable in perpetuity. Such an approach under this criterion is inconsistent with both the Draft London Plan and the National Planning Policy Framework and should be deleted.

Likewise, Criterion (i) states that where the development value of the Build to Rent scheme is higher than a Build for Sale scheme, the affordable housing requirements set out in Policy H4.7(f) must be met and increased to the point where there is no financial benefit to provide Build to Rent over Build for Sale homes. Again, this approach is inconsistent with both the Draft London Plan and the National Planning Policy Framework and should be deleted.

Criterion (j) states that Build to Rent schemes must be subject to a viability review between the grant of planning permission and the time of the review, aimed where viable, at increasing the number and / or affordability of affordable homes.

Such a requirement needs to clarify that viability evidence and future reviews will not be required where the scheme is considered to be fast-track compliant.

Furthermore, in accordance with Policy H11 of the Draft London Plan, a build-to-rent scheme should be considered “fast track” when providing 35% affordable housing, including 30% London Living Rent.

3 Places and Spaces in a Growing Borough

Policy D5.1 (‘Placemaking and Design’)

This policy requires all development to be of the highest design quality. It also makes specific reference to tall buildings. In respect of tall buildings the policy states:

“Proposals for tall buildings will be permitted only within Colliers Wood town centre, Wimbledon town centre and the Wider Morden Town Centre Area, where they are sized and appropriately located...”

The policy goes on to state that:



“As referenced in London Plan policy D9, the definition of a tall building in Merton is based in part on the site’s context: it is defined as any building that is over six storeys and is also substantially taller than their surroundings and cause a significant change to the skyline”.

This continued approach to tall buildings is restrictive and does not encourage development that would maximise the potential of development opportunities that do exist in the Borough. This includes 80-86 Bushey Road.

The Draft Local Plan (Policy H4.2 ('Housing Provision')) refers to the need to deliver at least 13,263 new homes for the period 2020/21 – 2034/35. This is an almost doubling of the housing provision outlined in earlier iterations of the new Merton Local Plan (at least 6,200 homes by 2036 set out in the Stage 2 Consultation Draft).

Such substantial housing provision will not be achieved if the existing, available opportunities are not fully maximised. Indeed, in allocating the 80-86 Bushey Road site for residential-led development, the Local Plan recognises that this provides **‘significant redevelopment potential’** and provides significant opportunity to **‘optimise the potential of this large site’**. This should include high density development.

As recognised in the Draft London Plan (Policy D9 – Tall Buildings), tall buildings have a role to play in facilitating regeneration opportunities and managing future growth. It is essential that such opportunities are fully explored in appropriate locations, particularly for large, accessible sites, and that local planning policy provides sufficient flexibility to deliver such development.

Consistent with the London Plan, quality of design should be the key factor in determining the location and suitability of tall buildings rather than simply the existing building context. It is essential that policies are flexible enough to allow the capacity of sites to be appropriately maximised. If they are not, the strategic aspiration to deliver 13,263 homes over the Plan period will be significantly undermined.

Tall buildings outside the town centres of Colliers Wood, Morden and Wimbledon can be delivered that are of a high quality. They can also complement the existing building context and, importantly assist in meeting the Borough’s needs. This needs to be recognised by policies within the Local Plan, rather than an approach that simply seeks to restrict tall buildings outside the three identified town centres, which is not consistent with the London Plan. As recognised by the Mayor of London’s 2016 Housing SPG, large sites can accommodate high densities and set out their own ‘context’. It is important to recognise this and that buildings taller than the local context can be appropriate.

To address our concerns, we propose the following amendment to Policy D5.1 ('Placemaking and Design') as follows:



“Proposals for tall buildings will be permitted ~~only~~ within Colliers Wood town centre, Wimbledon town centre ~~and~~ the Wider Morden Town Centre Area and in other locations where they are sized and appropriately located in accordance with the following criteria:

- i. Within Wimbledon Town Centre, as set out in the Future Wimbledon supplementary planning document,*
- ii. Within Morden, as set out within the Morden town centre policy and site allocation (Mo4) and*
- iii. Within Colliers Wood, as set out within the site allocation CW2.*
- iv. Ensure the ground and first floors are designed for a human scale and maximise the amount of active frontage and natural surveillance;*
- v. Be of exceptional design and architectural quality;*
- vi. Be designed to mitigate against the wind effects that can be created by tall buildings, and demonstrate they do so;*
- vii. Demonstrate they do not undermine local character and heritage assets;*
- viii. Include high quality and useable public open space, appropriate in size and location to the building and its site characteristics”.*

Linked to this, the supporting text to this policy (para 5.1.12) should be revised as follows:

“~~Tall buildings are not generally of a characteristic of Merton. In line with the area-based policies in Chapter 3 of the Plan, Tall buildings may be acceptable in the town centre of Wimbledon, Morden and Colliers Wood~~ and elsewhere in the Borough where they are sited and designed in accordance with a detailed townscape strategy and accord with the policies in the draft Plan. Outside the town centres of Wimbledon, Colliers Wood and Morden tall buildings which are of exceptional design and are architectural and sympathetic to their surroundings may also be acceptable”.

These changes will ensure that the Local Plan is planned positively, that seeks to meet the area’s needs, as required by Paragraph 35 of the NPPF.

4 Summary

Aviva Investors are a significant investor in Merton, which includes being the single owner of one of the largest and most prominent brownfield sites in the Borough at 80-86 Bushey Road. To ensure that



all opportunities are maximised, both at Bushey Road and elsewhere in the Borough, the proposed policy amendments are required to ensure the Local Plan is positively prepared, justified and effective.

We trust that these representations will be given due consideration by the Council and are helpful in progressing the Local Plan. In the meantime, please do not hesitate to contact us if there are any queries.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Tim Rainbird', located below the closing text.

Tim Rainbird
Director