

4.

Housing



Strategic Policy H4.1

Housing choice

To ensure that Merton's existing and future residents have a choice of different types, sizes and costs of homes.

We will:

- a. Require proposals for new homes including new build schemes and redevelopment proposals to be well designed and located to create socially mixed, inclusive and sustainable neighbourhoods.
- b. Seek the provision of a mix of housing types sizes and tenures at a local level to meet the needs of all sectors of the community and at all stages of people's lives. This includes the provision of family sized and smaller housing units and provision for those unable to compete financially in the housing market sector and those with special needs.
- c. Incorporate the re-provision of at least one family sized unit where the loss of an existing family sized unit is proposed.
- d. In accordance with Building Regulation Requirement M4(2), 90% of all new build housing is required to be 'accessible and adaptable dwellings' and 10% meet Building Regulation Requirement M4(3) for 'wheelchair user dwellings'.

e. Aim for 50% of new homes built in Merton between 2020-2035 to be affordable;

f. We will expect the following net level of affordable housing to be provided on individual sites:

Threshold	Affordable housing target (measured in units)	Affordable housing tenure split	Provided
11 units or more	50% for public sector land For all other sites up to 50% with a minimum provision of 35%.	70% Low cost rent (i.e. social rent, affordable rent, London Living Rent); 30% Intermediate	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.
2 – 10 units	Up to an equivalent of 20% affordable housing provision	70% Low cost rent (i.e. social rent, affordable rent, London Living Rent); 30% Intermediate	Financial contribution

g. Applicants should present data for all housing tenures proposed in their scheme as a percentage of total residential provision in three ways: as the number of homes (units), habitable rooms, and floorspace;

- h. In seeking affordable housing provision we will have regard to site characteristics such as site size, site suitability and economics of provision such as financial viability issues and other planning contributions.
- i. For schemes of 11 units and above, affordable housing is required to be provided on-site. In exceptional circumstances, where the applicant has robustly demonstrated to the council that on-site provision is not feasible this justification must include the provision of a detailed financial appraisal. For these schemes, off-site and cash in lieu schemes must accord with the requirements set out in the Mayor's Affordable Housing and Viability SPG (2017)
- j. All affordable housing of the scheme must be affordable in perpetuity and secured via Section 106 legal agreements

Justification

- 4.1.1. There are marked differences in quality of life between different communities within Merton. Neighbourhoods within Abbey, Colliers Wood, Cricket Green, Figges Marsh, Lavender Fields, Pollards Hill and St Helier wards have long-standing issues of multiple deprivation and socio-economic exclusion.
- 4.1.2. National and regional guidance indicates that being able to access decent affordable accommodation is a major factor in improving quality of life. Accommodation standards and affordability have a strong influence on other issues which contribute to quality of life, including health, crime, education and skills.
- 4.1.3. Emerging local research identified that generally there is a need for more homes of all types and sizes throughout Merton. There are a range of factors which should be taken into account in setting policies for provision. This is particularly the case in the affordable sector where there are typically issues around the demand for and turnover of one-bedroom homes (as well as allocations to older person households) – e.g. one bedroom homes provide limited flexibility for households (e.g. a couple household expecting to start a family) and as a result can see relatively high levels of turnover – therefore, it

may not be appropriate to provide as much one-bedroom stock as is suggested by the emerging local research.

- 4.1.4. At the other end of the scale, conclusions also need to consider that the stock of four-bedroom affordable housing is very limited and tends to have a very low turnover. As a result, whilst the number of households coming forward for four or more bedroom homes is typically quite small, the ability for these needs to be met is even more limited.
- 4.1.5. Merton's Annual Monitor Report 2016/17 indicates that 19% of new housing provision for 2016 /17 consisted of affordable housing which represents a shortfall against Merton's current affordable housing target requirement of 40%.
- 4.1.6. Over the last seven years Merton has on average, achieved an affordable housing completion rate of 30% and cash in lieu financial contributions totalling £832,001. 38% of housing completions were for prior approval conversions which are exempt from requiring affordable housing provision, and in turn result in a reduction of potential affordable housing provision opportunities.
- 4.1.7. Emerging local research indicates that the cost of living in Merton is likely to be higher than nationally. Rent levels in Merton are relatively high in comparison to those seen nationally (a lower quartile rent of £520 per month across England). This would suggest that a proportion of income to be spent on housing could be high. Affordability is particularly an issue for the lower end of the market and impacts the ability for locals to access the housing ladder. This generally manifests in worsening affordability for first time buyers and young buyers overall (lower quartile).
- 4.1.8. Merton is experiencing an increasing number of schemes proposing 100% intermediate housing, as the affordable housing proportion of the scheme, which is contrary to Merton's current policy requirement of 60% social / affordable rent and 40% intermediate. The reasons provided by proposers is that this is what can be viably delivered and that there is a lack of interest from Registered Providers in managing low cost rented home in preference to shared ownership homes which they consider a more attractive product. This is evidenced by the fact that Registered Providers in Merton are willing to purchase additional shared ownership homes than what the GLA can offer grant for. However, this situation poses a deliverability mismatch as there is overwhelming needs in Merton for low cost affordable housing. This illustrates a tension that exists between viability and addressing housing needs. In Merton work on local needs research is on-going, but it is considered that the introduction of a 70 / 30 split

better reflects the unmet affordable housing need to be addressed. This tension is acknowledged in the draft London Plan (2017) which states: As Table 4.3 demonstrates, the SHMA [Strategic Housing Market Assessment] shows London's significant need for low cost rental housing, however, the current national funding programme is focused on intermediate products which limits the Mayor's ability to require higher levels of low-cost rented accommodation. We would welcome discussions with the Mayor to assist in resolving this tension, particularly in unlocking the barriers to delivery of much needed low cost rented homes.

4.1.9. Merton's Annual Monitor report indicates that in the past five years the number of conversion schemes of family homes to smaller sized homes has increased. The supply of one and two bedroom units significantly exceeds the number of three or more bedrooms. In 2016/7 46.7% of new housing consisted of one bedroom, 32.96% were two bedrooms and only 20.3% were three or more bedrooms. On this basis it is evident that the anticipated number of three bedroom units has not been achieved whilst the number of one and two bedroom units were significantly exceeded. It is considered that the requirement for proposals involving the loss of family home to include the re-provision of a new family home strikes a suitable balance between increasing housing density in appropriate areas, but not at the expense of a net loss in much needed existing family sized housing, or achieving well-designed development that provides acceptable living conditions.

4.1.10. The council will pursue and encourage the provision of a range of housing tenures, sizes and types to meet the needs of Merton's communities at all stages of life. Emerging local evidence indicates for the period 2017- 2035, the largest growth will be people aged 65 and over.

4.1.11. In 2035 it is projected that there will be 37,400 people aged 65 and over. This is an increase of 11,700 from 2017, representing growth of 46%. The population aged 85 and over is projected to increase by an even greater proportion, 52%. The draft London Plan (December 2017) suggests an annual need for 105 homes in Merton that are specifically designed for the needs of older people sheltered and Extra-care housing). Emerging local research supports the view that the need set out in the draft London Plan for older person homes is appropriate for Merton.

4.1.12. Looking at the earlier stages of life, the data shows that there is projected to be little change in the number of people aged under 15, with increases or decreases shown for other age groups. Focussing on the population aged 18-23 (student-age) the analysis

below shows that there is projected to be some modest rise in the age group. In total it is projected that the number of people aged 18-23 will increase from 11,300 in 2017 up to 12,800 by 2035, an increase for around 1,500, or 13%.

- 4.1.13. Affordable housing is defined in the NPPF (July 2018) and draft London Plan (December 2017) The level of affordable housing needed in the borough outstrips the overall capacity for new homes proposed over the Plan period. New homes built under “prior approval” (i.e. without the need for planning permission) are exempt from affordable housing requirements and this further increases these challenging circumstances. Merton is also a borough of small sites due to historically fragmented land ownership. On average over the last 10 years to 2017, over 85% of the planning applications Merton has received to build new homes have been for sites of less than 10 homes.
- 4.1.14. Therefore, in order to optimise every possibility for providing new affordable homes taking into account the specific circumstances of Merton, it is considered essential to continue to maximise affordable housing provision opportunities, including from small sites, subject to viability.
- 4.1.15. The council will pursue opportunities to maximise affordable housing across the borough through a range of measures, including providing more choice in the different types of affordable housing and different levels of affordability. The council will pursue requirements from small sites as financial contributions, as in practice it is the council’s experience that this is what can be delivered. Feedback from affordable housing providers and developers demonstrates that it is difficult to find affordable housing registered providers, willing to take small affordable housing schemes due to the additional costs of managing such sites..
- 4.1.16. All affordable housing provided within the borough will be subject to nomination agreements with Merton’s Partner Register Providers to ensure that they are occupied by persons nominated by the council. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable provision.
- 4.1.17. Assessment of affordable housing proposals against the council’s planning policy requirements will be calculated as units. In exceptional cases e.g. where the provision of a high number of family-sized affordable homes in a particular scheme proposal is sought by the council, it may be more appropriate for the calculation of the affordable

housing proportion to be in terms of habitable floorspace or rooms. Habitable rooms in affordable and market elements of such schemes should be of a comparable size when averaged across the whole development. Applicants should present affordable housing figures and all other housing types and tenures proposed as a percentage of total residential provision in habitable rooms, units and floorspace (both gross [GIA] and net internal area [NIA]) to enable comparison.

4.1.18. The Mayor of London's Affordable Housing and Viability Supplementary Planning Guidance (2017) details that planning applications that provide 35% of the habitable rooms within their development to be affordable housing (without government grants) will not have to submit a viability appraisal (this is known as the fast track route). It should be noted that the 35% habitable rooms threshold is the Mayor of London's determinant as to whether an application should be accompanied by a viability appraisal and this will apply to GLA referable schemes. This is different from the Local Plan affordable housing provision requirement which is 35% - 50% affordable housing units depending on the scheme type. For non-GLA referable, to be eligible for the fast track route, Merton's minimum 35% affordable housing units threshold applies.

4.1.19. In Merton's experience introduction of the Mayor's 'fast track route' has resulted in an unchanged position concerning the number of schemes submitted with viability appraisals. Planning policies should be straightforward to understand if the planning system is to be trusted – measuring affordable housing based on the number of habitable rooms (and not the number of homes) is unnecessarily confusing for those outside the property profession to understand and trust. In addition, Merton is a borough of small sites and has very few GLA referable schemes. Measuring affordable housing based on habitable rooms would result in a lower number of affordable homes being provided. We have reviewed housing schemes which are 100% affordable housing and these same schemes only provide 85% of habitable rooms as affordable. Therefore, if Merton were to adopt an affordable housing policy requirement as habitable rooms in practice this would result in even the minimum 35% target for new homes to be affordable not being met.

Strategic Policy LP H4.2

Housing provision

We will:

- a. Support the provision of well-designed new homes located to create socially mixed and sustainable neighbourhoods, including the redevelopment of poor quality existing housing and not support proposals that result in a net loss of residential units, or net loss of affordable housing units or residential land;
- b. Work with housing providers to facilitate the provision of a minimum of 6,165 additional homes for the period 2020 – 2035;
- c. Support the delivery of well-designed new homes on small sites capable of accommodating between one and 25 homes;
- d. Support proposals for custom, self-build and community-led housing which optimise the use of land and meet all relevant policy requirements, such as those for affordable housing.

Justification

Calculating housing needs

- 4.2.1. Draft Planning Practice Guidance published by the Ministry of Housing, Communities and Local Government (MHCLG March 2018) sets out a standard method for assessing housing need and expects this should be the starting point in the planning making process for planning the right homes in the right places. The guidance advises that in exceptional circumstances an alternative approach can be used but this must be justified.

4.2.2. This draft standard method is based on projected population growth and applying where appropriate market signal adjustments and also caps linked to the current development plan status of the local planning authority. National Household projections published by the Office of National Statistics (ONS), are expected to be used for the standard approach.

4.2.3. It is noted that the latest population projections from ONS are a 2016-based set (subnational population projections (SNPP)), additionally GLA have also published their own 2016-based version, the Central variant being based on looking at migration trends over the 10-year period from 2006-16.

4.2.4. Exploration of projected population growth under a number of scenarios over the period 2017- 35 notes the following core projections as:

2016-based SNPP (2016-SNPP)

2016-based SNPP plus mid-year estimates (2016-SNPP+MYE)

GLA Central projections (GLA Central)

GLA Housing-led (GLA_Housing)

4.2.5. The analysis indicates that the Mayor of London / GLA projections are showing much higher levels of future population growth than the national / ONS figures. The latest official projections show population growth over the 18-year period of around 8%, whereas the GLA Central scenario is approaching double this figure with growth of 16%. The housing figure also shows a notably higher level of population growth than the official projections.

Table 4.2.1: Projected population growth in a range of projections

	Population 2017	Population 2035	Change	% change
2016-SNPP	207,897	225,089	17,192	8.3%
2016-SNPP+MYE	206,052	222,466	16,414	8.0%
GLA-Central	208,227	240,630	32,404	15.6%
GLA-Housing	208,231	236,666	28,435	13.7%

Source: Derived from ONS/MHCLG data and GLA

4.2.6. Informed by analysis of population growth scenarios set out in Table 1 above, a number of estimates for housing growth and in turn the need for additional housing. are set out in Table 2 below:

Table 4.2.2: Projected household growth and housing need with a range of scenarios - Merton

	Households 2017	Households 2035	Change in households	Per annum	Dwellings per annum
2016-SNPP	83,853	96,900	13,047	725	750
2016-SNPP+MYE	83,124	95,860	12,736	708	732
GLA-Central	83,508	102,715	19,207	1,067	1,104
GLA-Housing	-	-	-	-	897
1,328-DPA	83,124	106,234	23,110	1,284	1,328
823-DPA	83,124	97,446	14,322	796	823

4.2.7. New ONS projections published very recently (20th September 2018) indicate comparatively lower projected household growth than the 2016 – SNPP as set out in Table 3 below:

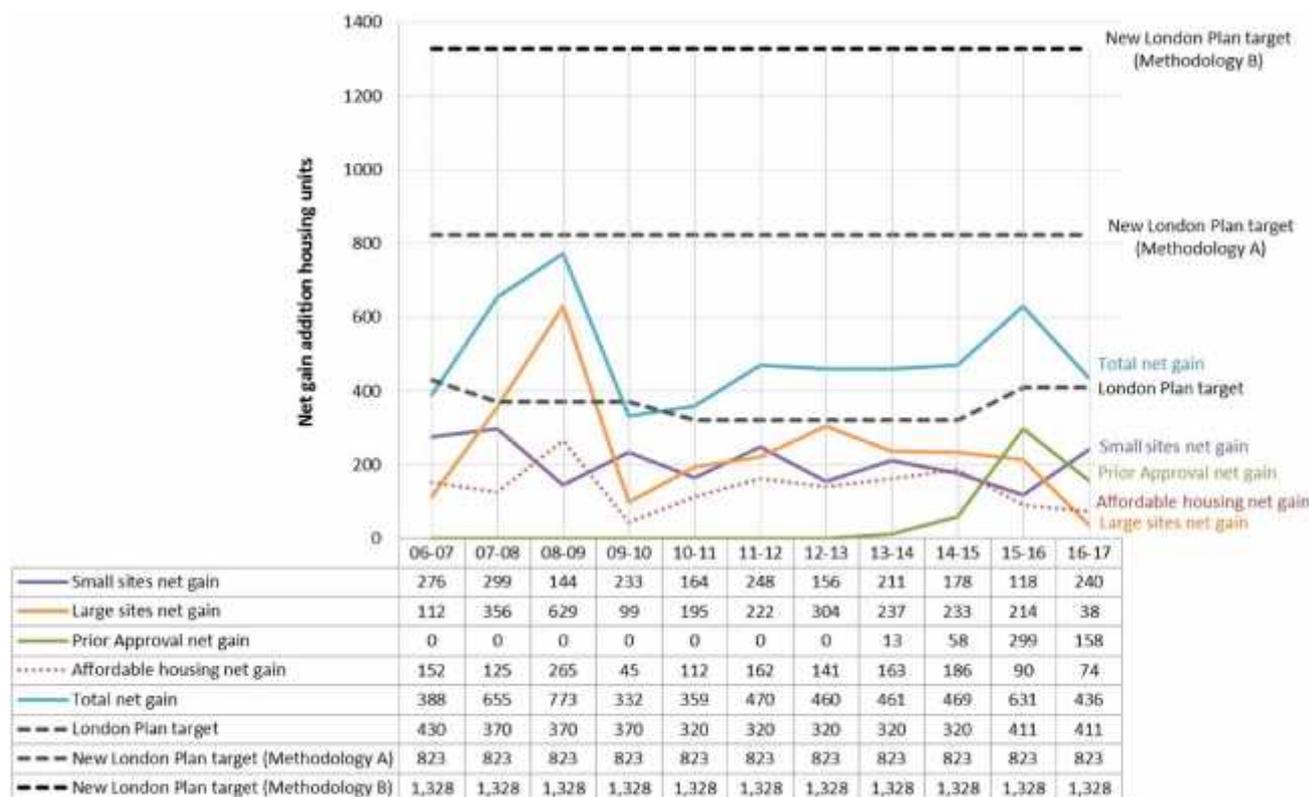
Table 4.2.3: Projected household growth and housing need - 2016 SNPP with 2014 based HFR

	Households 2017	Households 2035	Change in households	Per annum	Dwellings per annum
2016-SNPP with 2016-Based HFR	79,827	88,903	9,076	504	521

4.2.8. Additionally the MHCLG recently published (13th September 2018) revisions to the draft Planning Practice Guidance including that concerning housing need assessment (<https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>) stating that in the housing white paper the government was clear that reforms set out (which included the introduction of a standard method for assessing housing need) should lead to more homes being built. In order to ensure that the outputs associated with the method are consistent with this, we will consider adjusting the method after the household projections are released in September 2018. We will consult on the specific details of any change at that time.

- 4.2.9. It should be noted that the intention is to consider adjusting the method to ensure that the starting point in the plan-making process is consistent in aggregate with the proposals in Planning for the right homes in the right places consultation and continues to be consistent with ensuring that 300,000 homes are built per year by the mid 2020s.
- 4.2.10. On 26 October 2018, MHCLG published consultation on proposed changes to National Planning Policy Framework and guidance, including the standard method for assessing local housing need to ensure that it is consistent with increasing the supply of homes regardless of the current national downturn in population projections. Proposals include requiring local authorities to continue to use the 2014-based household projections when using the standard method to assess the minimum number of homes needed in their areas. The consultation proposes that plans submitted on or before 24th January 2019 can be based on existing assessments of housing need. The consultation closes on 7th December 2018.
- 4.2.11. Merton is a pro-growth borough and has substantial experience in delivering small sites over a long timeframe and throughout different economic and political cycles. Every year, between 85%-95% of Merton's planning applications for new homes are for small sites (sites of 10 homes or less). However, as each small site delivers less than 10 homes, small sites contribute about 50% of the overall number of homes built each year in Merton, with large sites (which make up usually less than 10% of the planning applications received) contributing the other 50% of homes built.
- 4.2.12. Merton's current housing target is 411 homes per annum set in the London Plan 2016. This is based on a detailed analysis of land availability and capacity across London that Merton worked with the GLA and all other London boroughs.
- 4.2.13. The Draft London Plan 2017 proposes that Merton's target is increased by 223% to 1,328 homes per annum proposed by draft London Plan Policy H1 results in a target uplifting for Merton of 223%.
- 4.2.14. As Figure 2 illustrates, Merton has met its housing target every year for the last 10 years; substantially exceeding this on three occasions. This demonstrates that previous Strategic Housing Land Availability Assessments, other housing research and London Plans have set Merton's target at the correct level for the borough.

Fig 2 – Merton’s Housing Completions by Permission Type 2006-2016



4.2.15. The Draft London Plan housing target uplift of 228% proposed for Merton will be unrealistic to achieve, despite Merton being pro-growth. For a decade Merton have been allocating sites of any size i.e. no minimum small sites threshold and has taken forward initiatives including town centre regeneration, estate regeneration and modular construction of affordable homes. Despite this there are a number of factors outside of local planning authority control that influence housing delivery including macroeconomics, house prices, land values, investment confidence and finance availability.

4.2.16. Colliers Wood / South Wimbledon and Wimbledon which are promoted in the draft London Plan as Opportunity Areas, will be a significant housing contributor with a target of 5,000 homes and 6,000 jobs. The proposed rejuvenation of Morden will include the intensification and comprehensive development of the Morden Regeneration Zone, which will incorporate the provision of around 2,000 new homes. Mitcham is proposed to accommodate a range of new homes, including major development sites of Eastfields and Ravensbury estates and other such as Benedicts Wharf. For Raynes Park larger

sites close to Shannon Corner and incremental development within the surrounding neighbourhood will contribute to providing new homes. These are set out in more detail in the area-based policies within this Plan.

Policy H 4.3

Housing mix

Residential development proposals will be considered favourably where they contribute to meeting the needs of different households such as families with children, single person households and older people by providing a mix of dwelling sizes, taking account of the following borough level housing mix proportions:

Tenure	1 bed	2bed	3+ bed
Low-cost rent (social rent, affordable rent and London Living Rent)	25-35%	35-40%	30-40%
Borough wide	33%	33%	34%

Justification

- 4.3.1. Research in London and in Merton shows that there is an overwhelming need in London and in Merton for all types and sizes of new homes. Assessment of housing delivery in the borough over the past 15 years indicates a disproportionately greater delivery of smaller homes compared to larger homes.
- 4.3.2. In 2016/17 47% % of the new homes built consisted of one bedroom, 33% were two bedrooms and only 20% were three or more bedrooms.

- 4.3.3. The council is keen to encourage socially mixed, sustainable communities with a greater choice and mix in the size, type and location of housing. Schemes should seek to reflect the diversity of the local population, local needs and provide an appropriate mix of smaller and larger units including houses and flats to meet a mix of different households such as single households, families with children and older people.
- 4.3.4. Build to Rent schemes are a form of purpose-built long term rented accommodation in block ownership and management, which could help to accelerate the supply of homes and support labour market mobility. The council supports Build to Rent (please see the London Plan and draft policy H4.7 below). Due to the overwhelming need for permanent homes relative to temporary accommodation, the council does not support short term rental residential accommodation (either purpose built or converted) such as apart-hotels on sites that are suitable for permanent housing.
- 4.3.5. In accordance with government requirements the council maintains a self-build register. Assessment of the register indicates that there are 217 entries to date, of which just one applicant demonstrated a link to the borough and thus accessed the part 2 register. In the last four years, 69 households in Merton have built their own home to live in, successfully demonstrating a self-build exemption under the Community Infrastructure Levy regulations. Whilst self and custom build homes form part of the overall mix of housing, high demand for sites result in high land values making it challenging for self and custom builders to compete against other housebuilders to acquire available sites.
- 4.3.6. As self and custom build homes are regarded by mortgage lenders as non-standard homes, obtaining a mortgage for these can be challenging and therefore this type of development is more reliant on self-financing. Between 2004 and 2016 approximately 2,400 units have been delivered on schemes of less than 5 units. This equates to over 38% of the total supply for this period.
- 4.3.7. As supported by the London Plan, Houses in Multiple Occupation (HMOs) contribute towards addressing needs. As with all homes, HMOs will be expected to meet good standards both for the occupiers and neighbours and the council will have regard to relevant guidance in the assessment of HMOs including national guidance, the London Housing Design Standards, the GLA Housing Supplementary Planning Guidance.
- 4.3.8. In assessing development proposals, the council will take account of the housing mix proportions set out above.

- 4.3.9. This mix is informed by a number of factors, including, local housing needs research deliverability, viability, affordability, land availability and data concerning waiting lists.
- 4.3.10. The borough level housing mix proportions will be applied having regard to relevant factors including individual site circumstances, site location, identified local needs, economics of provision such as financial viability and other planning contributions. Where a developer considers a site unsuitable to apply the borough level indicative housing mix set out above the developer will be responsible for demonstrating why this is the case.
- 4.3.11. Gated development may address security concerns, however they restrict public access and therefore, choice. This is considered divisive as it reduces social, visual and physical permeability and actively works against engendering community and social cohesion.

Policy H4.4

Supported care housing for vulnerable people or secure residential institutions for people housed as part of the criminal justice system

- (a) The suitability of proposals for supported care housing will be assessed having regard to the following criteria:
- i. Demonstrable need;
 - ii. The proximity of the site to public transport facilities;
 - iii. The provision of a safe and secure environment;
 - iv. The provision of an adequate level of amenity space which is safe and suitable;
 - v. The provision of adequate parking facilities for residents, staff and visitors;
 - vi. The convenience of the site's location in relation to local shops, services and community facilities;
 - vii. The quality of accommodation complies with all relevant standards for that use.
- (b) Generally, proposals for supported care housing will be expected to provide affordable housing in accordance with Strategy Policy Housing Choice, unless nominations for people in housing need can be made available through the council.

(c) The council will resist development which results in the net loss of supported care housing for vulnerable people or secure residential institutions for people housed as part of the criminal justice system unless either:

- i. adequate replacement accommodation satisfies criteria H4.4 a (i) to (vii) inclusive above; or,
- ii. it can be demonstrated there is a surplus of the existing accommodation in the area; or,
- iii. it can be demonstrated that the existing accommodation is incapable of meeting relevant standards for accommodation of this type.

(d) Where the council is satisfied that the requirements of criterion (c) of this policy have been met, the council will require that an equivalent amount of residential floorspace (Use Class C3) to be provided to help meet Merton's need for permanent homes. These proposals will be considered in respect to Strategy Policy Housing Choice.

Justification

4.4.1. Policy H4.4 relates to any form of housing if it has been designated for use by vulnerable people or people being housed as part of the criminal justice system (bail / probation hostel) and commonly accommodates residents who get support from designated members of staff. It includes the following forms:

-) Self-contained homes where vulnerable people, or people being housed as part of the criminal justice system live individually or as part of a family (usually in use class C3);
-) Shared homes occupied by no more than 6 people (usually in Use Class C3 but where no care is provided on-site some fall within Use Class C4);
-) Clusters of self-contained homes or self-contained homes / bedsits within a scheme designated for vulnerable people, where low intensity support is

available, sometimes on site (usually in Use Class C3, depending on the nature of the support);

-) Hostels for a number of households or individuals. The occupiers are usually linked in terms of circumstances or age group. There is usually a common management regime and some shared facilities. Hostels are outside any use class;
-) Care homes and other supported accommodation where care is provided 24 hours a day (usually in Use Class C2);
-) Secure residential institutions (usually under Use Class C2A).

4.4.2. Policy H4.4 does not relate to:

-) Self-contained homes that are suitable to meet general needs but have been let or sold in the market to meet the needs of vulnerable people, or people being housed as part of the criminal justice system (usually in Use Class C3);
-) Hostel accommodation aimed at other non-vulnerable groups such as students and backpackers; or,
-) Other types of accommodation in Use Class C2 but not specifically for vulnerable people, such as hospitals, boarding schools, residential colleges and training centres.
-) Vulnerable people include those with physical and sensory impairment, mental disability, drug and alcohol dependency or people who have experienced or are at risk of violence (e.g. domestic or hate crime).
-) Care for the elderly, the vulnerable or disadvantaged groups and for persons with health problems, learning difficulties, mental illness or physical disabilities are becoming increasingly community-based. People are increasingly choosing to live in their own homes with some supported care and assistance, or in supported communities.
-) Client groups living in supported accommodation include older people, homeless people with support needs; people with mental health problems; ex-offenders; people with physical disabilities and sensory impairment; people with learning disabilities; people with alcohol problems or HIV/AIDS, and people experiencing domestic violence or victims of hate crime.

4.4.3. A variety of supported care accommodation is required for persons who require different levels of assistance, support or care in order to live independently. The council encourages the provision of non-institutionalised supported care housing with self-

contained facilities for which there is demonstrable need. Supported care housing may include sheltered accommodation, extra care housing, and other types of care homes, on-site accommodation for care workers, rehabilitation facilities, crisis response, as well as respite for carers.

- 4.4.4. Generally, supported care housing will be located within easy access to shopping facilities and services in locations with good access to public transport, or with adequate on-site facilities, because of low car ownership and in some instances reduced mobility of the client group. This would be considered on a case-by-case basis having regard to a number of factors including the number of clients, staff and visitors and the likely mobility of the clients. Residential locations may be appropriate. Town or local centres may also provide suitable opportunities for provision, given the proximity of such locations to good public transport and local amenities, but this needs to be balanced against other relevant suitability factors e.g. noise.
- 4.4.5. Supported care housing will not be encouraged where the external environment is unsuitable.
- 4.4.6. High quality design can help to provide design solutions (e.g. ramps and levelled changes) that overcome topological issues and provide accommodation that is fit for purpose.
- 4.4.7. Supported care housing should incorporate designed security features that create a safe place to reside where opportunities for criminal behaviour are reduced. Design should take into account the principles contained in government guidance on 'Safer Places' and Secured by Design guidance.
- 4.4.8. Housing sites that have a lower market value than those available for general market housing are rare. To help meet Merton's housing needs as identified in the London Plan, the council will resist development that would involve the net loss of residential floorspace.
- 4.4.9. Generally, proposals for supported care housing will be expected to provide affordable housing in accordance with this draft Local Plan's strategic policy on Housing Choice, unless nominations for people in housing need with a reasonable preference on the council's waiting list, or people in housing need referred by one of the council's nomination panels for vulnerable people can be made available through the council.

4.4.10. Where self-contained housing (e.g. sheltered housing categories 1, 2 and 2.5, and extra care housing) is proposed for occupants to buy, rent or lease we will seek affordable housing in accordance with Strategy Policy Housing Choice. By contrast residential care institutions (usually in Use Class C2 / C2A) operate on a fee charging basis, with occupants not given a tenancy, and often moving in and out of these institutions depending on their care needs. Local authorities do refer people to care institutions, via adult social care services rather than from the Housing Register. As such it is unlikely that care institutions will be considered by the council in respect to draft Strategic Policy Housing Choice concerning affordable housing provision. However, the council will assess all proposals on a case by case basis.

4.4.11. Proposals must demonstrate that they cater for needs identified in a Local Housing Market Assessment or in an appropriate needs assessment such as that of a recognised public body. There is a recognition that the private sector also caters for those in housing need and that this role in partnership with the council is continuing to grow as this sector responds to the falling levels of public expenditure.

Policy H4.5

Student housing, other housing with shared facilities and bedsits

a) The development of student housing, other housing with shared facilities and bedsits is supported provided that the development:

- i. will not involve the loss of permanent housing;
- ii. will not compromise capacity to meet the supply of land for additional self-contained homes;
- iii. meets an identified local need;
- iv. will not result in an overconcentration of similar uses detrimental to residential character and amenity;
- v. complies with all relevant standards for that use; and,
- vi. is fully integrated into the residential surroundings.

Additionally, with regards to student housing;

- vii. caters for recognised educational establishments within a reasonable travelling distance;
- viii. provides purpose built dedicated floorspace that is managed for cultural or arts studios or activities;
during term-time, it is available exclusively to students;
- x. includes a range of layouts including those with shared facilities;
- xi. is located in an area well served by public transport concerning the recognised higher educational establishment it serves;
- xii provides high quality cycle parking facilities;
- xiii. has an ownership or management arrangement secured by legal agreement in place with the recognised higher educational establishment it serves; and,

xiii. Ensure that at least 35% of the accommodation is secured as affordable student accommodation as defined through the London Plan and associated guidance.

xv. Where requirements LP H4.5 from (vii) to (xiii) inclusive cannot be demonstrated the proposal will be considered under Strategic Policy Housing Choice in respect of affordable housing provision.

b) The council will resist development which results in the net loss of student housing and other housing with shared facilities and bedsits unless either it can be demonstrated that:

i. there is a surplus of the existing accommodation in the area; or,

ii. the existing accommodation is incapable of meeting relevant standards for accommodation of this type.

c) Where the council is satisfied that the development results in the net loss of student housing, other housing with shared facilities or bedsits, is justified, we will require that an equivalent amount of residential floorspace or permanent self-contained housing in Use Class C3 to be provided and these proposals will be considered in respect to Strategy Policy Housing Choice.

Justification

4.5.1. This policy relates to student housing and housing with shared facilities and bedsits other than that to which Policy DM H4.4 applies (supported care housing for vulnerable people or people housed in secure residential institutions as part of the criminal justice system).

4.5.2. A recognised higher educational establishment generally refers to those funded by the Higher Education Funding Council for England (HEFC). Wimbledon College of Art, Wimbledon is located within Merton. Additionally, there are several higher education establishments located wholly or partly within neighbouring south London boroughs which are Kingston University, Roehampton University, St George's Medical School and St Mary's University College Twickenham.

- 4.5.3. Student accommodation is both a local and strategic issue. The provision of student housing, other housing with shared facilities and bedsits can make a contribution to creating mixed and inclusive communities. However, addressing these demands should not compromise the borough's capacity to meet the relatively more pressing need for conventional permanent self-contained homes, affordable homes and family homes.
- 4.5.4. Merton is currently meeting its share of London's general housing needs and can demonstrate a 5-year supply of deliverable housing sites. However, Merton is characterised by small sites for delivering new homes, which limits the opportunities to actively promote housing delivery.
- 4.5.5. The need for more housing in the borough and the paucity of sites, particularly large sites, means that the provision of student housing could further exacerbate the challenge meeting the needs for permanent homes.
- 4.5.6. There is an overwhelming need to provide additional conventional housing in Merton. It is considered that set within this challenging context, the requirement for student accommodation to caters for recognised educational establishments within Merton or neighbouring south London boroughs of Croydon, Lambeth, Kingston-upon Thames, Richmond, Sutton and Wandsworth strikes a suitable balance towards meeting the Mayor's strategic and local requirements for student housing, whilst minimising the compromise on Merton's capacity for conventional homes. It is also important that the provision of new student accommodation is located close to their places of study, as inadequate provision would result in students having to travel long distances to attend their place of study contrary to sustainable development principles.
- 4.5.7. Housing with shared facilities form a significant part of the private rented stock in Merton. The precise definition of housing with shared facilities and bedsits is complex but includes the following groups:
- A bedsit where the bathroom is shared with tenants of other bedsits;
 - A flat in a house whether bathroom facilities may or may not be shared with other tenants;
 - A room in a shared house where the bathroom and kitchen facilities are shared with the tenants of the other rooms but the tenants do not live with the other tenants as part of a 'household', for example don't cook for one another and eat together like a family would;

- Rented rooms provided by a resident landlord;
- Bed and breakfast hostels.

- 4.5.8. In line with the London Plan, the council will resist the loss of permanent self-contained homes including its loss from conversion to short-stay accommodation intended for occupation for periods of less than 90 days.
- 4.5.9. Student housing, other housing with shared facilities and bedsits are often associated with a concentration of relatively short-term residents. The council will assess these having regard to any existing concentrations in the area, the impact of new occupiers on local services and facilities and the wider housing mix. Possible concerns such as noise disturbance and increased demand on local facilities and public transport need to be carefully considered and addressed in relation to these proposals to ensure that adverse impacts on existing longer term residents are minimised.
- 4.5.10. Schemes will be considered on a scheme by scheme basis having regard to census information, Merton's Authorities Monitoring Report and permissions for student housing schemes in the area.
- 4.5.11. Student housing can positively contribute to mitigating pressure on the stock of private rented homes in Merton provided that it is genuinely aimed at higher education establishments. The council will use design mechanisms, planning conditions and / or legal agreements as appropriate to prevent lease, sale, use or occupation of the student accommodation as general market housing and to limit their term time occupation to students registered at higher education establishments that are based in Merton or the adjoining boroughs and supported by the Higher Education Funding Council for England.
- 4.5.12. Student housing developments will also be expected to provide adequate floorspace, usually on the ground floor of the development, that has favourable management terms for cultural or arts studios or other activities. Wimbledon School of Art is Merton's only third-level education provider, affiliated to the University of the Arts, London. The council will encourage developer to work with specialist organisations that rent and manage floorspace dedicated arts and cultural activities.

Policy LP H4.6

Accommodation for Gypsies and Travellers

Existing legally established Gypsy and Traveller accommodation sites will be retained and protected from redevelopment except where the same number of pitches is provided on an alternative site.

Proposals for additional, alternative or new Gypsy and Traveller sites will be assessed having regard to the following criteria:

- a. The provision of on-site landscaping, which seeks to enhance the amenity of the site and which facilitates the integration of the site with the surrounding environment and amenity of occupiers of adjoining land;
- b. Access, proximity to a main road, parking and area to allow turning and manoeuvring;
- c. Proximity to shops, schools, health services and other community facilities;
- d. Provision of appropriate on-site facilities such as children's play facilities;
- e. The suitability of ground conditions, particularly in respect to the potential to flooding;
- f. The need or demand for accommodation provision and the available capacity on existing sites in the borough.

Justification

4.6.1. The Council's Gypsies and Travellers site is located on Brickfield Road and is managed by Clarion Housing. Merton's Accommodation Needs Assessment of Gypsies and Travellers Research (2013), indicated that for the period of 2014 - 2019 re-letting of vacant pitches would address identified needs. A new Gypsies and Travellers Needs Assessment is currently being prepared, which will identify what the current needs are and indications on how any identified needs will be addressed over the plan period.

Policy H4.7

Build to Rent

Development of Build to Rent schemes must meet the draft London Plan policy H13 and the Mayor of London's *affordable housing and viability SPG 2017*, with the intention of maximising the viable supply of affordable homes (known as the affordable housing requirement).

In Merton, the affordable housing requirement of Build to Rent schemes will be delivered by:

- a) For Build to Rent schemes capable of providing more than one block / core, the council will expect the inclusion of a separate block / core independently managed by a Registered Provider:
 - i. up to 70% of the affordable housing requirement as low cost rented housing;
 - ii. with the remaining 30% affordable housing requirement provided in the Build to Rent block as discounted market rent. For the discounted market rent element, this should be provided in the proportion 30:70 between London Living Rent : Affordable rent.

- b) Where the applicant has robustly demonstrated to the council's satisfaction that LP H4.7 (a) cannot be met, all of the Build to Rent affordable housing requirement for the scheme will be provided as discounted market rent units, alongside the market housing provision under a unified ownership and management arrangement. The council will expect 30% of the affordable housing provision to be at the same levels as London Living Rent and the remainder at the same levels as London Affordable Rent.

- c) The council's nomination rights to secure nomination of tenants to specified discounted market rent units and the management and monitoring arrangements will be secured via the s106 legal agreements. All affordable housing elements of the scheme must be affordable in perpetuity.

Justification

- 4.7.1. Build to Rent schemes contribute to increasing the range and offer of homes available to Londoners which is supported. Build to Rent schemes must provide at least 50 units in accordance with the requirements of draft London Plan policy H13.
- 4.7.2. Build to Rent schemes may be attractive to potential tenants given the longer tenancies and on-site maintenance teams. However, these unique features of build to rent can result in higher than average rental costs, exacerbating an already critical issue for many renters, especially in London.
- 4.7.3. Given the borough's limited land availability and the significant need for more housing, and in particular the pressing need for affordable housing, the council supports the incentives and approach set out in Draft London Plan Policy H13 to encourage affordable housing provision as part of Build to Rent schemes.
- 4.7.4. The council's preferred approach is for the provision of the affordable housing element of Build to Rent schemes to be low cost rented in a separate block / core managed independently by a Registered Provider of Affordable Housing. The design and appearance of the separate block / core should be tenure blind i.e. identical to the rest of the proposed housing of the scheme. For schemes which do not accord with this preferred approach, the onus will lie with proposers to robustly demonstrate, why this is the case. By having nomination rights the council will help to ensure that prospective tenants have been appropriately vetted as in genuine need in terms of the inability to access rented accommodation on the open market locally.

