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Date: 24th January 2019



FutureMerton team
London Borough of Merton
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By email
(future.merton@merton.gov.uk)

Dear Sir / Madam,

Consultation on the Merton Local Plan – Stage 2 Consultation Draft Representations on behalf of Friends Life Limited (c/o Aviva Investors)

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

This Site comprises prominent brownfield land under single ownership that has the potential to contribute to meeting the needs of the Borough. Aviva Investors has ongoing aspirations to bring forward the Site for residential-led mixed use development; it is important that there is a policy framework in place to ensure that this “key site” (as recognised by Merton Council) is delivered, and the maximum benefits associated with this are realised.

These representations build upon those submitted during the Consultation on Stage 1 of Merton’s Local Plan, which took place between October 2017 and January 2018.

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

1 Policy N3.4 (‘Raynes Park’)

This draft policy deals specifically with the Raynes Park neighbourhood. We are broadly supportive 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 are also supportive of the proposed allocation of the site at 80-86 Bushey Road (Site RP4) for residential-led mixed use development. This includes the proposed uses. However, we believe that there is an opportunity for the proposed allocation to recognise that this site has the potential for a high density development to ensure that needs are met, which could include the potential delivery of tall buildings. Recognition should also be given to the potential positive effects associated with Crossrail 2, which is earmarked to serve this part of the Borough.



2 Strategic Policy H4.1 ('Housing Choice')

Draft Strategic Policy H4.1 sets a minimum affordable housing requirement for development of 11no. dwellings or more on non-public land of up to 50% with a minimum provision of 35%.

The Policy as drafted lacks the clarity needed to guide developers on the actual requirement and what the Local Planning Authority would deem to be a policy compliant scheme. It is also unclear when the requirement for a viability assessment is engaged (i.e. either at the 35% or 50% target). For example, is a proposal that provides the minimum provision of 35% affordable housing policy compliant, unless it can be demonstrated (through a viability appraisal) that a higher figure (up to 50%) would not be viable? This clarity is essential.

The Planning Practice Guidance (PPG) (Reference ID: 10-001-20180724) states that when setting out the levels and types of affordable housing provision required this should be:

“...clear so that they can be accurately accounted for in the price paid for the land. To provide this certainty, affordable housing requirements should be expressed as a single figure rather than a range.”
(our emphasis)

The NPPF (para. 16) also states that policies should be clearly written and unambiguous.

It is in the context of the NPPF and supporting PPG that planning policy relating to affordable housing must be based; the proposed approach is to provide a range which is not clear and ambiguous.

As acknowledged by the PPG, the lack of clarity with draft Strategic Policy 4.1 will have implications on future investment in the Borough due to the uncertainty for developers to accurately understand what the minimum affordable housing requirement for the Borough will be in order to be policy compliant.

Furthermore, a potential requirement to deliver 50% affordable housing, should this be considered the figure needed to achieve policy compliance, 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, draft Strategic Policy H4.1 should be revised so that reference to delivering up to 50% affordable housing is removed. Such a change will provide an effective policy, clarity (as required by the NPPF and PPG) and will also be consistent with the emerging London Plan (draft Policy H6).

In addition, in respect of the Affordable Housing Tenure Split, as outlined in the table that accompanies the policy, this has been set at 70% low cost rent. Such an approach reduces the ability to meet *'all sectors of the community and at all stages of people's lives'*, which is identified in the Local Plan as a key objective of this policy.

In dealing with mix, in seeking to deliver genuine affordable housing, Policy H7 of the emerging London Plan requires the following tenure split to be applied.

- a minimum of 30% low cost rented homes, as either London Affordable Rent or Social Rent, allocated according to need and for Londoners on low incomes.
- a minimum of 30% intermediate products which meet the definition of genuinely affordable housing, including London Living Rent and London Shared ownership.
- the remaining (up to 40%) to be determined by the relevant borough as low cost rented homes or intermediate products based on identified need

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

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% <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.

The suggested revisions to the required tenure mix for developments outlined above for 2 to 10 units should also be amended.

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.

In addition, we believe that criterion ‘e’ of draft Strategic Policy H4.1 should also be deleted. The proposed aim for 50% of new homes to be built in Merton between 2020 and 2035 to be affordable is simply not

achievable. Whilst it can remain an aspiration contained within the Plan it should not form specific policy. Such an approach is not effective or sound and will continue to provide ambiguity in terms of what level of affordable housing would be classed as policy compliant.

3 Policy H4.3 ('Housing Mix')

This policy states that residential development proposals will be considered favourably where they contribute to meeting the housing needs of different households and provides an indicative housing mix.

In identifying this housing mix it is important that this policy identifies that this is indicative; it should not be applied prescriptively and mechanistically.

Whilst the supporting text to this policy (para. 4.3.10) recognises this, we believe that the following additional text should also be included with the actual policy wording:

"The above recommended housing mix is indicative. Sites should be assessed on a site-by-site basis relative of location, constraints and viability."

Policy H4.7 ('Build to Rent')

Criterion 'a' to the proposed wording requires of this Policy that:

"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."

In considering this approach it is important to note the Planning Practice Guidance (Reference ID: 60-006-20180913) states that:

"Affordable private rent homes should be under common management control, along with the market rent build to rent homes. They should be distributed throughout the development and physically indistinguishable from the market rent homes in terms of quality and size. They will not need the separate involvement of a registered landlord. Combining the 2 tenure this way improves viability and any alterations of units between affordable private rent and market rent over time is made easier."
(our emphasis)

Such an approach helps the operator with long-term management of the scheme and therefore also in respect of both viability and deliverability.

In contrast the proposed approach under draft Policy H4.7 would not achieve this. Furthermore, the introduction of low cost rented housing (Social Rent/ Affordable Rent) would require separate management by a Registered Provider. This would dilute the overall management efficiency of the Build-to-Rent scheme which would in turn have a significant impact on viability/ deliverability. If the scheme proposes a mix of Build-to-Rent and Conventional Sale housing, the Council's conventional Affordable Housing Policy should apply to the conventional element of the scheme.

Any discounted market rent provided within Build to Rent should be let at a range of discounts of up to 80% of market rent, subject to local housing needs and viability, in accordance with the Draft London Plan.

Consistent with the Planning Practice Guidance and the Government's approach, draft Policy H4.7 should be amended as follows.

“Development of Build to Rent schemes must meet the draft London Plan policy H13 and the Mayor of London's affordable housing 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 can be solely delivered as discounted market rent. Where a mix of Build-to-Rent and Conventional Sale housing is proposed the Council's conventional Affordable Housing Policy will be applied to the conventional element of the scheme. Where a build to rent scheme does not include conventional sale housing, the affordable housing requirement for the scheme will be provided as discounted market rent units. The discounted market rent should be let at a range of genuinely affordable rents subject to local housing needs and viability”.

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.

~~*e) 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.*~~

4 Strategic Policy LP 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. Criterion 'f' states that:

"Proposals for tall buildings will be permitted only within town centre in Colliers Wood, Morden and Wimbledon..."

This policy goes on to state that:

"A tall building is defined is [sic] based on the site's context and any building that is substantially taller than their surroundings can be defined as a tall building."

Such an approach 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 emerging Plan (para. 1.24) refers to the need to deliver at least 6,200 new homes by 2036, of which 40% will be affordable. This 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 a significant opportunity to '**optimise**' the development potential. This should include high density development.

Furthermore, as recognised by the emerging London Plan (draft Policy D8), tall buildings have a role to play in helping London accommodate its expected growth. It is essential that such opportunities are fully explored in appropriate locations, particularly for large 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 6,200 homes will be 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 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 draft Strategic Policy LP D5.1 as follows:

“Proposals for tall buildings will be permitted within town centres in Colliers Wood, Morden and Wimbledon and in other locations that meet the following criteria:

~~i. be sized and appropriately located within Colliers Wood, Morden or Wimbledon town centre boundaries;~~

i. Ensure the ground and first floors are designed for a human scale and maximise the amount of active frontage and natural surveillance;

ii. Be exceptional design and architectural quality;

iii. Be designed to mitigate against the wind effects that can be created by tall buildings, and demonstrate they do so;

iv. Demonstrate they do not undermine local character and heritage assets;

v. 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 of exceptional design and architectural and sympathetic to their surroundings are unlikely to~~ 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.

5 Summary

Friends Life Limited is 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 helpful in progressing the Local Plan. In the meantime, please do not hesitate to contact us if there are any queries.

Yours faithfully,



T ■ Rainbird
Director