

## Inspectors' Matters, Issues and Questions – April 2022

**Matter 8: Is the size, type and tenure of housing needed for different groups in the community (including those requiring affordable housing) assessed and reflected in planning policies?**

Issue (i) Is the approach to the provision of affordable housing effective, is it justified, would it be in general conformity with the London Plan and consistent with national policy?

**Q1. The Framework is clear that provision of affordable housing should not be sought for residential developments that are not major developments. However, Policy H11.1 seeks financial contributions towards provision of affordable housing on schemes comprising 2 to 9 homes. What is the justification for the Plan's approach to this issue?**

Council response:

8.1. [0D1 Merton's Local Plan](#) approach as set out in policy H11.1 seeks financial contributions towards the provision of affordable housing on schemes comprising 2 to 9 homes and is considered justified and in general conformity with the London Plan and consistent with national policy.

8.2. Paragraph 20 of [0D20 NPPF 2021](#) states:

*Strategic policies should set out an overall strategy for the pattern, scale and design quality of places, and make sufficient provision for:*

*(a) Housing (including affordable housing)...*

8.3. In order to make sufficient provision for housing in accordance with paragraph 20 of [0D20 NPPF2021](#), Policy H11.1 seeks affordable housing from smaller sites in acknowledgement that Merton is a borough of small sites where the vast majority of applications coming forward for housing development historically to date, are from small sites. [11D6 Merton's Housing Delivery Study](#) provides robust evidence by reviewing 15 years of planning and development data in the borough (2005-2020) to demonstrate that 97% of planning approvals for residential development are on small sites, totalling 62% of homes built in Merton.

8.4. To rely solely on large sites to provide affordable housing would result in insufficient provision of affordable housing and hamper addressing the significant local housing need identified in [11D8 Merton's Housing Needs Assessment and Strategic Housing market Assessment 2019](#) and delivery of affordable housing requirements set out in [0D32 London Plan 2021](#).

8.5. Policy H4 of the [0D32 London Plan 2021](#) sets a strategic target for 50 per cent of all new homes delivered across London to be genuinely affordable and the specific measures aimed to achieve this.

8.6. The [OD32 London Plan 2021](#) states at footnote 50:

*All major development of 10 or more units triggers an affordable housing requirement. Boroughs may also require affordable housing contributions from minor housing development in accordance with Policy H2 Small sites).*

8.7. As detailed in paragraph 5.1 of [OD13a Statement of Common Ground: Merton Council and GLA dated March 2022](#) the Mayor of London has confirmed that Merton's proposed approach to affordable housing is in general conformity with the London Plan. Paragraph 5.1 of OD13a states:

*The Mayor of London issued an opinion on general conformity on 6th September 2021 which with regards to Merton's Local Plan Publication Regulation 19 Stage 3 housing policies states: "The Mayor welcomes the close working between GLA and Merton officers which has led to positively addressing a number of concerns raised in his earlier response. This included Merton's earlier proposed approach to affordable housing, Build to Rent housing and housing numbers. These elements of the draft Plan have been amended and incorporated into this version of the draft Plan. They are now consistent with the LP2021."*

8.8. [11D8 Merton's Housing Needs Assessment and Strategic Housing market Assessment 2019](#) sets out a significant need for affordable housing in all parts of Merton. The analysis suggests a need for between 878 to 1,084 affordable homes per year and on this basis the council is justified in seeking to secure and maximise additional affordable housing where opportunities arise. [11D8 Merton's Housing Needs Assessment and Strategic Housing market Assessment 2019](#) indicates that that demand for affordable housing significantly outstrips supply. It is appropriate in this context to aim to seek provision from a wide range of sites, rather than a narrower band of sites. The affordable housing targets strike an appropriate balance between housing needs levels and the opposing tension of scheme viability and are supported by [11D7 Merton Housing Viability Study 2020](#).

8.9. 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. Merton is a borough of small sites due to historically fragmented land ownership. Reviewing planning data in the decade between 2007 and 2017 demonstrates that between 85%-94% of Merton's planning applications for new homes are for small sites (sites of 10 homes or less) as the following table illustrates:

2007-2017	Number of Schemes	%	Number of homes proposed.	%	Net gain	%
1-10 homes	1101	94%	2388	38%	1551	30%
11+ homes	71	6%	3887	62%	3621	70%
<b>Total</b>	<b>1172</b>	<b>100%</b>	<b>6275</b>	<b>100%</b>	<b>5172</b>	<b>100%</b>

- 8.10. Reviewing planning and development data over a longer time period (15 years – 2005-2020) demonstrates that 97% of planning approvals for new homes were on small sites, totalling 62% of homes built in Merton; as set out in [11D6 Merton's Housing Delivery Study](#)
- 8.11. The suitably ambitious approach is considered justified and appropriate in realistically optimising provision of much needed affordable housing taking account of the predominance and availability of small sites that come forward in Merton and are anticipated to continue to do so over the Plan period. Furthermore homes built under “prior approval” (i.e. without the need for planning permission) are exempt from affordable housing requirements and this increases the challenging circumstances in which affordable housing can be secured.
- 8.12. [11D7 Merton Housing Viability Study 2020](#) sets out the robust viability evidence to support Local Plan Policy H11.1, including the requirement concerning schemes of 2 to 9 homes. It states that this requirement can be applied across all sites of 2 to 9 homes provided that it is applied flexibly, having regard to individual site circumstances.

**Q2. The Viability Study<sup>78</sup> which underpins the plan indicates that affordable housing contributions could be viable on some small sites, but this would not always be possible. However, “providing the policy is applied *flexibly, having regard to individual site circumstances*, the Council can apply the requirement across all sites in the Borough” (with our emphasis). Does the Plan make provision for the site-specific flexibility which the Viability Study recommends?**

Council response:

- 8.13. Yes, the Plan does make provision for the site-specific flexibility which the Viability Study recommends. Bullet point 4 of paragraph 1.7 of [11D7 Merton Housing Viability Study 2020](#) states: *Providing the policy is applied flexibly, having regard to individual site circumstances, the Council can apply the requirement across all sites in the Borough.*
- 8.14. In accordance with [11D7 Merton Housing Viability Study 2020](#) the provision of the site specific flexibility recommended by the Study is set out in the Plan at paragraph 11.1.37 which states that:
- 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.*

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<sup>78</sup> 11D7 at paragraph 1.7

**Q3. Are the Plan's requirements for the provision of affordable housing as part of Build to Rent schemes justified, in general conformity with the London Plan, and would the Plan make provision for site-specific flexibility in terms of financial assessment of proposals, as recommended by the Viability Study<sup>79</sup>?**

Council response:

8.15. Yes the Plan's requirements for the provision of affordable housing as part of Build to rent schemes is in general conformity with the London Plan. As detailed in paragraph 5.1 of [0D13a Statement of Common Ground: Merton Council and GLA dated March 2022](#) The Mayor of London has confirmed that the Plan's Build to Rent requirements set out in Policy 11.7 is in general conformity with the London Plan.

8.16. The Plan makes provision for site specific flexibility in terms of financial assessment of proposals, as recommended by the Viability Study<sup>3</sup>. This is addressed in paragraph 11.1.37 which states:

*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.*

8.17. The Plan is read as a whole and paragraph 11.1.37 applies to all forms of housing development that are required to provide affordable housing.

**Q4 Is the proposed mix of housing tenures sought by Policy H11.1 justified?**

Council response:

8.18. Yes the proposed mix of housing tenures sought by Policy H11.1 is justified, subject to the incorporation of Main Modifications relating to First Homes.

8.19. [0D32 London Plan 2021](#) policy H6(A) "affordable housing tenure states that

*A The following split of affordable products should be applied to residential development:*

*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*

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<sup>79</sup> 11 D7 At paragraph 6.37

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.*

8.20. The mix of housing tenures proposed is an appropriate justified strategy that is robustly supported by local housing needs evidence as set out in [11D8 Merton's Housing Needs Assessment and Strategic Housing market Assessment 2019](#) which identifies the appropriate mix of housing tenures utilising and analysing data sources in accordance with the NPPF and the NPPG.

8.21. The proposed mix is also in general conformity with the London Plan, particularly policy H6 “affordable housing tenure” and represents an appropriate strategy based and supported by robust and proportionate evidence set out in [11D8 Merton's Housing Needs Assessment and Strategic Housing market Assessment 2019](#).

8.22. The [NPPG paragraph 70-013-20210524](#) states

*Policies for First Homes should reflect the requirement that a minimum of 25% of all affordable housing units secured through developer contributions should be First Homes.*

8.23. Therefore Main Modifications are proposed to Strategic Policy H11.1 “Housing Choice” as set out below to ensure that Merton's Local Plan is consistent with national policy.

#### Proposed Main Modification

8.24. Policy H11.1 at Table following H11.1(f) that contains two references to 30% *Intermediate* to include the wording *including a minimum 25% First Homes*.

Threshold (gross)	Affordable housing tenure split
10 or more homes	70% Low-cost rent  30% Intermediate <i><u>(Including a minimum of 25% First Homes)</u></i>
2-9 homes	70% Low-cost rent  30% Intermediate <i><u>(Including a minimum 25% First Homes)</u></i>

8.25. It is not considered that reasonable alternatives exist to the proposed mix of housing tenures sought by Policy H11.1, that would both address identified local housing need, be in conformity with the London Plan and consistent with national policy.

8.26. Policy H11.1 and the supporting text provides site proposers and developers with details of the mix of housing tenures required on new developments within the borough to ensure it is clear what considerations need to be made when designing a scheme. This approach is intended to provide greater certainty and therefore accelerate the application process and eliminate risk for applicants as far as possible.

**Q5. As the Plan was published after 28 June 2021, the Plan is not subject to the transitional arrangements in respect to the provision of First Homes set out in national policy as expressed in the First Homes WMS<sup>80</sup>.**

**Taking together the WMS with the Council's response to our Preliminary Letter<sup>81</sup> (and related suggested MM), the 'First Homes' PPG, and the Framework<sup>82</sup> in relation to affordable home ownership:**

- a. Given that the approach to First Homes is largely set out in supporting text<sup>83</sup> to Policy H11.1, would the Plan accord with PPG insofar as it advises<sup>84</sup> that *policies* for First Homes should reflect the requirement that a minimum of 25% of all affordable housing units secured should be First Homes? (with our emphasis).**

Council response:

8.27. The approach to First Homes is clearly set out in supporting paragraph 11.1.14 of the Local Plan. To improve clarity and accord more effectively with the NPPG which advises that policies for First Homes should reflect the requirement that a minimum of 25% of all affordable housing units secured should be First Homes the council propose a Main Modification to include this requirement into Strategic Policy H11.1 at Table following H11.1(f)

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<sup>80</sup> Of 28 June 2021

<sup>81</sup> LBM01 150 to 152 and 11D14 Appendix A

<sup>82</sup> Paragraph 65

<sup>83</sup> In Paragraph 11.1.14

<sup>84</sup> At Paragraph: 013 Reference ID: 70-013-20210524

### Proposed Main Modification

8.28. Policy H11.1 at Table following H11.1(f) that contains two references to 30% *Intermediate* to include the wording *including a minimum 25% First Homes*.

Threshold (gross)	Affordable housing tenure split
10 or more homes	70% Low-cost rent  30% Intermediate <i>(Including a minimum of 25% First Homes)</i>
2-9 homes	70% Low-cost rent  30% Intermediate <i>(Including a minimum 25% First Homes)</i>

- b. **Worked examples<sup>85</sup> show that First Homes would make up the bulk of most intermediate provision sought by Policy H11.1 – and this is likely to be particularly the case at schemes comprising 40 units or fewer. It is noted that a great deal of residential allocations are expected to yield less than 100 dwellings, and the housing trajectory anticipates sustained delivery on small sites<sup>86</sup> over the plan period. Against this background, are Policy H11.1, its supporting text<sup>87</sup> and any proposed MM clear about the tenure mix that would be realised, and how the likely affordable house prices might differ from those set out in paragraph 11.1.11 and Figure 4.1.3?**

### Council response

- 8.29. Yes, Strategic Policy H11.1, its supporting text, including paragraphs 11.1.4, 11.1.5, 11.1.9 to 11.1.13, and proposed additional modification AM11.2a are clear about how the tenure mix would be realised.
- 8.30. It is considered that proposed Main Modification set out in response to question 4a above will contribute to ensuring consistency with national policy and improving clarity of Strategic Policy H11.1 and its supporting text regarding how the tenure mix will be realised with regards to the First Homes tenure.
- 8.31. Supporting paragraphs 11.1.4, 11.1.5, 11.1.9 to 11.1.13, draw extensively on the findings of [11D8 Merton's Housing Needs Assessment and Strategic Housing](#)

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<sup>85</sup> Included as appendix to DOCUMENT REFERENCE

<sup>86</sup> That are sub 0.25ha in size per Policy H2 of the London Plan

<sup>87</sup> In particular paragraphs 11.1.4 to 11.1.5; and 11.1.9 to 11.1.13



[market Assessment 2019](#) and set out the evidenced justification for the council's expectations concerning affordable housing provision.

8.32. These supporting paragraphs detail how the council's expectations concerning the requirements of Policy H4.1, including those concerning tenure mix, are to be delivered and realised to ensure that schemes can contribute towards better addressing local housing needs particularly, the identified significant need for genuinely affordable homes in Merton. It should be noted that apart from paragraph 11.1.4 which concerns First Homes, the other supporting paragraphs do not set out requirements, and are couched in an advisory way i.e. using the following terms: *we expect, seek, suggest or support*.

8.33. The affordable home ownership prices set out in paragraph 11.1.11 and figure 4.1.3 of the Local Plan are based on the findings and analysis of [11D8 Merton's Housing Needs Assessment and Strategic Housing market Assessment 2019](#) and are stated as *suggested purchase prices* for affordable home ownership in the borough. As such they do not preclude or restrict the consideration of differing affordable house prices, such as those concerning First Homes. To provide further clarity a Main Modification proposing and a new supporting paragraph following Figure 4.1.3 and before 11.1.12:

#### Proposed Main Modification

New supporting paragraph (after figure 4.1.3 and before 11.1.12): For First Homes the affordable home ownership prices will differ from those set out in supporting paragraph 11.1.11 and Figure 4.1.3 as in accordance with government requirements. First Homes must be discounted by a minimum of 30% against the market value and after the discount is applied the first sale must be at a price no higher than £420,000 in Greater London.

8.34. It is considered that, given the mandatory government requirement of a 25% minimum First Homes to be provided and Strategic Policy H11.1's justified 30% intermediate tenure for affordable housing, First Homes will inevitably make up the bulk of intermediate provision irrespective of the scheme size in Merton.

8.35. The tenure mix requirement of Strategic Policy H11.1 is in accordance with NPPF, NPPG and in general conformity with the London Plan. It is robustly justified informed and supported by [11D8 Merton's Housing Needs Assessment and Strategic Housing market Assessment 2019](#) paragraph 9.43 of which states:

*Overall it is suggested that the Council should be seeking to provide around 50% of all homes as affordable housing, with a split of 80:20 in favour of low cost rented housing versus intermediate.*



- c. Is the Plan clear that on schemes where policy-compliant provision of First Homes does not result in 10% of the overall housing yield of the site being available for affordable home ownership, that any shortfall in this respect would be made up from the rest of the intermediate contribution before other types of intermediate affordable housing would be considered?**

Council response:

8.36. No, the Plan is not clear that on schemes where policy-compliant provision of First Homes does not result in 10% of the overall housing yield of the site being available for affordable home ownership, that any shortfall in this respect would be made up from the rest of the intermediate contribution before other types of intermediate affordable housing would be considered.

8.37. As such a Main Modification providing this clarity is proposed by additional wording to supporting paragraph 11.1.14:

Proposed Main Modification

Paragraph 11.1.14 First Homes are an intermediate tenure therefore in accordance with government requirements, proposals for new homes will be considered against the intermediate tenure split element of Policy H11.1(Housing Choice). On schemes where policy-compliant provision of First Homes does not result in 10% of the overall housing yield of the site being available for affordable home ownership, any shortfall in this respect would need to be made up from the rest of the intermediate contribution before other types of intermediate affordable housing would be considered.

- d. Would it be clear to a decision-taker that the above-referenced national policies and guidance set out some exceptions to the general requirements for First Homes and low-cost home ownership dwellings? Are further MM needed to point out where the relevant advice and guidance could be accessed?**

Council response:

8.38. No it would not be clear, therefore to address this by improving clarity of the Plan the following Main Modification is proposed by the addition of the following additional wording to supporting paragraph 11.1.14 (pg. 339) of the Plan:

Proposed Main Modification

Paragraph 11.1.14: First Homes are a form of discounted market sales housing and to be considered as such must meet the requirements set out in the [MHCLG Ministerial Statement published on 24th May 2021 Written statements - Written questions, answers and statements - UK Parliament](#) and the definition and eligibility requirements set out in NPPG Guidance <https://www.gov.uk/guidance/first-homes>. These national policies and guidance, in addition to paragraph 64 of the National Planning Policy Framework also set out specific exceptions to the general requirements for First Homes

and low-cost home ownership dwellings which we will have regard to as appropriate in the determination of submitted planning applications.

**Q6. The London Plan<sup>88</sup> indicates that its threshold level for affordable housing provision is due to be reviewed. Has the review taken place, are its conclusions available, and if so, are there any implications for Policy H11.1?**

Council response:

8.39. The Council have been advised by the GLA that an internal review has been undertaken which will inform the Draft Affordable Housing London Plan Guidance which is due to be published for consultation this year in the summer/ autumn with a view to finalising by the end of the year / early 2023.

**Q7 Is it clear that, in order to meet the Fast Track Route set out in Policy H5 of the London Plan, affordable housing on sites would need to accord with the tenure mix sought in Policy H11.1<sup>89</sup>? Would suggested MM secure general conformity in these terms?**

Council response:

8.40. No it is not clear that, in order to meet the Fast Track Route set out in Policy H5 of the London Plan, affordable housing on sites would need to accord with the tenure mix sought in Strategic Policy H11.1.

8.41. To therefore improve the Plan's clarity on general conformity with the London Plan on this matter a Main Modification to Policy H11.1(f) Table is proposed:

Proposed Main Modification

Threshold (gross)	Affordable housing level
10 or more homes	Threshold level to be eligible for the Fast-Track Route as set out in the London Plan provided all provision <u>accords with the tenure mix requirements of Strategic Policy H11.1 and</u> is on-site without public subsidy:

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<sup>88</sup> At paragraph 4.5.4 indicates that the; and reflected in Footnote 1 of Policy H11.1 of the Plan

<sup>89</sup> Per Policy H5(c)(2) of the London Plan

**Q8 Is Policy H11.1's direction in terms of where offsite affordable provision or financial contribution related to major developments would be acceptable consistent with the Framework<sup>90</sup> insofar as it expects such an approach to be robustly justified *and* to contribute to the objective of creating mixed and balanced communities; and would the Plan achieve general conformity with the London Plan<sup>91</sup> in this respect?**

Council response:

8.42. Strategic Policy H11.1's direction concerning offsite affordable housing provision or financial contribution related to major development is considered to be consistent with the NPPF and in general conformity with the London Plan.

8.43. However it is also accepted on careful consideration of the Inspectors' question that to achieve greater consistency with NPPF and general conformity with the London Plan on this matter the following Main Modifications are proposed:

- adding reference in Strategic Policy H11.1 (f) Table (pg.334) and supporting paragraph 11.1.19 (pg.341) to the objective of creating mixed and balanced communities and
- cross reference in supporting paragraph 11.1.19 (pg.341) to London Plan paragraphs 4.4.9 to 4.4.13 and
- reference in supporting paragraph 11.1.23 (pg.342) of Merton's Local Plan to London Plan supporting paragraph 4.4.14.

#### Proposed Main Modifications

Policy H11.1(f) Table: Only in exceptional circumstances will the provision of affordable housing off-site or financial contribution in lieu of provision on-site be considered by the council, and this must be justified, and such schemes will be required to provide a detailed viability assessment and contribute to the objective of creating mixed and balanced communities.

Supporting paragraph 11.1.19 of the Plan: Only in exceptional circumstances for schemes proposing 10 or more homes (gross) will the provision of affordable housing off-site or as a financial contribution in lieu of provision on site be considered subject to demonstrating to our satisfaction that this exception is justified and such schemes will be required to contribute to the objective of creating mixed and balanced communities and meet the requirements set out in the London Plan supporting paragraphs 4.4.9 to 4.4.13 (inclusive).

Supporting paragraph 11.1.23 of the Plan: In accordance with the NPPF and London Plan Policy H7 (Monitoring of affordable housing) The the information on off-site and cash in lieu delivery is monitored and published annually as part of Merton's ~~annual~~ Infrastructure Funding Statement and Merton's Authority Monitoring Report (AMR).

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<sup>90</sup> At paragraph 63

<sup>91</sup> In particular Policy H4(B) and paragraphs 4.4.9 – 4.4.14

**Q9 The Viability Study indicates<sup>92</sup> that some smaller major developments would yield a number of affordable units below the level that many registered providers would purchase. Further evidence from stakeholders reported in the Housing Delivery Study indicates an unwillingness amongst registered providers to take ownership of housing on smaller sites which would yield less than 20 affordable units, and/or in areas away from where they have existing stock<sup>93</sup>. Does the Plan's approach to off-site delivery and in-lieu contributions offer an effective, plan-led response to these issues?**

Council response:

8.44. Yes the Plan's approach to off-site delivery and in-lieu contributions offers an effective, plan-led response to these issues.

8.45. NPPF paragraph 63 states:

*Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required <sup>29</sup>, and expect it to be met on-site unless:*

*(a) off-site provision or an appropriate financial contribution in lieu can be robustly justified; and*

*(b) the agreed approach contributes to the objective of creating mixed and balanced communities.*

8.46. Policy H11.1 of the Plan and proposed modifications fully accord with the requirements of NPPF. Policy H11.1 sets out an effective plan-led approach to off-site delivery and in-lieu contributions which effectively address issues such as that of smaller major developments yielding a number of affordable units below the level that many registered providers would be willing to purchase or take ownership of, such as areas where they have existing stock.

8.47. Supported and informed by [11D7 Merton Viability Study 2020](#) the Plan's approach to off-site delivery and in-lieu contributions provides suitable flexibility and provisions to provide an effective plan-led response to the issues concerning registered providers detailed in the Inspectors' question.

8.48. Para 2.86 of [11D7 Merton Viability Study 2020](#) states:

*Developers of schemes between 10 and 20 units may also have issues securing interest from Registered Providers in smaller numbers of new affordable housing units. A scheme of, say, 16 units would attract an affordable housing requirement of 6 to 8 units which is below the level that many RPs would purchase. Clearly the Council could acquire new affordable housing units from developers that have been unable to secure interest from RPs; alternatively, the*

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<sup>92</sup> 11D7 at paragraph 2.86

<sup>93</sup> Document Reference: 11D6 At paragraphs 6.31 and 6.33

*Council could negotiate a payment in lieu to be spent on delivery of the units elsewhere.*

- 8.49. The provision in Policy H11.1 for the council to negotiate a payment in lieu to be spent on delivery of the units elsewhere, (to effectively address the issues concerning registered providers lack of interests in sites they consider too small) ) is facilitated by the provision requirements of Policy H11.1 which for (a) sites of 2-9 homes requires affordable housing to be provided as a financial contribution and (b) for sites of 10 or more homes does in exceptional circumstances, consider off-site and/ or financial contributions.

**Q10. What is the justification for the formula for calculating off-site affordable provision included in paragraph 11.1.22? Is it clear from paragraph 11.1.21 that this is the formula that is referred to? Is it clear what the basis of any valuation set out in the formula should be (e.g. residual valuation)?**

Council response

- 8.50. The justification for the formula for calculating off-site affordable provision included in paragraph 11.1.22 is to provide an approach intended to accelerate the application process by providing greater certainty and eliminate risk for applicants. This approach is supported and based on robust evidence set out in [11D7 Merton Housing Viability Study 2020](#)

- 8.51. Paragraph 6.25 of [11D7 Merton Housing Viability Study 2020](#) states :

*There are three main approaches to calculating payments in lieu. The first is to run a hypothetical appraisal of the scheme incorporating the required level of affordable housing provided as on-site units, which is then compared to an appraisal of the same scheme, but with all units provided as private housing. The difference between the two residual land values would equate to the payment in lieu, leaving the Applicant no better and no worse off in comparison to on-site delivery. This approach is applied by many London boroughs, including Lambeth, which provide a simple residual valuation tool which applicants can complete to determine both the viable affordable housing percentage and the equivalent payment in lieu.*

- 8.52. Paragraph 11.1.22 of the Plan is consistent with the approach outlined in paragraph 6.25 of [11D7 Merton Housing Viability Study](#)

- 8.53. Paragraph 1.7 of [11D7 Merton Housing Viability Study](#) states: *We have identified three potential approaches to calculating payments in lieu, in addition to the approach which is currently in place. The first is to base the payment on the difference in residual land values generated by a hypothetical appraisal incorporating the required level of affordable housing and another assuming 100% private housing. The second is similar to the first approach, but based on a formula to negate the need for running two appraisals, but generates a similar 'financially neutral' outcome for the applicant. The third approach is a flat fee per*

*unit provided. Approaches one or two are recommended as they result in a financially neutral outcome for the applicant, whereas in contrast the flat fee will be financially advantageous in many circumstances as it will be set below the theoretical maximum.*

8.54. The formula approach set out in the Plan's paragraph 11.1.22 is consistent with the second approach described in Paragraph 1.7 of [11D7 Merton Housing Viability Study 2020](#) which is recommended and supported by the Viability Study.

8.55. To improve the clarity of supporting paragraph 11.1.21, to state that the formula it refers to is that set out in paragraph 11.1.22 the following Additional Modification is proposed:

Proposed Additional Modification

Paragraph 11.1.21: The payment in lieu will equate to the difference between the two residual values. Applicants should use the methodology set out in paragraph [11.1.22 below](#).

8.56. It is accepted that it is unclear what the basis of any valuation set out in the formula should be and subsequently there could be debate as to what is meant by "value" and whether this is intended to mean Gross Development Value or Residual Land Value. An Additional Modification to improve clarity on this point is proposed to supporting paragraph 11.1.22 of the Plan, and is supported by paragraph 6.25 of [11D7 Merton Housing Viability Study 2020](#) which refers to residual land value, as this reflects the cost differences when comparing schemes of 100% private housing to schemes with a mix of private and affordable.

Proposed Additional Modification

Paragraph 11.1.22 : Affordable housing monetary contributions in lieu of on-site provision will be calculated on a case-by-case basis according to the following formula:

$$A-B=C$$

Where:

A= [residual](#) value of the proposed development assuming 100% of the residential homes are provided as private housing [established through a development appraisal](#)

B= the [residual](#) value that would otherwise have been achieved by the proposed development incorporating affordable housing in accordance with the affordable housing policy requirement [established through a development appraisal](#).

C= payment in lieu

Issue (ii) Is the Plan's approach to the mix of house sizes justified, and would it be effective in meeting the needs of different groups in the community?

**1. Is the Plan clear as to what is meant by the term 'family sized home'<sup>94</sup>?**

Council response:

8.57. Yes the Plan is clear as to what is meant by the term family sized home.

Supporting paragraph 12.10.3 states:

*As set out in London Plan 2021 paragraph 4.2.8, a family sized unit is defined as having three or more bedrooms.*

8.58. The Plan's Glossary section states the definition of family housing as:

*A dwelling that by virtue of its size, layout and design is suitable for a family to live in and generally has three, four, five, or more bedrooms.*

8.59. It is considered that both definitions are clear and similar. However to improve clarity and consistency of the Plan on this matter Additional Modifications are proposed to:

- (a) Amend the Glossary title to family sized home definition of family housing to be identically worded to that of supporting paragraph 12.10.3.
- (b) Amend all relevant terminology on this matter to consistently throughout the Local Plan refer to family sized home (or family sized homes as appropriate).
- (c) Amend references in Local Plan Policy D12.10a to family sized home

Proposed Additional Modification

Amend the Glossary title to family sized home and definition to be identically worded (except for the word unit) to that of supporting paragraph 12.10.3.

Glossary Family Sized Housing Home

~~A dwelling that by virtue of its size, layout and design is suitable for a family to live in and generally has three, four, five, or more bedrooms.~~

As set out in London Plan 2021 paragraph 4.2.8, a family sized home is defined as having three or more bedrooms.

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<sup>94</sup> As in Policy H11.1 and elsewhere?



### Proposed Additional Modification

Amend all references in the following supporting paragraphs to read family sized home (or family sized homes as appropriate): Paragraphs 5.1.15; 11.1.24; 11.1.25; 11.1.26; 11.3.5; 11.5.3; 12.10.1; 12.10.3; 12.10.4

### Proposed Additional Modification

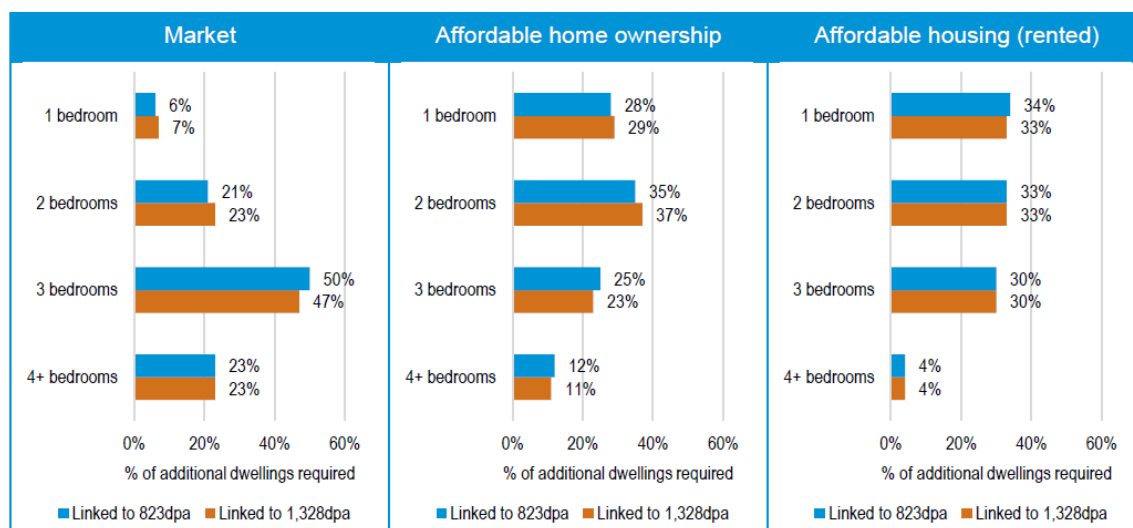
Policy D12.10 a: Proposals to convert an existing single family sized (3-bed or more) ~~dwelling home~~ into two or more smaller units of accommodation must incorporate the re- provision of at least one family sized (3-bed or more) ~~dwelling home~~.

## **2. What is the justification to the mix of housing sizes set out in Policy H11.3?**

### Council response:

- 8.60. The proposed mix of housing sizes sought by Policy H11.3 is an appropriate strategy that is robustly supported and informed by local housing needs evidence as set out in [11D8 Merton's Housing Needs Assessment and Strategic Housing market Assessment 2019](#) which identifies and analyses the mix of housing sizes needed in Merton utilising and analysing data sources in accordance with the NPPF and the NPPG.
- 8.61. Policy H11.3 and the supporting text provide site proposers and developers with details of the mix of housing tenures required on new developments within the borough to ensure it is clear what considerations need to be made when designing a scheme. This approach is intended to provide greater certainty and therefore accelerate the application process and eliminate risk for applicants as far as possible.
- 8.62. Using information available, including about the size and structure of the population and household composition [11D8 Merton's Housing Needs Assessment and Strategic Housing market Assessment 2019](#) considered and analysed the impacts this would have on the sizes of housing units required in the future. [11D8 Merton's Housing Needs Assessment and Strategic Housing market Assessment 2019](#) considered several strategy options for the proposed mix of housing sizes including by sub area and by tenure as the following extracted tables from the Study demonstrates:

Figure 1: Size of housing required 2017 to 2035 in Merton by tenure



8.63. Regarding Figure 1 above, paragraph 7.21 of [11D8 Merton's Housing Needs Assessment and Strategic Housing market Assessment 2019](#) states:

*The analysis clearly shows the different profiles in the three broad tenures with affordable housing being more heavily skewed towards smaller dwellings, and affordable home ownership sitting somewhere in between the market and affordable (rented) housing (but closer to the affordable (rented) sector).*

8.64. Figure 2 below sets out size of **market** housing required by sub area

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Mitcham	7%	20%	55%	18%
Morden	5%	21%	55%	20%
Raynes Park	6%	21%	49%	24%
SW/CW	10%	28%	41%	21%
Wimbledon	7%	22%	38%	34%
Borough-wide	7%	22%	49%	23%

8.65. Regarding Figure 2 above, paragraph 7.23 of [11D8 Merton's Housing Needs Assessment and Strategic Housing market Assessment 2019](#) states:

*When looking at market housing there are some differences between areas, with Mitcham showing a notably lower need for 4+-bedroom homes than Wimbledon. However, it is notable that in Mitcham the suggested need for 4+-bedroom homes is actually higher than the current stock provides (a need of 18% compared with a current stock of 13%); the opposite is true in Wimbledon (need of 34%, current stock of 45%).*

8.66. Figure 3 below sets out size of **affordable home ownership housing** required by sub area

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Mitcham	27%	32%	29%	12%
Morden	21%	37%	30%	12%
Raynes Park	28%	37%	24%	11%
SW/CW	33%	38%	19%	10%
Wimbledon	30%	38%	20%	12%
Borough-wide	28%	36%	24%	12%

8.67. Regarding Figure 3 above, paragraph 7.25 of [11D8 Merton's Housing Needs Assessment and Strategic Housing market Assessment 2019](#) states:

*When looking at affordable home ownership (which is linked to profiles in the private rented sector) there are arguably more modest differences between areas, although a potential need for more smaller homes in South Wimbledon/Colliers Wood and Wimbledon is evident – partly reflecting the demographic profile of these locations.*

8.68. Figure 4 below sets out the size of **affordable rented housing** required by sub area

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Mitcham	32%	31%	34%	4%
Morden	29%	36%	31%	4%
Raynes Park	34%	32%	29%	5%
SW/CW	36%	37%	24%	3%
Wimbledon	44%	30%	22%	3%
Borough-wide	33%	33%	30%	4%

8.69. Regarding Figure 4 above, paragraph 7.26 of [11D8 Merton's Housing Needs Assessment and Strategic Housing market Assessment 2019](#) states:

*This again shows some differences between areas, the most notable being the higher proportion of 1-bedroom homes in Wimbledon and more 3+-bedroom homes in Mitcham.*

8.70. Whilst [11D8 Merton's Housing Needs Assessment and Strategic Housing market Assessment 2019](#) analysis indicated differences in the mix of housing sizes required in different locations and by different tenures, [11D8](#) concluded against setting policies for mix of housing size requirements by tenure or by different locations in the borough. [11D8](#) advises (at para 7.51) that robustly showing housing requirements by size within different tenures is difficult and quite variable based on the assumptions used.

- 8.71. [11D8](#) analysis considered both the current and changing demographic profile of locations as well as current occupancy patterns (which are linked to the current stock profile). As [11D8](#) modelling rolled forward the current profile of homes, there were cases where a high current stock of a particular size resulted in a high need for such stock in the future. [11D8](#) advised that on this basis the modelling should be treated as indicative and differences across areas of the borough were not suggested as being the reason to seek a different housing size mix in different areas of the borough.
- 8.72. Section 7 of [11D8](#) includes a comparative analysis of the mix of housing sizes set out in Table 1 of the [11D1 London Strategic Housing Market Assessment 2017](#).

**Table 1: Net annualised requirement for new homes in London, 2016 to 2041**

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	Total	% of total
Market	10,682	2,043	4,101	6,210	23,037	35%
Intermediate	4,334	3,434	2,409	1,693	11,869	18%
Low cost rent	21,318	5,311	2,462	1,881	30,972	47%
Total	36,335	10,788	8,971	9,783	65,878	100%
% of total	55%	16%	14%	15%	100%	

- 8.73. [11D8 \(paras. 7.47 to 7.52\)](#) considered that the core conclusions of the [11D1 London Strategic Housing Market Assessment 2017](#) for very high proportions of 1-bedroom homes as not being appropriate for Merton, as Merton typically provides a more “*family sized*” housing offer, as the findings of [11D8](#) indicated that much of the projected future housing growth in Merton is within groups who might be expected to live in larger homes.
- 8.74. [11D8 Merton’s Housing Needs Assessment and Strategic Housing market Assessment 2019](#) demonstrates a need across the borough for one, two and 3+ bedroom sizes. Reflecting these findings and the fact that individual site circumstances and market factors will also dictate the appropriate housing size mix of each site it is considered that Policy H11.3 borough level housing size mix requirements of a broadly equally distribution of house sizes represents a clear justified appropriate borough level strategy.

**3. Is it clear how the housing size requirements set out in Figure 4.3.1 have informed the figures set out in Policy H11.3?**

Council response:

8.75. Yes it is clear how the housing size requirements set out in Figure 4.3.1 have informed the figures set out in Policy H11.3.

8.76. Fig. 4.3.1 which is sourced from [11D8 Merton's Housing Needs Assessment and Strategic Housing market Assessment 2019](#) refers to housing size requirement by tenure. The following extracts from [11D8](#) provides further explanation supporting Figure 4.3.1 and indicates that housing size requirements vary across the different tenures and subsequently all housing sizes play a role in addressing local housing need:

(Bullet point 1 page 124) *There are a range of factors that will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability.*

(Bullet point 2 page 124) *The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing supply of smaller properties for other households; together with the limited flexibility which one-bed properties offer to changing household circumstances which feed through into higher turnover and management issues.*

(Bullet point 4 page 124) *Based on the evidence, it is expected that the focus of new market housing provision will be on two- and three-bed properties. Continued demand for family housing can be expected from newly forming households. There may also be some demand for medium-sized properties (2- and 3-beds) from older households downsizing and looking to release equity in existing homes, but still, retain flexibility for friends and family to come and stay.*

8.77. The [11D8 Merton's Housing Needs Assessment and Strategic Housing market Assessment 2019](#) study makes it clear that the market will also influence what is the most appropriate profile of homes to deliver at any point in time taking account of a range of factors such as local supply.

8.78. [11D8](#) identifies that all housing sizes as illustrated in Figure 4.3.1 play a role in addressing need particularly two and three bed homes. Whilst one beds can help with downsizing however the rate of downsizing in the borough is low.

8.79. Reflecting these findings and the fact that individual site circumstances and market factors will also dictate the appropriate housing size mix of each site it is considered that Policy H11.3 borough level housing size mix requirements of a

broadly equally distribution of house sizes represents a clear justified appropriate strategy.

8.80. To improve clarity of para 11.3.3 and Figure 4.3.1 the following Additional M  
Proposed Additional Modification

Para 11.3.3 Merton's SHNA sets out the size of housing required by tenure

Figure 4.3.1 Size of housing required 2017 - 2035 by tenure

**4. With reference to documents already submitted in support of the Plan, is it clear how the factors set out in paragraph 11.3.9 of the Plan have informed the Policy H11.3 mix?**

Council response:

8.81. The proposed mix of housing sizes sought by Policy H11.3 is an appropriate strategy that is robustly supported and informed by local housing needs evidence. This includes evidence set out in [11D8 Merton's Housing Needs Assessment and Strategic Housing market Assessment 2019](#) which identifies and analyses the mix of housing sizes needed in Merton utilising and analysing data sources in accordance with the NPPF and the NPPG.

8.82. The factors detailed in paragraph 1.3.9 have to varying degrees been utilised and analysed as part of [11D8](#) and specific references to this Study are already included in the supporting paragraphs to Policy H11.3 where appropriate. However having considered the issue raised in the Inspectors' question an Additional Modification is proposed to help eliminate ambiguity on this matter and improve the clarity of the Plan by deleting supporting paragraph 11.3.9 (pg.355).

Proposed Additional Modification

Paragraph 11.3.9: ~~This mix is informed by a number of factors, including, local housing needs research deliverability, viability, affordability, land availability and data concerning waiting lists.~~

- 5. Is Policy H11.3 in general conformity with the London Plan, insofar as Policy H10<sup>95</sup> of that latter document anticipates that a higher proportion of one and two bed units would be generally more appropriate in locations which are closer to town centres, stations or with higher public transport access and connectivity, and that the housing mix should have regard to the aim to optimise the housing potential of sites?**

Council response:

8.83. Yes, Policy H11.3 is in conformity with the London Plan, including the requirements of London Plan Policy H10.

8.84. Policy H11.3 strikes an appropriate balance between ensuring proposals contribute to meeting the needs of different households, promoting and encouraging mixed and inclusive communities and contains appropriate in-built flexibility in the way that it is applied as it states:

*The borough level housing mix will be applied having regard to relevant factors, including individual site circumstances, site location, identified local needs and economics of provision.*

8.85. The aforementioned in-built flexibility ensures that Policy H11.3 accords and contributes to facilitating the requirements of London Plan Policy H10 for a higher proportion of one and two bed units to be generally more appropriate in locations which are closer to town centres, stations or with higher public transport access and connectivity and the aim to optimise the housing potential of sites.

- 6. Is Policy H11.3 clear as to the tenures and types of housing that it would be relevant to? Does the Policy effectively respond to the recommendation of the 'Housing Delivery Study'<sup>96</sup> for clarity regarding how policies regarding housing mix will be applied to individual development schemes, and particularly small sites and the interaction between this and site location and character?**

Council response:

8.86. Policy H11.3 refers to residential development proposals. However to further improve clarity of the Plan, an Additional Modification is proposed by additional wording being added to supporting paragraph 11.3.1 (pg.355).

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<sup>95</sup> In particular criteria A(6) and (7)

<sup>96</sup> Document Reference IID6 at paragraph 8.12



### Proposed Additional Modification

Supporting paragraph 11.3.1: Policy H11.3 applies to all residential development proposals, irrespective of tenure type, for self-contained purpose-built flats, maisonettes, and houses. 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. Like much of London overcrowding exist in Merton which need to be eliminated.

8.87. Yes, the Policy effectively respond to the recommendation of the ‘Housing Delivery Study’ for clarity regarding how policies regarding housing mix will be applied to individual development schemes, and particularly small sites and the interaction between this and site location and character. It is considered that Policy H11.3 strikes the appropriate balance in providing certainty and clarity to site proposers and applicants on the council’s expectations concerning housing size mix and at the same time ensuring in-built flexibility to take account of as the Policy states: *relevant factors, including individual site circumstances, site location, identified local needs and economics of provision complex circumstances*. This in-built flexibility of Policy H11.3 allows account to be taken of complex circumstances, which in Merton’s experience tends to be most prevalent and challenging for residential proposals concerning small sites.

### **7. Would paragraph 11.3.11’s contents on gated development be more fittingly articulated in (design?) policy; is the plan justified in this respect; and is it clear how a decision-maker should react to proposals for gated residential developments?**

#### Council response:

8.88. Yes, paragraph 11.3.11’s contents on gated development would be more fittingly articulated in design policy. This matter is addressed in supporting paragraph 12.2.17 of Urban Design Policy D12.2 which states:

*12.2.17 An example of this is gated development which 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. It is therefore likely that most types of gated developments will be contrary to this policy and are therefore discouraged by the council.*

8.89. To ensure that the Plan is justified and to improve clarity a modification to delete supporting paragraph 11.3.11 is proposed.

### Proposed Additional Modification

~~11.3.11 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.~~

8.90. Yes, the Plan is clear on how a decision-maker should react to proposals for gated residential developments. Whilst paragraph 12.2.17 of the Local Plan is supporting text and not policy, it makes clear that the council is not absolute in refusing gated developments out of principle. The council's design policies provide a steer on what is expected from all developments. Policy D12.2 bullet points (b) and (d) are particularly pertinent in this respect and it is considered that if they are complied with are unlikely to result in gated developments. They state as follows:

*12.2.b Ensure that urban layouts are easy to navigate and permeable to cyclists and pedestrians through recognisable streets and spaces that link in seamlessly with surrounding development and facilitate active modes of transport.*

*12.2.d Ensure that the form and layout of new development should be street-based with clearly identifiable publicly accessible streets defined by buildings that front the street and maximise the number of entrances onto the street.*

Issue (iii) Are the Plan's requirements for accessible, adaptable and wheelchair user dwellings justified, and are they consistent with national policy, and in general conformity with the London Plan?

8.91. Yes, the Plan's requirements for accessible, adaptable and wheelchair user dwellings are justified, and are consistent with national policy and in general conformity with the London Plan. It is considered that these requirements need to be taken into account from the outset at the design and planning application stage rather than after planning consent is given.

**1. Are the proportions of homes required in Policy H11.1(d) to meet Optional Building Regulations Requirement M4(2) and M4(3) justified, and, in light of the advice of the PPG<sup>97</sup>, would they address an identified need for such properties?**

Council response:

8.92. Yes the proportions of homes required in Policy H11.1(d) to meet Optional Building Regulations Requirement M4(2) and M4(3) are justified, and, in light of the advice of the PPG, they do address an identified need for such properties.

8.93. In accordance with Government guidance published in March 2015 [Housing: optional technical standards](#) Paragraph: 007 (Reference ID: 56-007-20150327), [11D8 Merton's Housing Needs Assessment and Strategic Housing market Assessment 2019](#) (Section 8) draws upon and utilises the evidence sources set out in the Guidance to demonstrate a need to set higher accessibility, adaptability and wheelchair standards.

8.94. The proportion of homes required in Policy H11.1(d) to meet Optional Building Regulations is justified and supported by robust evidence set out in Section 8 (Older People, People with Disabilities and Other Specific Groups) of [11D8 Merton's Housing Needs Assessment and Strategic Housing market Assessment 2019](#). Section 8 of the Study demonstrates how in accordance with PPG (Housing for Older and Disabled People), it has drawn on a range of statistics including those suggested in the PPG (Housing for Older and Disabled People) in identifying the housing requirements of older people and disabled people.

8.95. Paragraph 007 of the PPG sets out what accessibility standards local planning authorities can require from new development and states:

*Where a local planning authority adopts a policy to provide enhanced accessibility or adaptability they should do so only by reference to Requirement M4(2) and/or M4(3) of the optional requirements in the Building Regulations and should not impose any additional information requirements (for instance provision of furnished layouts) or seek to determine compliance with these requirements, which is the role of the Building Control Body. They should clearly state in their Local Plan what proportion of new dwellings should comply with the requirements.*

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<sup>97</sup> 'Housing for older and disabled people' - particularly Paragraph: 004 Reference ID: 63-004-20190626 Revision date: 26 June 2019 and Paragraph: 005 Reference ID: 63-005-20190626 Revision date: 26 June 2019; and 'Housing Optional Technical Standards' Paragraph: 007 Reference ID: 56-007-20150327 Revision date: 27 Oct 2015

8.96. Policy H11.1(d) states:

*In accordance with London Plan Policy D7 (Accessible housing) and Building Regulation Requirement M4(2), 90% of all new build housing is required to be 'accessible and adaptable dwellings' and 10% to meet Building Regulation Requirement M4(3) for 'wheelchair user dwellings'.*

8.97. Policy H11.1(d) therefore complies with the advice set out in the PPG by requiring enhanced accessibility or adaptability with reference to Requirement M4(2) and M4(3) of the optional requirements in the Building Regulations and does not impose additional requirements. Policy H11.1(d) also clearly states what proportion of new dwellings should comply with the requirements.

8.98. To ensure that the Plan accords with the advice in paragraph 007 of PPG (Housing for Older and Disabled People) that local planning authorities should not seek to determine compliance with optional requirements in the Building Regulations, which is the role of the Building Control Body and to ensure general conformity with London Plan supporting paragraph 3.7.8 which states:

*M4(2) and M4(3) dwellings should be secured via planning condition to allow the Building Control body to check compliance of a development against the optional Building Regulations standards.*

8.99. The following Main Modification is proposed by the addition of a new supporting paragraph following after supporting paragraph 11.1.38 of the Plan:

#### Proposed Main Modification

##### Securing M4(2) and M4(3) dwellings

New supporting paragraph (following paragraph 11.1.38) : M4(2) and M4(3) dwellings should be secured via planning conditions to allow the Building Control body to check compliance of a development against the optional Building Regulations standards.

## **2. Are the Plan's policies for accessible housing need based on evidence of site specific factors<sup>98</sup>, including those set out in paragraph 3.7.6 of the London Plan, and those outlined in PPG<sup>99</sup>?**

#### Council response:

8.100. Yes, the Plan's policies for accessible housing need are justified and supported by robust evidence set out in Section 8 (Older People, People with Disabilities and Other Specific Groups) of [11D8 Merton's Housing Needs Assessment and Strategic Housing market Assessment 2019](#) which accords as appropriate with the requirements of PPG (Housing for Older and Disabled People) and Government Housing Optical Technical Standards. The Plan's policies for

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<sup>98</sup> Per 'Housing for Older and disabled people' PPG Paragraph: 009 Reference ID: 63-009-20190626 Revision date: 26 June 2019

<sup>99</sup> 'Housing Optional Technical Standards' Paragraph: 008 Reference ID: 56-008-20160519  
Revision date: 19 05 2016 and Paragraph: 010 Reference ID: 56-010-20150327  
Revision date: 27 03 2015

accessible housing are also in general conformity with the London Plan. However on careful consideration of the matter raised in the Inspectors' question, the council propose a Main Modification to improve clarity and accordance with PPG (Housing for Older and Disabled People) and Government Housing Optional Technical Standards and the London Plan paragraph 3.7.6 concerning exceptional circumstances where flexibility in the application of the requirements concerning accessible housing as set out in policy H11.1(d) of the Plan is warranted.

8.101. PPG (Housing for Older and Disabled People) paragraph 009 states:

*Planning policies for accessible housing need to be based on evidence of need, viability and a consideration of site-specific factors.*

8.102. Government Housing Optional Technical Standards paragraph 008 sets out what accessibility standards local authorities can require from new development and states:

*Local Plan policies should also take into account site specific factors such as vulnerability to flooding, site topography, and other circumstances which may make a specific site less suitable for M4(2) and M4(3) compliant dwellings, particularly where step free access cannot be achieved or is not viable. Where step-free access is not viable, neither of the Optional Requirements in Part M should be applied.*

8.103. Government Housing Optional Technical Standards paragraph 010 sets out how authorities should determine whether accessible and adaptable or wheelchair user dwellings (M4 [2]) or M4 [3]) should be required in non-lift serviced flats and states:

*In setting policies requiring M4(2) and M4(3) compliant dwellings, local planning authorities will need to assess whether this has an impact on non-lift serviced multi-storey development in their local housing mix. Where step-free access in this type of development is not viable, neither of the Optional Requirements in Part M should be applied.*

8.104. Paragraph 3.7.6 of the London Plan states;

*In exceptional circumstances the provision of a lift to dwelling entrances may not be achievable. In the following circumstances – and only in blocks of four storeys or less – it may be necessary to apply some flexibility in the application of this policy:*

- Specific small-scale infill developments (see Policy H2 Small sites)*
- Flats above existing shops or garages*
- Stacked maisonettes where the potential for decked access to lifts is restricted*

8.105. Reflecting the need for improvements to clarity of the Plan's concerning exceptional circumstances as detailed above, the council propose a Main Modification for the addition of a new supporting paragraph in the Plan located after paragraph 11.1.38

### Proposed Main Modification

NEW PARAGRAPH: There may be site specific factors and viability issues which may warrant flexibility in the application of the accessible housing standards M4(2) and M4(3) requirements set out in Policy 11.1(d) for specific developments. The council will have regard to the exceptional circumstances detailed in [PPG \(Housing for Older and Disabled People\)](#); [Government Housing: optional technical standards](#) and paragraph 3.7.6 of the London Plan or subsequent updates to these in determining where the application of flexibility is warranted.