

London Borough of Merton Local Plan Consultation (Stage 3) – Written Representation

September 2021

1. Introduction and Background

- 1.1. St William is a joint venture between the Berkeley Group and National Grid Property ('National Grid'), which was formed in 2014. The partnership combines National Grid's extensive portfolio of surplus brownfield sites across London and the South East with the Berkeley Group's design expertise and proven track record of delivery to create high-quality residential and mixed use developments.
- 1.2. St William regenerates and transforms derelict former gasworks sites and as part of the Berkeley Group, our driving purpose is to create high quality homes, strengthen communities and improve people's lives through fantastic placemaking. The pandemic restrictions have further highlighted the importance on the quality of homes and their surrounding spaces, ensuring that they are sustainable, inclusive to all and accessible to local amenities and key social infrastructure.
- 1.3. Former industrial sites have a critical role to play in the delivery of needed homes in London. The draft London Plan identifies former utilities sites (including gasworks) as a strategic brownfield source to deliver housing, reflecting the NPPF's emphasis on making the most effective and efficient use of brownfield land for housing supply.
- 1.4. Since the formation of the JV, St William has been granted planning approval for 13 former gasworks sites. These consents cross London include Leven Road Gasworks (2,800 homes), Battersea Gasworks (955 homes), Clarendon Gasworks (1,714 homes) and Fulham Gasworks (1,843 homes).
- 1.5. Bringing forward these former gasworks sites for the delivery of homes is very challenging as they are technically very complex, it involves significant (often upfront) levels of investment and comes with high developer risk; very few developers have the capacity, expertise or risk appetite to regenerate such sites.
- 1.6. As part of the JV, St William have an interest in the former Mitcham Gasworks site located at Western Road in Mitcham. The site is 2.4 hectares, is located 0.2 miles to the north of Mitcham town centre and 0.7 miles west of Mitcham Eastfields station in a predominantly residential area. In the northern area of the site there is a large steel gasholder for which, prior approval has been granted to demolish the structure. The site is a vacant, brownfield gasworks site, which, in line with the NPPF, is suitable and available for housing delivery and is able to contribute to the Council's housing targets within the next 5 years.
- 1.7. St William have been in discussion with Merton Council regarding the redevelopment of the gasholders site and have responded to previous consultations of the draft Local Plan accordingly. From these discussions, it has been acknowledged that the site provides a key opportunity to bring forward housing and would contribute to the regeneration of the area. It was also acknowledged that, being a former gasholder site, viability will be challenging and a consideration for any scheme going forward. St William look forward to continue to work in partnership with the Council for the regeneration of this site.
- 1.8. The conclusion of contractual matters between National Grid and St William occurred in March 2021 and in line with a preliminary programme, we are proposing to submit a planning application in 2022. Subject to the timing needed for the planning application to progress to determination, the first new homes on site could be achieved within the first 5 years of the plan period.

- 1.9. St Williams's overarching principles for all of their former gasworks sites are generally aligned with the draft Local Plan's good growth strategy and will help to deliver a number of draft policy objectives of the Plan.

2. Representation

- 2.1. St William welcomes the opportunity to work with the London Borough of Merton as it undertakes further consultation on its draft Local Plan. It should be noted that these representations are made solely on behalf of St William, notwithstanding any representations made by other divisions of the Berkeley Group or National Grid.
- 2.2. As a broad observation we welcome the Council's ambitions for good growth, the spatial strategy and the Council's aims to ensure that the growth is sustainably balanced.

Policy 01B - Good Growth Strategy

- 2.3. St William support Merton's intentions to create socially, economically and environmentally sustainable growth and we understand the importance of following the Good Growth objectives in line with the London Plan. The Council's policy intention *to make the most of Merton's limited land whilst* improving the quality of the environment and meet planning aims is supported.
- 2.4. The proposed spatial strategy follows the spatial development principles of the London Plan and on this point, the draft Plan should be found sound. As part of the spatial strategy, Mitcham Neighbourhood is designated as a District centre and classified as "high" for residential growth in the London Plan (London Plan - Table A1.1 - Town Centre Network). This is supported, along with the Plan's intention to ensure Mitcham town centre area:
- becomes a 20 minute neighbourhood
 - makes more efficient and intensive use of land, taking opportunities to provide a mix of tenure of new housing
 - uses the potential to create an improved physical environment and enhanced connectivity
 - creates safe and secure environments
- 2.5. Whilst we have no overarching objection to the spatial strategy, the text on page 11, of the draft plan states:

'Development will still take place outside of the OA and Morden town centre, although not at the same scale. Outside the growth areas smaller scale development and more incremental change will take place.'

- 2.6. This is somewhat contradictory to the Council's strategic objectives particularly the need to ensure that development makes the most efficient use of brownfield land and would inadvertently suppress the potential of those strategic sites located outside of the OA's. It would also fall foul of the Mayor's good growth and housing policies which seek to optimise housing on sites which have good accessibility and are located near to a town centre. To meet the sustainable development principles of the NPPF, the London Plan along with meeting Merton's high housing numbers, means that the Council should take a design led approach to optimise housing on sites. To ensure conformity with the London Plan and the NPPF 'tests' and, so that the draft plan can be found sound, it is suggested paragraph 2 on page 11 is rewritten to state:

'Development will still take place outside of the OA and Morden town centre, although not at the same scale. Outside the growth areas where sites are not allocated, smaller scale development and more incremental change will take place. Strategic sites located outside of these areas can make a significant contribution to growth and regeneration, and as such, should adopt a design-led approach that seeks to optimise housing delivery whilst delivering high quality placemaking and follow good growth objectives. The section below provides further detail on the parts of the borough where the most significant growth is expected to take place.'

Policy 01C – Urban Development Objectives & Vision

- 2.7. St Williams's overarching principles for all of their former gasworks sites are generally aligned with the draft Local Plan's good growth strategy and will help to deliver a number of draft policy objectives of the Plan, including:
- Supporting resilience
 - Deliver places for people
 - Deliver good growth
 - 20 minute neighbourhoods

Climate Change

Strategic Policy – CC2.1

- 2.8. Berkeley has long recognised the importance of reducing carbon emissions to minimise climate change; we were the first homebuilder to launch a climate change policy, and we have already reduced the carbon impacts of our direct operations by more than 70%. As well as, this we were the first homebuilder to deliver carbon neutral direct business operations, which we achieved through driving down emissions, procuring 100% renewable electricity and supporting verified carbon offsetting projects.
- 2.9. Focusing on efficiencies, we are now going beyond Government requirements by compiling a zero carbon transition plan for each new development to enable the homes to operate at net zero carbon by 2030. This is to ensure we incorporate the right long term infrastructure into our developments. We therefore support the Councils intentions to ensure the Local Plan plays a role in mitigating and adapting to climate change and maximising environmental benefits.
- 2.10. As part of the Berkeley Group, St William are working towards one of the industry's most ambitious science-based targets for reducing the full scope of greenhouse gas emissions connected to our business. This includes reducing our absolute direct emissions by a further 50% by 2030, and reducing the emissions intensity of our supply chain and our homes by 40% by 2030. This puts us on course to be a carbon neutral business by 2040, and we aim to achieve this while delivering a 50% increase in the number of homes we deliver.
- 2.11. It is considered that climate change policies should be outcome focussed - the overly prescriptive energy policies as currently set out in chapter 2 can limit freedom to deliver the most suitable and effective long term carbon/sustainable strategies for a site. Inflexible policies, can impact on development viability and render sites undeliverable, especially on former gas works sites which are more expensive to deliver than other types of brownfield land. On this basis policy CC2.1 needs to include wording to allow for a level of flexibility, so that the most appropriate solutions can be delivered on a site by site basis, ensuring the optimum reduction in carbon emissions is reached.

Policies CC2.2 – CC2.5

- 2.12. The Plan states that there are a number of shortcomings to London Plan policy which policies CC2.2 – CC2.5 seek to address by 'going beyond the London Plan requirements'. Whilst it is understood that the Council wish to genuinely achieve its net-zero carbon target, the London Plan was adopted earlier this year and its policies are considered up to date – it is not the place of a Local Plan to contest an adopted regional spatial strategy, the draft Local Plan policies should conform to the London Plan if it is to be found sound.
- 2.13. The draft local plan can set out 'aspirational targets in relation to tackling climate change but this should not be applied rigidly nor should it hinder housing delivery.

- 2.14. Policy CC2.2 (a) states that all development should be in accordance with 'the London's Energy Hierarchy below, or in line with any future locally derived methodology'. The wording 'in line with any future locally derived methodology' is onerous, without knowing any detail or having any evidence to underpin this, this is considered to be an ineffective part of the policy and should be deleted to ensure the Plan can be found sound.
- 2.15. Policy CC2.4 seeks to ban gas boilers in all new dwellings by January 2023 – this does not follow Government legislation; Future Homes Standard is likely to adopt this approach from 2025 and therefore the policy will need amending on this basis.
- 2.16. The NPPF makes it clear that in plan making all policies should be justifiable achievable and deliverable. Paragraph 34 of the NPPF states that Plans can set contributions expected from development (including infrastructure) but when doing so, should not undermine the deliverability of the Plan. Having a blanket ban on gas boilers would not necessarily achieve the low carbon strategy as proposed by the Council and would impact on viability on many brownfield sites, overburdening sites and rendering them unviable. On this basis the ban from 2023 is not in line with the NPPF, nor does it conform to the Mayor's low carbon and energy policies.

Site Allocation Mi16 – Former Mitcham Gasworks, Western Road, CR4.

- 2.17. St William are encouraged to see that the land containing the gasholder (located to the north of the site) is now formerly included within Site Allocation Mi16 and this change is supported.
- 2.18. The text relating to existing uses within the allocation is misleading; only a very small part of the site was used previously for some office use, which ceased at least 15 years ago. Therefore, the 'Existing Uses' test should be updated to state:

'Existing uses: The site is currently vacant, with only a small part of the site having most recently historically been used as regional satellite offices for National Grid.'

- 2.19. The principle of residential led mixed-use development with open space and community use (clinics, health centres, crèches, day nurseries, day centre) is generally supported.
- 2.20. As has already been explained, when bringing former gasworks sites forward, the complexities and significant costs associated with their development compared to other brownfield sites creates the need to carefully balance any Site Allocation requirements against specific viability challenges so that the full potential for housing delivery can be realised. To ensure that the Site Allocation policy is compliant to the NPPF soundness tests, the Allocation needs to reference the unique challenges of former utility sites.
- 2.21. To ensure that Site Allocation policy Mi16 is aligned with the draft Plan's spatial strategy and other cross cutting policies, the London Plan and to ensure compliance with NPPF, it needs to emphasise that the most efficient use should be made of the brownfield strategic sites, which are valuable to bringing forward new homes and meeting the Council's housing targets. In terms of capacity, Policy Mi16 should make it clear that the number of homes to be delivered is a 'minimum'.
- 2.22. In line with Mayoral policy, former industrial sites like this across London, should be used in the most effective and efficient manner for the delivery of homes. St William have undertaken further technical and design analysis for the Mitcham Gasworks site, which indicates that 200 homes would be a gross underutilisation of this brownfield site. Following a design led approach and following good growth principles we have shown that the site has the potential to deliver more than the indicative 200 – 400 homes (as currently indicated) in the draft Plan evidence base, it is estimated that the site could deliver circa 600 homes. So that the site follows the draft Plan policies as well as those contained in the London Plan and NPPF and to be found sound, the Site Allocation number should be increased to 'circa 600 homes'. We are

happy to share this evidence with the council and have already had discussions with the Development Management team.

Chapter 11 - Housing Provision

Policy H11.1 – Housing Choice

- 2.23. The table under point 'f' of draft policy H11.1 is now more aligned with the London Plan; however, to ensure full conformity and to be deemed as 'sound', text within the table under point f will need to reflect footnote 59 of the London Plan which highlights the unique challenges of former utility sites.
- 2.24. Former Gasworks sites are unique in both use and character; they are challenging and abnormally expensive to regenerate compared to delivery of development on other brownfield sites; they can also have ongoing operational requirements requiring physical infrastructure and easements which can considerably reduce the developable site area. The further challenge for any developer on these typically complex sites is the quantum of upfront costs required to make the sites adequate for residential delivery. The specific viability challenges to bring former utility sites forward needs to be carefully balanced to ensure these redundant brownfield sites fulfil their potential and contribute to an areas housing need.
- 2.25. Merton's draft policy and supporting text going forward will need to reflect footnote 59 and related paragraphs of the London Plan which highlights the unique challenges of former utility sites; it recognises that *'some surplus utilities sites are subject to substantial decontamination, enabling and remediation costs. If it is robustly demonstrated that extraordinary decontamination, enabling or remediation costs must be incurred to bring a surplus utilities site forward for development, then a 35% housing threshold could be applied, subject to detailed evidence, including viability evidence, being made available'*
- 2.26. So that the draft Local Plan can be found in accordance with the draft London Plan **and** to be deemed as 'sound', text from draft London Plan footnote 59 should be referenced and included as part of draft Local Plan policy H11.1. Given the unusual characteristics of former gasworks sites, St William welcome further discussion and engagement with the Council on this basis and would be happy to provide further input and evidence to be considered.

Housing Provision – Policy H11.2

- 2.27. The draft Plan states that 11,732 additional homes are to be delivered for the period 2020/21 to 2034/35 which equates to 782 homes per year, for the 15 year timeframe of the Plan. This is in contrast to 13,263 additional homes set within previous consultations.
- 2.28. The London Plan sets the Council a target of 9,180 homes over ten years, averaged at 918 homes per year; however, the draft Plan provides no clarification on the Council's 5 year housing land supply or local SHLAA and therefore, there is confusion from where Merton's figure of 782 for 15 years is derived.
- 2.29. It has been made evident from the London Plan examination process and Inspectors Report that Boroughs should seek to deliver more homes than those set out in draft London Plan, as current regional figures of circa 52,000 do not truly reflect London's need. In addition, following the Government's response to its consultation on an updated standard method of assessing housing need (October 2020), it has been indicated that London Housing Need figures are likely to increase by 35% with imposed methodology changes, with the aim of boosting housing supply quickly to deliver a new national total of 337,000 homes a year (compared to the 270,000 under the current methodology approach).
- 2.30. Further to housing supply requirements as set out in the NPPF, national policy states that, when plan- making, all plans *'should promote a sustainable pattern of development that seeks to meet the development needs of their area'*. The preparation and review of all policies should

be underpinned by **relevant and up-to-date evidence**. *'This should be adequate and proportionate, focused tightly on supporting and justifying the policies concerned, and take into account relevant market signals.'* The policy is not justified and fails to meet the soundness tests of the NPPF.

- 2.31. If the new approach is taken forward by Government, the annual housing requirement for LBM would increase to 1,193 homes per annum, equating to 17,905 across the Plan period and would need to be considered if the Plan was to be found 'sound'.
- 2.32. In addition to the above, if the Plan is taken forward, the word 'minimum' should be included in draft policy H11.2 'Housing Provision' to ensure longevity of plan and to provide accordance with regional and national policy.

Chapter 12 - Places and Spaces in a Growing Borough

Policy D12.6 – Tall Buildings

- 2.33. Currently draft policy D12.6 is conflicting and contradicts itself; part of the policy states that *'tall buildings are most suitable in town centre locations with good access to public transport'*, text set out further in the policy (points p - r) would mean that this is not the case as it restricts tall buildings to be suitable **only** in 3 town centres - Wimbledon, Morden and Colliers Wood Town, it omits Mitcham town centre as a place where tall buildings could be suitable. This also conflicts with the draft Site Allocation Mi16, whereby *'tall buildings may be suitable'*.
- 2.34. The London Plan policies GG2 and H1(2) make it very clear that available and suitable brownfield sites (like the former Mitcham Gasworks site) should be optimised for housing delivery, *'especially those which are located within 800m distance of a station to town centre boundary'*. In terms of location, Policy D9 of the London Plan requires tall buildings to be identified in development plans and *'should only be developed in locations that are identified as suitable in Development Plans'*; recent planning decisions (including Mayoral and SoS called in decisions) have demonstrated that there is very little flexibility to this. To ensure consistency within the draft plan itself and to ensure London Plan conformity, Policy D12.6 should include a reference that supports taller buildings on larger site allocations, located in all town centres where a design led approach is followed. Without this change, optimised, design led solutions for larger strategic sites located in town centre areas across the entire borough will be indirectly effected and housing growth unduly restricted. Given the significant costs of bringing land forward for development, particularly on former brownfield utility sites, the inability to deliver a taller building on a regeneration site and optimise numbers would impact development viability to the point that it becomes unviable and undeliverable, threatening the future delivery of homes.
- 2.35. Given its context, the site characterises and viability issues, as well as its location close to Mitcham town centre, accommodating a taller element on the former gas works site will be fundamental to the design-led approach to unlock the site and optimise housing in line with the London Plan. Draft policy D12.6 should therefore, be amended so that tall buildings are permitted in all town centre areas subject to design led masterplans.

Summary

- 2.36. Once again St William welcomes the opportunity to submit representations to the Merton draft Local Plan and we look forward to engaging further with the Council, particularly in regard to Site Allocation Mi.16.
- 2.37. St William trust these representations will be duly considered as the Plan is progressed through to Examination and we hope these comments help in securing a sound Plan for the Borough.