



14. HOUSING PROVISION

Policy No. H4.1

Housing choice

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

We will:

- a. Require proposals for new homes including new build schemes and redevelopment proposals to be well designed and located to create socially mixed, inclusive and sustainable neighbourhoods;
- b. Seek the provision of a mix of housing types sizes and tenures at a local level to meet the needs of all sectors of the community and at all stages of people's lives. This includes the provision of family sized and smaller housing units and provision for those unable to compete financially in the housing market sector and those with special needs;
- c. Incorporate the re-provision of at least one family sized unit where the loss of an existing family sized unit is proposed;
- d. In accordance with Building Regulation Requirement M4(2), 90% of all new build housing is required to be 'accessible and adaptable dwellings' and 10% to meet Building Regulation Requirement M4(3) for 'wheelchair user dwellings';
- e. Aim for the strategic target of 50% of new homes built in Merton between 2020-2035 to be affordable;
- f. We will expect the following net level of affordable housing to be provided on individual sites as follows:

Threshold	Affordable housing target (measured in units)	Affordable housing tenure split	Required provision
10 or more units	50% for public sector land and industrial land For all other sites up to 50% with a minimum provision of 40%.	70% Low cost rent (i.e. social rent, affordable rent); 30% Intermediate (i.e. Affordable Home Ownership; Intermediate Rent).	On-Site 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.
2 – 9 units	Up to an equivalent of 20% affordable housing provision	70% Low cost rent (i.e. social rent, affordable rent). 30% Intermediate (i.e. Affordable Home Ownership; Intermediate Rent)	Financial contribution

- g. Applicants should present data for all housing tenures proposed in their scheme as a percentage of total residential provision in three ways: as the number of homes (units), habitable rooms, and floorspace;
- h. For schemes of 10 units and above, affordable housing is required to be provided on-site. In exceptional circumstances, where the applicant has robustly demonstrated to the council that on-site provision is not feasible this justification must include the provision of a detailed financial appraisal. For these schemes, off-site and cash in lieu schemes must accord with the requirements set out in the Mayor’s Affordable Housing and Viability SPG (2017);
- i. All affordable housing provided by the scheme must be affordable in perpetuity and secured via Section 106 legal agreement.

Justification

Access to decent homes

- 4.1.1.** National and regional guidance indicates that being able to access decent affordable accommodation is a major factor in improving quality of life. Accommodation standards and affordability have a strong influence on other issues which contribute to quality of life, including health, crime, education and skills. Merton's Strategic Housing Needs assessment (SHNA) published in July 2019, identified a notable and pressing need for affordable housing.
- 4.1.2.** There are marked differences in quality of life between different communities within Merton. Neighbourhoods within Abbey, Colliers Wood, Cricket Green, Figges Marsh, Lavender Fields, Pollards Hill and St Helier wards have long-standing issues of multiple deprivation and socio-economic exclusion.
- 4.1.3.** Merton is one of the most diverse Boroughs in terms of house prices as it has both very affluent (i.e. Wimbledon) and respectively more affordable (i.e. Mitcham) locations within its administrative area. Merton's median housing value reached £460,000. This is above both the national (£222,000) and the regional (£450,000) equivalents. It is also higher than the Outer London equivalent of £397,500. Over the last 5, 10 and 15 years Merton's house prices have grown quicker than England and the Outer London Region.

Affordable rent levels

- 4.1.4.** Merton's Strategic Housing Needs Assessment (SHNA) identified that any household with an income below £38,400 would not be able to afford a lower quartile rent without some degree of subsidy. It also identified a need for around 878-1,084 units per annum – this is for subsidised housing at a cost below that to access the private rented sector (i.e. for households unable to access any form of market housing without some form of subsidy and at a household income below £38,400). It would be expected that this housing would be delivered primarily as social/affordable rented housing.
- 4.1.5.** Merton's SHNA analysis sets out appropriate affordable rent (termed as living rents in the SHNA) for different sizes of accommodation in different locations based on local incomes and housing costs in Merton. The analysis shows rents starting at about £400 for a 1-bedroom home (in Mitcham) and rising to over £800 for homes with 3-bedrooms. None of these figures have been capped by Local Housing Allowance (LHA) as the maximum LHA is higher than the affordable rent levels for all sizes and locations in Merton. Rents above LHA should be avoided to ensure housing is affordable to those needing to claim Housing Benefit.

	1-bedroom	2-bedroom	3-bedrooms
Mitcham	£401	£522	£642
Morden	£422	£548	£675
Raynes Park	£467	£607	£747
SW/CW	£474	£616	£758
Wimbledon	£514	£669	£823
Total	£449	£583	£718

Source: ASHE and Living Rents methodology

Figure 4.1.1 Living rents (per month)

Affordable home ownership

- 4.1.6.** The council seeks 10% of all housing on sites of 10 units and above to be affordable home ownership (as set out in the NPPF2). However, given that the main analysis of affordable need also showed a notable level of need, involving households who cannot afford anything in the market without subsidy, there is no basis to increase the provision of affordable home ownership above the 10% figure. As exceeding this figure would impact the delivery of affordable housing of those in a more acute need.
- 4.1.7.** The Council will expect affordable home ownership to meet local incomes and housing costs. Merton's SHNA recommends that prices should be set at a level which (income terms) are equivalent to the levels needed to access private rented housing in Merton.
- 4.1.8.** Figure 4.1.2 from Merton's SHNA analysis, sets out a suggested purchase price for affordable home ownership in the Borough. The figures are based on trying to roughly equate a sale price with an equivalent access point to the private rental market. This shows across the Borough a one-bedroom 'affordable' price of about £149,000 rising to almost £300,000 for homes with four or more bedrooms.

	1-bedroom	2-bedroom	3-bedroom	4+-bedroom
Mitcham	£129,000	£162,000	£195,000	£229,000
Morden	£129,000	£165,000	£195,000	£229,000
Raynes Park	£160,000	£178,000	£227,000	£330,000
SW/CW	£149,000	£184,000	£233,000	£280,000
Wimbledon	£170,000	£204,700	£263,000	£413,000
Borough-wide	£149,000	£184,900	£220,000	£299,000

Source: Derived from Valuation Office Agency data

Figure 4.1.2 Affordable housing home ownership prices (aligned with the cost of accessing private rented sector) – data for the year to March 2018)

4.1.9. The council will have regard to the purchase prices for affordable home ownership and affordable rent levels set out in Merton's SHNA, and subsequent updates to this information, in its assessment of submitted schemes aimed at achieving provision of genuinely affordable homes that more appropriately addresses affordable housing needs in Merton.

Delivery of affordable homes

4.1.10. Merton's Annual Monitor Report 2018/19 indicates that five affordable homes were completed from 1 eligible scheme with 10 homes or more which totalled a 45% contribution, above the borough's 40% target. The delivery of affordable housing has been affected by the introduction of Prior Approval rights to convert office, retail and storage premises to residential use without the need for full planning permission. This is particularly evident in the financial years 2015/2016 and 2016/2017 where 47% and 36% of the total delivery was via prior approval. The affordable housing delivery was a smaller proportion in the financial year 2016/2017 because 55% of new homes were on small sites, which do not contribute to affordable housing provision.

4.1.11. Merton is experiencing an increasing number of schemes proposing 100% intermediate housing, as the affordable housing proportion of the scheme, which is contrary to Merton's policy requirement. The reasons provided by proposers is that this is what can be viably delivered and that there is a lack of interest from Registered Providers in managing low cost rented home in preference to shared ownership homes which they consider a more attractive product. This is evidenced by the fact that Registered Providers in Merton are willing to purchase additional shared ownership homes than what the GLA can offer grant for. However, this situation poses a deliverability mismatch as there is overwhelming needs in Merton for low cost affordable housing. This illustrates a tension that exists between viability and addressing housing needs.

4.1.12. Merton's SHNA supports the introduction of a 70 / 30 split which better reflects the unmet affordable housing need to be addressed. This tension is acknowledged in the London Plan Intend to Publish version (December 2019) which states at paragraph 4.6.1: the 2017 SHMA [Strategic Housing Market Assessment] shows London's significant need for low cost rental housing, however, the current national funding programme is focused on intermediate products which limits the Mayor's ability to require higher levels of low-cost rented accommodation. We would welcome discussions with the Mayor to assist in resolving this tension, particularly in unlocking the barriers to delivery of much needed low cost rented homes.

Dwelling conversions

- 4.1.13.** Merton's Authority Monitoring Report 2018 / 2019 indicates that in the past five years the number of conversion schemes of family homes to smaller sized homes has increased. The supply of one and two bedroom units significantly exceeds the number of three or more bedrooms. In 2018/9, 11% of new housing consisted of studios, 33% one bedroom, 33% were two bedrooms and only 20% were three or more bedrooms. On this basis it is evident that the anticipated number of three bedroom units has not been achieved whilst the number of one and two bedroom units were significantly exceeded.
- 4.1.14.** The conversion of existing single dwellings into two or more smaller units typically involves the intensification of Merton's suburban housing stock, resulting in the loss of larger units. Given the identified need for three-bedroom units and the historical provision of smaller units, we are seeking to retain the existing stock of family sized units in Merton. Applications for conversion of existing family sized dwellings into two or more smaller units must include the re-provision of at least one family sized unit. A family sized unit is defined as having three or more bedrooms.
- 4.1.15.** It is considered that the requirement for proposals involving the loss of a family home to include the re-provision of a new family home strikes a suitable balance between increasing housing density in appropriate areas, but not at the expense of a net loss in much needed existing family sized housing or achieving well-designed development that provides acceptable living conditions.
- 4.1.16.** Some single properties within the borough are too small to convert, as it is not physically possible to provide two or more units with rooms of an adequate size, or with sufficient internal circulation space. To ensure that dwelling conversions produce residential units of a high quality, all new dwellings including dwelling conversions must comply with the most appropriate minimum space standards.

Projected population

- 4.1.17.** The council encourages the provision of a range of housing tenures, sizes and types to meet the needs of Merton's communities at all stages of life. Merton's SHNA indicates for the period 2017- 2035, the largest growth will be people aged 65 and over.
- 4.1.18.** In 2035 it is projected that the number of residents aged over 65 across Merton is projected to increase by a minimum of 46%. The population aged 85 and over is projected to increase by an even greater proportion, 52%. The London Plan Intend to Publish version suggests an annual need for 105 homes in Merton that are specifically designed for the needs of older people sheltered and Extra-care housing). Emerging

local research supports the view that the need set out in the London Plan - Intend to Publish version for older person homes is appropriate for Merton.

4.1.19. Looking at the earlier stages of life, Merton's SHNA shows that there is projected to be little change in the number of people aged under 15, compared with increases or decreases shown for other age groups. Focussing on the population aged 18-23 (student-age) the analysis below shows that there is projected to be some modest rise in the age group. In total it is projected that the number of people aged 18-23 will increase from 11,300 in 2017 up to 12,800 by 2035, an increase for around 1,500, or 13%.

Maximising affordable housing provision

4.1.20. New homes built under "prior approval" (i.e. without the need for planning permission) are exempt from affordable housing requirements and this further increases these challenging circumstances. Merton is also a borough of small sites due to historically fragmented land ownership. Over the last 10 years to 2017, over 90% of the planning applications Merton has received to build new homes, have been for sites of less than 10 homes, as the table below indicates (please note that the figures in the table below exclude prior approval applications).

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%
Total	1172	100%	6275	100%	5172	100%

4.1.21. Therefore, in order to optimise every possibility for providing new affordable homes taking into account the specific circumstances of Merton, it is considered essential to continue to maximise affordable housing provision opportunities, including from small sites, subject to viability.

4.1.22. The council will pursue requirements from small sites as financial contributions, as in practice it is the council's experience that this is what can be delivered. Feedback from affordable housing providers and developers demonstrates that it is difficult to find affordable housing registered providers, willing to take small affordable housing schemes due to the additional costs of managing such sites.

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- 4.1.23.** All affordable housing provided within the borough will be subject to nomination agreements with Merton's Partner Register Providers to ensure that they are occupied by persons nominated by the council. Agreements (currently s106 Agreements) used to secure affordable housing units should include provisions for those units to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable provision.
- 4.1.24.** Assessment of affordable housing proposals against the council's planning policy requirements will be calculated as units. In exceptional cases e.g. where the provision of a high number of family-sized affordable homes in a particular scheme proposal is sought by the council, it may be more appropriate for the calculation of the affordable housing proportion to be in terms of habitable floorspace or rooms. Habitable rooms in affordable and market elements of such schemes should be of a comparable size when averaged across the whole development. Applicants should present affordable housing figures and all other housing types and tenures proposed as a percentage of total residential provision in habitable rooms, units and floorspace (both gross [GIA] and net internal area [NIA]) to enable comparison.
- 4.1.25.** The Mayor of London's Affordable Housing and Viability Supplementary Planning Guidance (2017) details that planning applications that provide 35% of the habitable rooms within their development to be affordable housing (without government grants) will not have to submit a viability appraisal (this is known as the fast track route). It should be noted that the 35% habitable rooms threshold is the Mayor of London's determinant as to whether an application should be accompanied by a viability appraisal and this will apply to GLA referable schemes. This is different from the Local Plan affordable housing provision requirement which is 40% - 50% affordable housing units depending on the scheme type. For non-GLA referable, to be eligible for the fast track route, Merton's minimum 50% affordable housing unit threshold applies to public sector land and industrial land and 40% for all other sites and land.
- 4.1.26.** In seeking affordable housing provision, the council 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.
- 4.1.27.** In Merton's experience introduction of the Mayor's 'fast track route' has resulted in an unchanged position concerning the number of schemes submitted with viability appraisals. The council will expect public subsidy / grant to be sought to increase the provision of affordable housing above the stated minimum requirements of policy H4.1.

Measuring affordable housing

4.1.28. Planning policies should be straightforward to understand if the planning system is to be trusted – measuring affordable housing based on the number of habitable rooms (and not the number of homes) is unnecessarily confusing for those outside the property profession to understand and trust. In addition, Merton is a borough of small sites and has very few GLA referable schemes. Measuring affordable housing based on habitable rooms for all applications would result in a lower number of affordable homes being provided. Therefore, if Merton were to adopt an affordable housing policy requirement for all applications as habitable rooms in practice this would result in even the minimum 40% target for new homes to be affordable not being met.

Policy No. H4.2

Housing Provision

We will aim to deliver 13,263 additional homes for the period 2020/21 – 2034/35. This will be achieved by:

- a. Working with housing providers to optimise housing;
- b. Supporting the provision of well-designed new homes that create socially mixed and sustainable neighbourhoods;
- c. Supporting the delivery of well-designed new homes on large and small sites (a site area below 0.25 hectares in size), which optimise levels of residential density in accordance with the design-led approach set out in the London Plan Policy D6 and Merton's design code guidance; having regard to site context; connectivity and accessibility by walking and cycling and existing and planned public transport (including PTAL); and the capacity and provision of supporting infrastructure;
- d. Supporting the redevelopment of poor quality existing housing that does not result in a net loss of residential units, or net loss of affordable housing units or residential land or net loss resulting from the change of use of any type of housing to temporary sleeping accommodation on a permanent basis;
- e. Support proposals for custom, self-build and community-led housing which optimise the use of land and meet all relevant policy requirements, such as those for affordable housing..

Justification

- 4.2.1.** Merton is a pro-growth borough and has substantial experience in delivering small sites over a long timeframe and throughout different economic and political cycles. Every year, between 85%-95% of Merton's planning applications for new homes are for small sites (sites of 10 homes or less). However, as each small site delivers less than 10 homes, small sites contribute about 50% of the overall number of homes built each year in Merton, with large sites (which make up usually less than 10% of the planning applications received) contributing the other 50% of homes built.
- 4.2.2.** Merton's current housing target is 411 homes per annum set in the London Plan 2016. This is based on a detailed analysis of land availability and capacity across London that Merton worked with the GLA and all other London boroughs. The Intend to Publish London Plan as amended by the Inspector's Examination in Public report, increases the Council's target to 9,180 homes over ten years, averaged at 918 homes per year, which is a 223% increase over the current target. 2,610 homes, of the 918 homes per year Intend to Publish London Plan target are expected to come forward on Small Sites.

4.2.3. The housing trajectory set out in Figure 4.2.1 below demonstrates that the current London Plan target (411 per year) has been met.

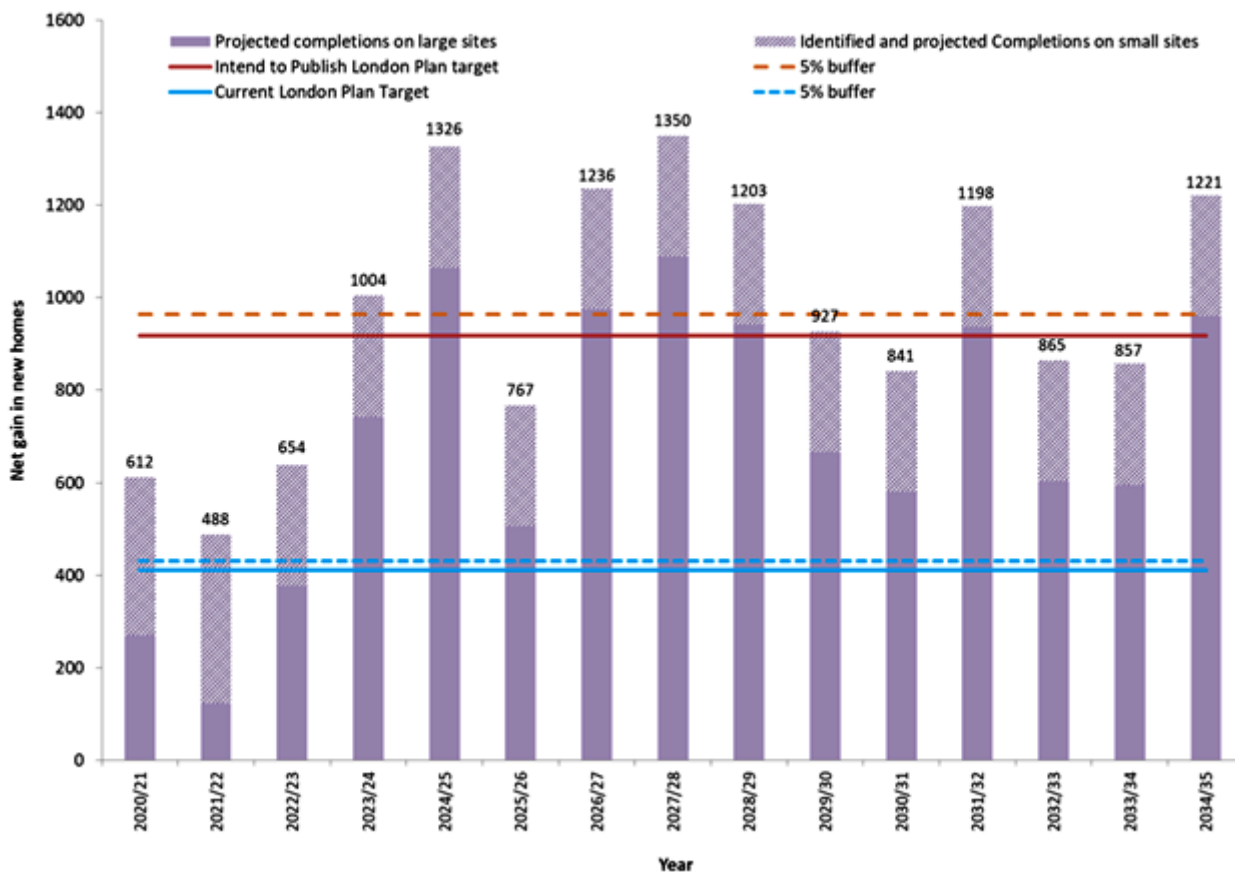


Figure 4.2.1 Merton's Housing Trajectory for the Plan period 2020-2035

4.2.4. As per paragraph 47 of the NPPF, the London Plan, published in 2016, is still the appropriate development plan for decision taking and also determining the housing need in London and is in place until the new London Plan is published which is envisaged to be in the next few months (in the absence of any published timetable). The (Intend to Publish) new London Plan target has been included in Figure 4.2.1 above for information purposes only, and will not apply for decision taking, until it is published.

4.2.5. The London Plan strategic policy framework envisages that key town centres in the borough – Wimbledon, Mitcham, Morden and Colliers Wood – offer ‘high’ potential for residential growth (Table A1.1), with Wimbledon, Colliers Wood and South Wimbledon identified as an Opportunity Area which indicatively is expected to contribute 5,000 homes and 6,000 jobs (linked to the existing transport infrastructure and potential of Crossrail 2). The achievement of this in a context in which Crossrail 2 has yet to secure funding looks to be a particular challenge.

- 4.2.6.** The regeneration of Morden town centre is a key priority for the council and the emerging Local Plan by means of policy N3.3 and site allocation Mo4, which seek to enable delivery of around 2000 homes within the Morden Regeneration Zone.
- 4.2.7.** Mitcham is proposed to accommodate a range of new homes, including major development sites of Eastfields and Ravensbury estates and other such as Benedicts Wharf. For Raynes Park larger sites close to Shannon Corner and incremental development within the surrounding neighbourhood will contribute to providing new homes. These are set out in more detail in the area-based policies within this Plan.
- 4.2.8.** Merton's Local Plan and accompanying proactive strategies that support future housing delivery, such as Merton's Characterisation Study and Small Sites Toolkit, are pro-growth and geared towards optimising the provision of good quality housing to meet this ambition. For a decade Merton have been allocating sites of any size i.e. no minimum small sites threshold and has taken forward initiatives including town centre regeneration, estate regeneration and modular construction of affordable homes.
- 4.2.9.** Merton's Character Study (2020) identifies appropriate areas where there is potential for a range of sensitive and extensive character-led growth. At the heart of the study is to ensure that future shaping of the borough is informed by Merton's existing and unique character.
- 4.2.10.** The Small Sites Toolkit (2021) is designed to give designers and developers a clearer picture of what would be considered acceptable development on small sites in the Borough. The toolkit will comprise of guidance notes and a design and access statement template. The guidance in the toolkit builds on the findings of the Characterisation Study in providing contextual advice to designers. The guidance aims to encourage more development by giving a greater certainty of approval in addition to improving overall design quality.
- 4.2.11.** There are a number of factors outside of local planning authority control that influence housing delivery including macroeconomics, economic effects of Covid-19 house prices, land values, investment confidence and finance availability and unsecured funding for Crossrail 2. However, it is considered that the Council's proactive strategies will contribute to support future housing delivery despite these factors.

Policy No. H4.3

Housing mix

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

-	1 bed	2 bed	3+ bed
Borough wide	33%	33%	34%

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.

Justification

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

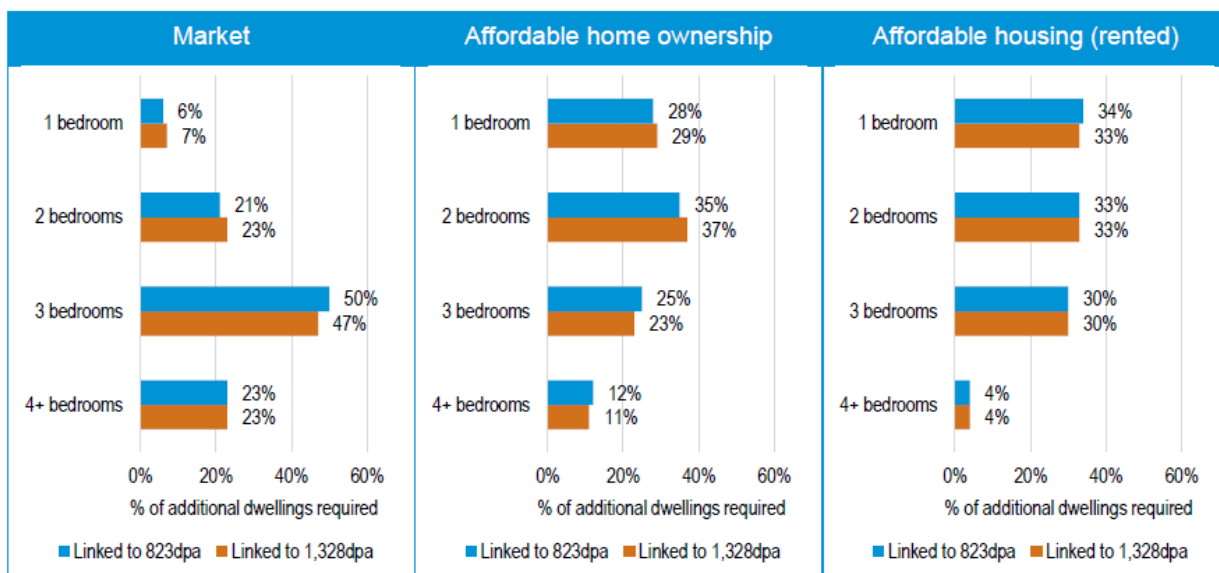


Figure 4.3.1 Size of housing required 2017 – 2035

- 4.3.4. It indicates that for affordable housing need is more heavily skewed towards smaller dwellings, and affordable home ownership sits somewhere in between the market and affordable (rented) housing but closer to the affordable rented sector. For market housing the need is skewed more heavily towards three and four bedroomed homes. Studio apartments do not adequately meet the housing needs of most households.
- 4.3.5. Analysis linked to the demographic change in the period to 2035 set out in Merton’s SHNA supports the housing mix set out in Policy H4.3 as an appropriate mix. In the affordable sector it is recognised the role which delivery of 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.

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

- 4.3.12.** In assessing development proposals, the council will take account of the housing mix proportions set out above.
- 4.3.13.** This mix is informed by a number of factors, including, local housing needs research deliverability, viability, affordability, land availability and data concerning waiting lists.
- 4.3.14.** The borough level housing mix proportions will be applied having regard to relevant factors including individual site circumstances, site location, identified local needs, economics of provision such as financial viability and other planning contributions. Where a developer considers a site unsuitable to apply the borough level housing mix set out in Policy H 4.3 the developer will be responsible for demonstrating why this is the case.
- 4.3.15.** Gated development may address security concerns, however they restrict public access and therefore, choice. This is considered divisive as it reduces social, visual and physical permeability and actively works against engendering community and social cohesion.

Policy No. H4.4

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

- a. The suitability of proposals for supported care housing will be assessed having regard to the following criteria:
 - i. Demonstrable need;
 - ii. The proximity of the site to public transport facilities;
 - iii. The provision of a safe and secure environment;
 - iv. The provision of an adequate level of amenity space which is safe and suitable;
 - v. The provision of adequate parking facilities for residents, staff and visitors;
 - vi. The convenience of the site's location in relation to local shops, services and community facilities;
 - vii. The quality of accommodation complies with all relevant standards for that use.
- b. Generally, proposals for supported care housing will be expected to provide affordable housing in accordance with Strategic Policy H4.1 Housing Choice, unless nominations for people in housing need can be made available through the council.
- c. The council will resist development which results in the net loss of supported care housing for vulnerable people or secure residential institutions for people housed as part of the criminal justice system unless either:
 - i. adequate replacement accommodation satisfies criteria H4.4 a (i) to (vii) inclusive above; or,
 - ii. it can be demonstrated there is a surplus of the existing accommodation in the area; or,
 - iii. it can be demonstrated that the existing accommodation is incapable of meeting relevant standards for accommodation of this type.
- d. Where the council is satisfied that the requirements of criterion (c) of this policy have been met, the council will require that an equivalent amount of residential floorspace (Use Class C3) to be provided to help meet Merton's need for permanent homes. These proposals will be considered in respect to Strategic Policy H4.2 Housing Choice.

Justification

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

- Self-contained homes where vulnerable people, or people being housed as part of the criminal justice system live individually or as part of a family (usually in use class C3);
- Shared homes occupied by no more than 6 people (usually in Use Class C3 but where no care is provided on-site some fall within Use Class C4);
- Clusters of self-contained homes or self-contained homes / bedsits within a scheme designated for vulnerable people, where low intensity support is available, sometimes on site (usually in Use Class C3, depending on the nature of the support);
- Hostels for a number of households or individuals. The occupiers are usually linked in terms of circumstances or age group. There is usually a common management regime and some shared facilities. Hostels are outside any use class;
- Care homes and other supported accommodation where care is provided 24 hours a day (usually in Use Class C2);
- Secure residential institutions (usually under Use Class C2A).

4.4.2. Policy H4.4 does not relate to:

- Self-contained homes that are suitable to meet general needs
- Hostel accommodation aimed at other non-vulnerable groups such as students and backpackers; or,
- Other types of accommodation in Use Class C2 but not specifically for vulnerable people, such as hospitals, boarding schools, residential colleges and training centres.
- Vulnerable people include those with physical and sensory impairment, mental disability, drug and alcohol dependency or people who have experienced or are at risk of violence (e.g. domestic or hate crime).

- Care for the elderly, the vulnerable or disadvantaged groups and for persons with health problems, learning difficulties, mental illness or physical disabilities are becoming increasingly community-based. People are increasingly choosing to live in their own homes with some supported care and assistance, or in supported communities.
 - Client groups living in supported accommodation include older people, homeless people with support needs; people with mental health problems; ex-offenders; people with physical disabilities and sensory impairment; people with learning disabilities; people with alcohol problems or HIV/AIDs, and people experiencing domestic violence or victims of hate crime.
- 4.4.3.** A variety of supported care accommodation is required for persons who require different levels of assistance, support or care in order to live independently. The council encourages the provision of non-institutionalised supported care housing with self-contained facilities for which there is demonstrable need. Supported care housing may include sheltered accommodation, extra care housing, and other types of care homes, on-site accommodation for care workers, rehabilitation facilities, crisis response, as well as respite for carers.
- 4.4.4.** Generally, supported care housing will be located within easy access to shopping facilities and services in locations with good access to public transport, or with adequate on-site facilities, because of low car ownership and in some instances reduced mobility of the client group. This would be considered on a case-by-case basis having regard to a number of factors including the number of clients, staff and visitors and the likely mobility of the clients. Residential locations may be appropriate. Town or local centres may also provide suitable opportunities for provision, given the proximity of such locations to good public transport and local amenities, but this needs to be balanced against other relevant suitability factors e.g. noise.
- 4.4.5.** Supported care housing will not be encouraged where the external environment is unsuitable.
- 4.4.6.** High quality design can help to provide design solutions (e.g. ramps and levelled changes) that overcome topological issues and provide accommodation that is fit for purpose.
- 4.4.7.** Supported care housing should incorporate designed security features that create a safe place to reside where opportunities for criminal behaviour are reduced. Design should take into account the principles contained in government guidance on 'Safer Places' and Secured by Design guidance.

- 4.4.8.** Housing sites that have a lower market value than those available for general market housing are rare. To help meet Merton's housing needs as identified in the London Plan, the council will resist development that would involve the net loss of residential floorspace.
- 4.4.9.** Generally, proposals for supported care housing will be expected to provide affordable housing in accordance with this draft Local Plan's strategic policy on Housing Choice, unless nominations for people in housing need with a reasonable preference on the council's waiting list, or people in housing need referred by one of the council's nomination panels for vulnerable people can be made available through the council.
- 4.4.10.** Where self-contained housing (e.g. sheltered housing categories 1, 2 and 2.5, and extra care housing) is proposed for occupants to buy, rent or lease we will seek affordable housing in accordance with Strategy Policy Housing Choice. By contrast residential care institutions (usually in Use Class C2 / C2A) operate on a fee charging basis, with occupants not given a tenancy, and often moving in and out of these institutions depending on their care needs. Local authorities do refer people to care institutions, via adult social care services rather than from the Housing Register. As such it is unlikely that care institutions will be considered by the council in respect to draft Strategic Policy Housing Choice concerning affordable housing provision. However, the council will assess all proposals on a case by case basis.
- 4.4.11.** Proposals must demonstrate that they cater for needs identified in a Local Housing Market Assessment or in an appropriate needs assessment such as that of a recognised public body. There is a recognition that the private sector also caters for those in housing need and that this role in partnership with the council is continuing to grow as this sector responds to the falling levels of public expenditure.

Policy No. H4.5

Student Housing, other housing with shared facilities and bedsits

- a. The development of student housing, other housing with shared facilities and bedsits is supported provided that the development:
- i. will not involve the loss of permanent housing;
 - ii. will not compromise capacity to meet the supply of land for additional self-contained homes;
 - iii. meets an identified local need;
 - iv. will not result in detrimental impacts to residential character and amenity;
 - v. complies with all relevant standards for that use; and,
 - vi. is fully integrated into the residential surroundings.

Additionally, with regards to student housing;

- vii. caters for recognised educational establishments within a reasonable travelling distance;
- viii. provides purpose built dedicated floorspace that is managed for cultural or arts studios or activities;
- ix. during term-time, it is available exclusively to students;
- x. includes a range of layouts including those with shared facilities;
- xi. is located in an area well served by public transport concerning the recognised higher educational establishment it serves;
- xii. provides high quality cycle parking facilities;
- xiii. has an ownership or management arrangement secured by legal agreement in place with the recognised higher educational establishment it serves; and,
- xiv. Ensure that at least 40% of the accommodation is secured as affordable student accommodation as defined through the London Plan and associated guidance.

- xv.** Where requirements H4.5 from (vii) to (xiv) inclusive cannot be demonstrated the proposal will be considered under Strategic Policy 4.1 Housing Choice in respect of affordable housing provision.

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

 - i.** there is a surplus of the existing accommodation in the area; or,
 - ii.** the existing accommodation is incapable of meeting relevant standards for accommodation of this type.

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

Justification

- 4.5.1.** This policy relates to student housing and housing with shared facilities and bedsits other than that to which Policy DM H4.4 applies (supported care housing for vulnerable people or people housed in secure residential institutions as part of the criminal justice system).
- 4.5.2.** A recognised higher educational establishment generally refers to those funded by the Higher Education Funding Council for England (HEFC). Wimbledon College of Art, Wimbledon is located within Merton. Additionally, there are several higher education establishments located wholly or partly within neighbouring south London boroughs which are Kingston University, Roehampton University, St George's Medical School and St Mary's University College Twickenham.
- 4.5.3.** Student accommodation is both a local and strategic issue. The provision of student housing, other housing with shared facilities and bedsits can make a contribution to creating mixed and inclusive communities. However, addressing these demands should not compromise the borough's capacity to meet the relatively more pressing need for conventional permanent self-contained homes, affordable homes and family homes.
- 4.5.4.** Merton is currently meeting its share of London's general housing needs and can demonstrate a 5-year supply of deliverable housing sites. However, Merton is characterised by small sites for delivering new homes, which limits the opportunities to actively promote housing delivery.
- 4.5.5.** The need for more housing in the borough and the paucity of sites, particularly large sites, means that the provision of student housing could further exacerbate the challenge meeting the needs for permanent homes.
- 4.5.6.** There is an overwhelming need to provide additional conventional housing in Merton. It is considered that set within this challenging context, the requirement for student accommodation to cater for recognised educational establishments within Merton or neighbouring south London boroughs of Croydon, Lambeth, Kingston-upon Thames, Richmond, Sutton and Wandsworth strikes a suitable balance towards meeting the Mayor's strategic and local requirements for student housing, whilst minimising the compromise on Merton's capacity for conventional homes. It is also important that the provision of new student accommodation is located close to their places of study, as inadequate provision would result in students having to travel long distances to attend their place of study contrary to sustainable development principles.
- 4.5.7.** Housing with shared facilities form a significant part of the private rented stock in Merton. The precise definition of housing with shared facilities and bedsits is complex but includes the following groups:

- A bedsit where the bathroom is shared with tenants of other bedsits;
 - A flat in a house whether bathroom facilities may or may not be shared with other tenants;
 - A room in a shared house where the bathroom and kitchen facilities are shared with the tenants of the other rooms but the tenants do not live with the other tenants as part of a 'household', for example don't cook for one another and eat together like a family would;
 - Rented rooms provided by a resident landlord;
 - Bed and breakfast hostels.
- 4.5.8.** In line with the London Plan, the council will resist the loss of permanent self-contained homes including its loss from conversion to short-stay accommodation intended for occupation for periods of less than 90 days.
- 4.5.9.** Student housing, other housing with shared facilities and bedsits are often associated with a concentration of relatively short-term residents. The council will assess these having regard to any existing concentrations in the area, the impact of new occupiers on local services and facilities and the wider housing mix. Possible concerns such as noise disturbance and increased demand on local facilities and public transport need to be carefully considered and addressed in relation to these proposals to ensure that adverse impacts on existing longer term residents are minimised.
- 4.5.10.** Schemes will be considered on a scheme by scheme basis having regard to census information, Merton's Authorities Monitoring Report and permissions for student housing schemes in the area.
- 4.5.11.** Student housing can positively contribute to mitigating pressure on the stock of private rented homes in Merton provided that it is genuinely aimed at higher education establishments. The council will use design mechanisms, planning conditions and / or legal agreements as appropriate to prevent lease, sale, use or occupation of the student accommodation as general market housing and to limit their term time occupation to students registered at higher education establishments that are based in Merton or the adjoining boroughs and supported by the Higher Education Funding Council for England.

4.5.12. Student housing developments will also be expected to provide adequate floorspace, usually on the ground floor of the development, that has favourable management terms for cultural or arts studios or other activities. Wimbledon School of Art is Merton's only third-level education provider, affiliated to the University of the Arts, London. The council will encourage developer to work with specialist organisations that rent and manage floorspace dedicated arts and cultural activities.

Policy No. H4.6

Accommodation for Gypsies and Travellers

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

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

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

Justification

- 4.6.1.** The Council's Gypsies and Travellers site is located on Brickfield Road and is managed by Clarion Housing. Merton's Accommodation Needs Assessment of Gypsies and Travellers Research (2013), indicated that for the period of 2014 - 2019 re-letting of vacant pitches would address identified needs. There are no known Travelling Showpeople residing in Merton and no identified accommodation need for Travelling Showpeople plots within Merton.
- 4.6.2.** The council will be undertaking further research work to update the needs identified in the 2013 Study and how this will be addressed over the Local Plan period.

Policy No. H4.7

Build to rent

Built to Rent schemes must provide:

- a. A minimum of 50 homes;
- b. A mix of housing sizes to reflect local need for rented property;
- c. A minimum of 3 year tenancies with a six month break clause in the tenants favour and have pre-agreed structured and limited in-tenancy rent increases;
- d. The homes are secured as Build to Rent under a covenant for a minimum period of 30 years;
- e. Security and professional management of the homes.

Development of Build to Rent schemes must meet the draft London Plan policy H11 and the Mayor of London's affordable housing and viability SPG 2017, with the intention of maximising the viable supply of affordable homes (known as the affordable housing requirement). In Merton, Build to Rent schemes must meet the following affordable housing requirements:

- f. A minimum of 40% affordable housing provision comprising of a tenure of 100% London Living rent equivalent;
- g. The council's nomination rights to secure nomination of tenants to specified affordable housing units and the management and monitoring arrangements will be secured via the s106 legal agreements. All affordable housing elements of the scheme must be affordable in perpetuity;
- h. A clawback mechanism must be in place that ensures that where any of the Built to Rent homes are sold within the 30 years this will trigger a penalty charge towards affordable housing provision in accordance with Policy H4.7(f);
- i. Where the development value of the Build to Rent scheme is higher than a Build for Sale scheme the affordable housing requirements set out in H4.7(f) must be met and increased to the point where there is no financial benefit to provide Build to Rent over Build for Sale homes;
- j. Be subject to a viability review between the grant of planning permission and the time of the review, aimed where viable, at increasing the number and /or affordability of affordable homes.

Justification

- 4.7.1.** Build to Rent schemes contribute to increasing the range and offer of homes available to Londoners which is supported. Build to Rent schemes must provide at least 50 units in accordance with the requirements of draft London Plan policy H13.
- 4.7.2.** Build to Rent schemes may be attractive to potential tenants given the longer tenancies and on-site maintenance teams. However, these unique features of build to rent can result in higher than average rental costs, exacerbating an already critical issue for many renters, especially in London.
- 4.7.3.** Given the borough's limited land availability and the significant need for more housing, and in particular the pressing need for affordable housing, the council supports the incentives and approach set out in Draft London Plan Policy H13 to encourage affordable housing provision as part of Build to Rent schemes.
- 4.7.4.** By having nomination rights the council will help to ensure that prospective tenants have been appropriately vetted as in genuine need in terms of the inability to access rented accommodation on the open market locally.