

**From:**

[Future Merton](#)

**Subject:**

OBJECTION: LBM29 Schedule of Main Modifications to Merton's Draft Local Plan – January 2024

**Date:**

06 March 2024 11:42:34

---

Page 363-364

Policy H11.1

e. Aim for the strategic target of 50% of new homes built in Merton between 2021/22 -2036/38 to be affordable.

f. Expect the following level of affordable housing (gross) to be provided on individual sites as follows:

2 – 9 homes	Financial contribution equivalent to 20% affordable housing provision.	70% Low-cost rent 30% Intermediate <u>(Including a minimum of 25% First Homes)</u>	Financial contribution
-------------	--	--	------------------------

Implementing this Policy to provide affordable homes for 2-9 units will have the complete reverse effect to what the Council are trying to achieve, and this is currently being demonstrated in both Richmond and Southwark Councils who have implemented this policy in recent years and is the reason why the Planning Inspectorate forced Lambeth to drop the small site contribution to the Lambeth Local Plan (2021) as the Inspector concluded implementing Affordable Housing will substantially delay the decision period due to the negotiation period with legals, the Inspector stated taking a sample of 60 schemes for minor developments the decision period took an average of 71 weeks due to the negotiation process of Affordable Homes Contributions.

As part of any objection, it is important Merton learn from the experience of their neighbours, particularly Southwark as this borough is demonstrating today that this policy won't work. At present in Southwark there are over 100 applications (2-9 units) sitting in limbo whilst the applicants and the Council debate contribution amounts and no applications are being approved and no small sites being developed.

Merton is already experiencing delays with these minor applications (2-9 units), if this policy is implemented then it will only clog up the planning system in Merton further which is still yet to recover to the standard 8-week assessment period developers enjoyed pre-covid.

In addition to the above, such a policy would also be in conflict with National Planning Policy Framework (“NPPF”) published in September 2023. Paragraph 64 of the NPPF clearly states that the provision of affordable housing should not be sought for residential

development that are not major developments (below 10 units). It would also be in conflict with the Written Ministerial Statement on the matter on 28<sup>th</sup> November 2014 and the Secretary of State's letter of 13<sup>th</sup> March 2020, and in particular Direction 3.

As well as the delay the other main objection is the financial viability of implementing this policy. As the Planning Inspector stated in Lambeth with the average decision period taking 71 weeks and interest rates at a 15 year high it is simply unsustainable for small developers to hold sites for this amount of time with the current borrowing costs.

Also, costs of achieving planning permission have risen sharply recently due to stricter sustainability and biodiversity policies implemented. All developments now need to include green/brown roofs, air/ground source heat pumps, photovoltaics, enhanced building insulation, the associated costs of installing all these measures have pushed up building costs considerably on top of the increased material/labour costs since Brexit/Covid.

These increase in development costs come down to simple math, if developers stop building properties in Merton as it's no longer sustainable/viable there will be less supply, therefore forcing up rental/purchase prices – the exact opposite of what this policy implementation is trying to achieve.

Finally, if it becomes too expensive for developers to develop in Merton the small derelict/run down sites dotted around the borough will not get developed and regenerated which will have a knock on effect on the surrounding street scene and in five years' time Merton will look a very different borough from today with many rundown/derelict buildings/sites around the borough that are not financially viable to regenerate.