

Merton Council

Sustainable Communities Overview and Scrutiny Panel

2 November 2020

Supplementary agenda

6 Housing Strategy (presentation)

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Towards a housing strategy for Merton



Why do we need a Housing Strategy?

- Merton has different types of housing needs: supported care, genuinely affordable homes, low cost home ownership, working with private landlords, gypsies and travellers.
- The Housing Strategy will outline issues and actions on housing delivery but we will need a deeper dive on some issues – e.g. how and where Merton Council cares for people needing supported care
- It will complement a wider group of policies and strategies, in particular the Local Plan and the Homelessness and Rough Sleeping Strategy.
- This will allow us to be clearer with our RP stakeholders, developers/applicants as well as residents on priorities and e.g. GLA for funding/supporting
- **The vision:** To adopt and continuously develop housing and planning policies that support sustainable growth and deliver a high quality mix of housing types, sizes and tenures that match identified needs.

What has been done to date

- **New Local Plan** – Consultation on the latest draft Plan to commence in November 2020. Includes policies on housing mix, affordable housing, specialist housing and housing to address the needs of vulnerable groups.
- **Strategic Housing Land Availability Assessment 2017 (SHLAA)** - identifies London as having a capacity of **649,350** homes for the London Plan 10 year housing target period of 2019/20.
- **Strategic Housing Market Assessment 2019 (SHMA)** - assesses future housing needs (both market and affordable) across the Borough for the period 2017 to 2035 to inform Merton's new Local Plan.
- **Local Plan Housing Viability Study (2020)** - Provides evidence to inform and support Merton's new Local Plan affordable housing policies. In particular the Study tests the ability of developments in Merton to meet affordable housing policy requirements alongside other Local Plan plan policies and contributions for Community Infrastructure Levy ('CIL') and planning legal obligations (i.e. S106) .
- **Homelessness and rough sleepers strategy 2020-2025** sets out the strategy and action plan for Merton to support people who are homelessness and rough sleeping. The action plan is to be updated annually.

Key findings

- To meet housing need in Merton, Merton's housing target in the London Plan has increased from:
411 new homes per year ---> 918 new homes per year
- Merton's SHMA Notable and pressing need for affordable housing - **878 to 1,084** affordable homes **per annum**;
- Need for affordable homes shown in all parts of the borough.
- Affordable home ownership tenures (e.g. shared ownership, First Homes; Starter Homes)) addresses the fewest number of households in need.
- Approximately 450 homes on average are built each year in Merton
- over 90% of the planning applications Merton receives are on small sites and so don't have to provide affordable housing via the planning system,.

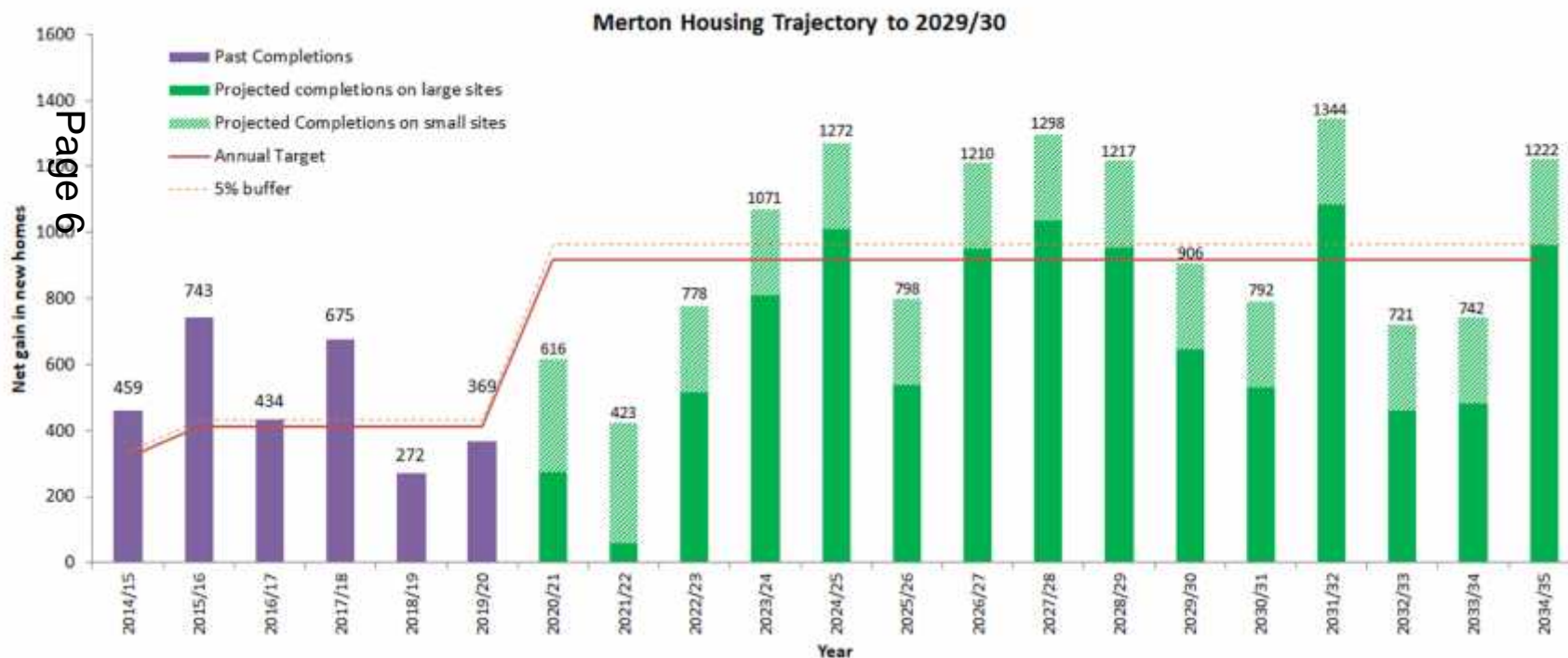
Towards a housing strategy

Merton to prioritise whether provision via the planning system by private developers should focus on:

- A) Numbers of affordable homes i.e. focus on increasing overall numbers - *viability trade off is less genuinely affordable homes for residents and not addressing the acutest housing needs*
- B) Genuinely affordable homes (low cost rented) to address most pressing need – *viability trade off is fewer numbers of affordable homes provided (given the level of subsidy required on rental level or price to make affordable) but addressing the acutest housing needs*

Merton's share of London's new homes

- Need to increase delivery, particularly of affordable homes
- We have a reliance on small sites – future delivery will be supported by the new Small Sites Toolkit



Engagement

Campbell Tickell have:

- Directly engaged with Registered Providers
- Held workshops and individual conversations with LBM officers

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Housing delivery

- During July – September the council has worked with consultants Icenl to ask residents for their feedback on housing delivery in Merton.
- Targeted via social media towards groups we don't normally hear from (e.g. younger people and people living in the east of Merton)

Q1. What do you consider as successful housing delivery in Merton?

Multiple image choice



2012 people answered this question — Could have chosen up to 2 choices

Q2. What are your priorities for future housing delivery in Merton?

Multiple image choice



1832 people answered this question — Could have chosen up to 3 choices

Specialist housing needs

The council has legal duties to help house

- Provision of affordable rented accommodation -
 - run by Registered Providers, helps us discharge our duties to the 9,768 households on the council's housing register.
 - There are approx 1,500 affordable homes in Merton out of 86,000 homes in the borough
 - The council has access to approximately 250 affordable rented homes per annum, a combination of re-lets and new build.
- Supported living -
- Extra care Housing
 - Homes require adaptation to ensure accessibility
 - Engagement with Registered Providers and private landlords for existing homes
- Gypsies and travellers
 - One site in Merton (Brickfield Road in north Wimbledon), providing 15 pitches
 - Mayor's London Plan proposing additional pitches are needed.

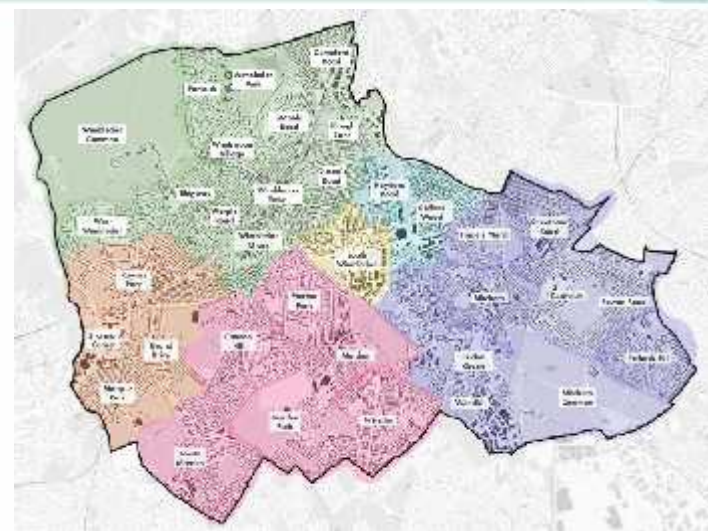
What it tells us:

Opportunities:

- New Local Plan
- Borough Character Study
- Small Sites Toolkit
- Housing Delivery Research
- Merantun Development Ltd
- Perception of increasing housing delivery
- Partnership with Registered Providers

Barriers:

- Lack of large sites (Registered Providers prefer large sites, under current planning policy only sites of 10+ homes are required to provide affordable housing)
- Land assembly challenges in Merton: Fragmented land ownership and high land prices
- Wider economic situation
- Perception of increasing housing delivery



Points to consider

- Set up a Developer Forum
- Identify and approach additional housing providers (e.g. specialist supported care, smaller affordable sites)
- Review and update design codes
- Review and relaunch Registered Provider Forum
- Continue potential for an expanded role for the Local Housing Company
- Consider re-establishment of HRA
- Look at funding models including central government funding opportunities
- Review approach to land assembly including public sector, surplus industrial or open space
- Review potential for off-site construction and modular building

Towards a housing strategy – next steps

- Complete the overarching work
- Deeper dive into how we provide supported and specialist care housing in Merton.
- Continued engagement with Registered Providers
- Investigate sites through the Local Plan
- Impact of Covid19 on housing services
- Final draft: spring 2021