

Committee: Council

Date: 3 February 2016

Wards: All

Subject: Strategic Objective Review – Sustainable Communities

Lead officer: Director for Environment and Regeneration, Chris Lee

Lead member: Cabinet Member for Environmental Sustainability and Regeneration,
Councillor Andrew Judge

Contact officer: Paul McGarry, FutureMerton Manager

Recommendations:

That Council consider the content of the report.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. Council at its meeting in March 2015 approved the Business Plan 2015-2019.
- 1.2. The Business Plan represents the way in which the council will lead the delivery of the Community Plan via a number of thematic partnerships and strategic themes. Performance against these themes, plus an additional theme of corporate capacity, is monitored by Council.
- 1.3. Each meeting of Council will receive a report updating on progress against one of these strategic themes. This report provides Council with an opportunity to consider progress against the priorities under the ‘*Sustainable Communities and Transport*’ theme.
- 1.4. The ambition for the theme as outlined in the council’s Business Plan 2015-19 is ‘to create a more sustainable borough, one which is less reliant on fossil fuel and which reduces its negative impact on the environment and climate change in particular’.
- 1.5. The Business Plan can be viewed at www.merton.gov.uk/businessplan .

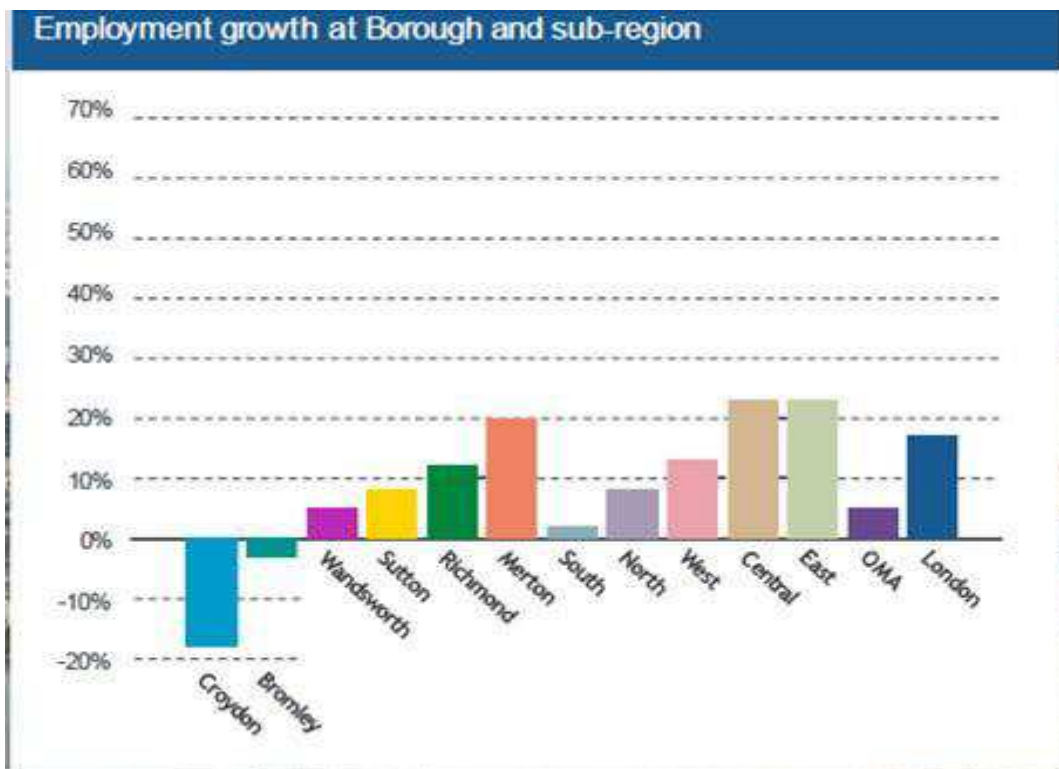
2 DETAILS

- 2.1. This update focusses on progress under six headings: business growth, housing supply, Crossrail2, renewable energy and air quality. Appendix B. sets out performance indicators for sustainable communities.

Business growth

- 2.2. Merton Council’s Economic Development Strategy programme has made significant progress in putting in place the business and economic development infrastructure and delivered a number of successful projects that have created jobs, new businesses and help attract new companies into the borough.

- 2.3. In addition, Merton's economic development programme has helped a number of local unemployed and low skill residents gain employment and apprenticeships.
- 2.4. Two of the programmes run through the Merton Economic Development Strategy include Merton Business Support Service (tendered to Merton Chamber of Commerce to deliver) and Wimbledon Tech Campus (WimbleTech)
- 2.5. **Merton Business support Service (MBSS):** provides high quality support to help small businesses start-ups develop and expand. It is delivered by the Merton Chamber of Commerce and some of London's leading private sector business advisors and consultants.
- 2.6. To date, this programme has started 171 businesses, created 454 jobs, raised £777,000 finance, supported over 40% start ups from east of the borough with 50% of businesses with growth/ growth potential also coming from the east of the borough.
- 2.7. **Wimbledon Tech Campus (Wimbletech):** In May 2014 the Council provided a small sum of seed funding to a local entrepreneur wanting to create a Tech Campus (Wimbletech) in a dedicated office space in Wimbledon Library. This offered a modern and flexible co-working space for tech start-up businesses in South London.
- 2.8. Wimbletech has been so successful that in eighteen months of operating, it is currently providing affordable and flexible co-working office space for 90 tech businesses/start-ups. Wimbletech also undertakes corporate social responsibility activities by providing free community and education events (delivered by the tech entrepreneurs) on Information Technology to help people of all ages and backgrounds learn about digital technology.
<http://www.wimbletech.com>
- 2.9. Overall Merton's EDS related programmes have led to:
- 545 new jobs created
 - 270 new businesses created
 - 300 jobs safeguarded or attracted as a result of business retention, inward investment, business loans and shop front grant programme
 - 700 businesses received practical advice and to start-up, develop, grow or survive downturn
 - £130,000 worth business loans made to Merton businesses through the Merton Business Loan scheme, to start-up or expand
 - £900,000 of finance raised to help business to start-up, grow and survive – as a result of the business support and business loans programmes
- 2.10. According to work carried out by the South London Partnership in late 2015, Merton is the only borough in the south to have experienced employment growth above the London average.



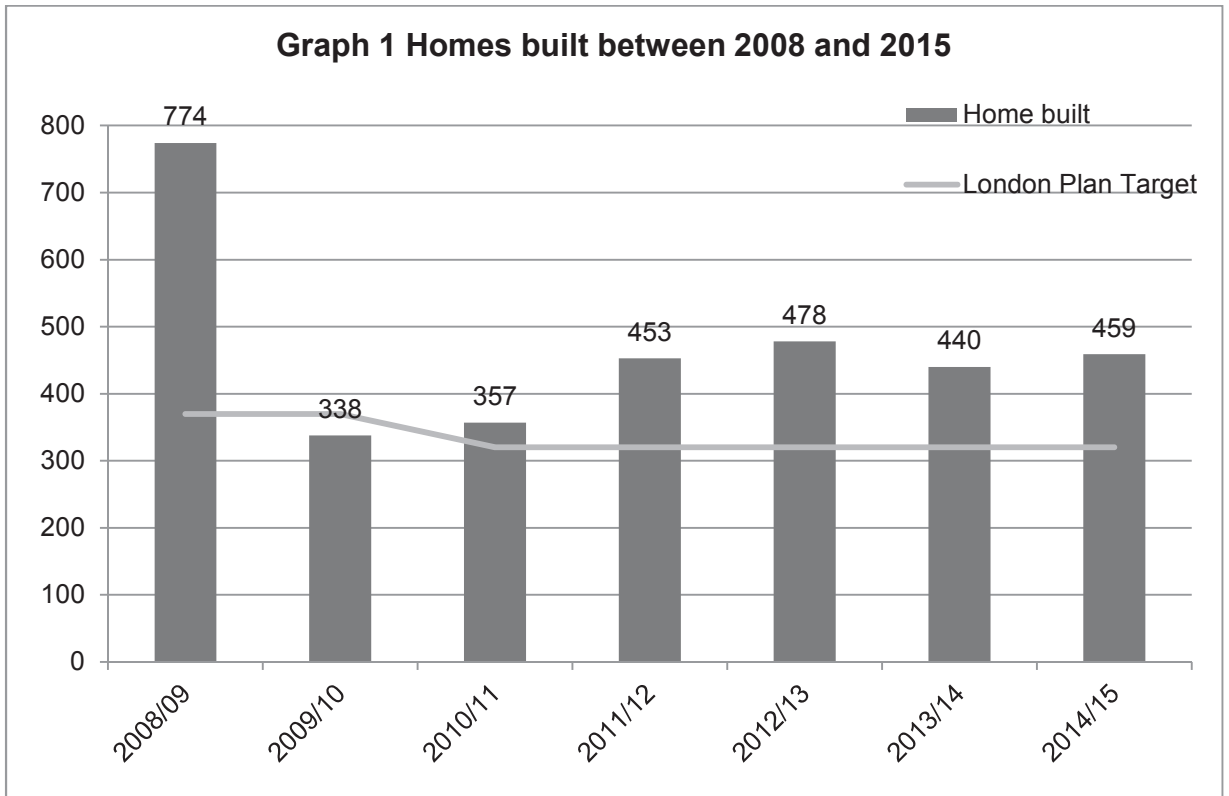
Employment growth 2003-2013 (source Transport for London's South London Transport Plan, 2015 update)

Housing supply

- 2.11. Developers (including registered social housing providers) build new homes in Merton once they have been granted planning permission. Merton Council's Core Planning Strategy (2011) and Sites and Policies Plan 2014 are the main policy documents guiding the development of new homes and allocating potential sites to build homes on.
- 2.12. Housing supply, and the affordability of new homes, is a government priority. The Mayor of London regularly calculates the need for homes and sets targets for each borough. Merton's target for new homes changed from 320 (2011 - 2015) to 411 new homes in April 2015 onwards. According to the London Plan 2015, 40% of new homes built in London each year should be affordable.
- 2.13. In the last financial year, 1 April 2014 to 31 March 2015, Merton has exceeded its housing targets:
- 459 additional new homes were built in Merton, against a target of 411 homes per year.
 - 41% of those new homes were affordable (against a target of 40%)
 - For the future, Merton council has identified enough land for new homes to meet its housing targets for the next seven years

New homes built in Merton 2008-2015

- 2.14. Officers visit development sites and keep records of the new homes built in Merton every year. Merton has exceeded the target by almost 960 homes since 2008.



2.15. In the last financial year (2014-15) 41% of the new homes built in Merton were affordable (a total of 186 homes)

2.16. Graph 2 and Table 1 present the affordable homes provision between 2008 and 2015.

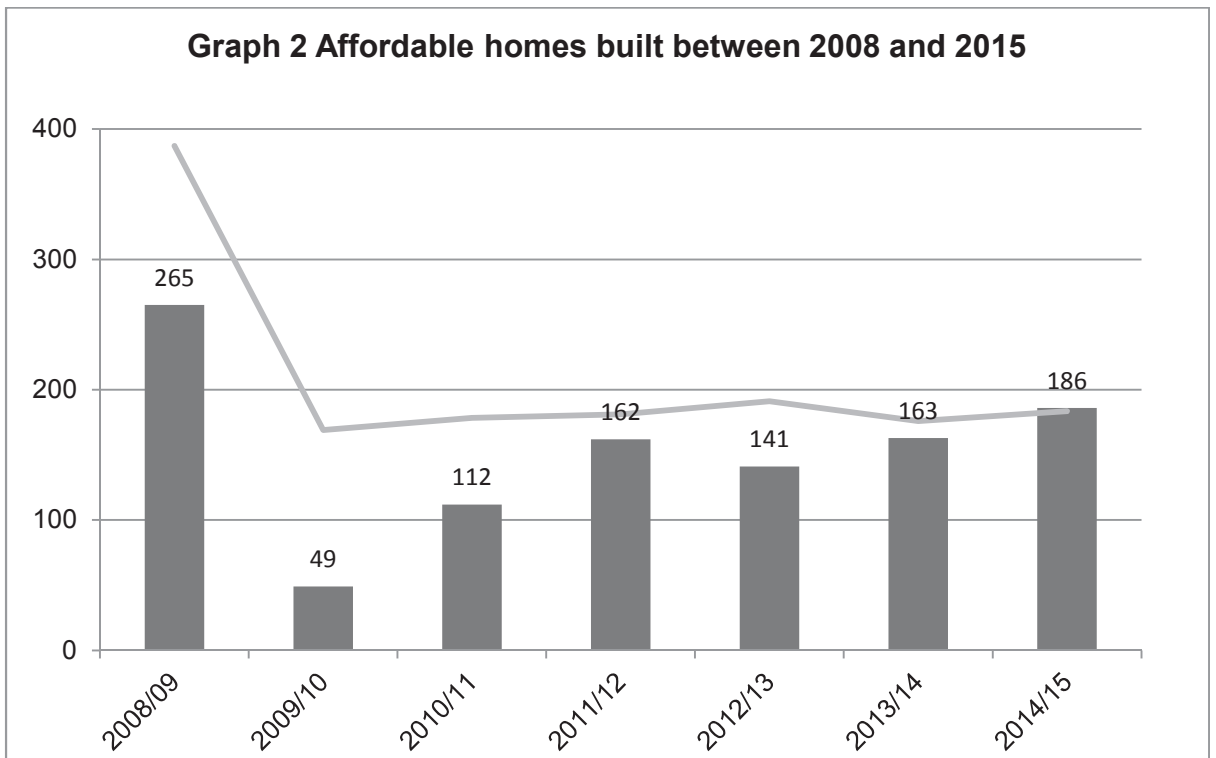
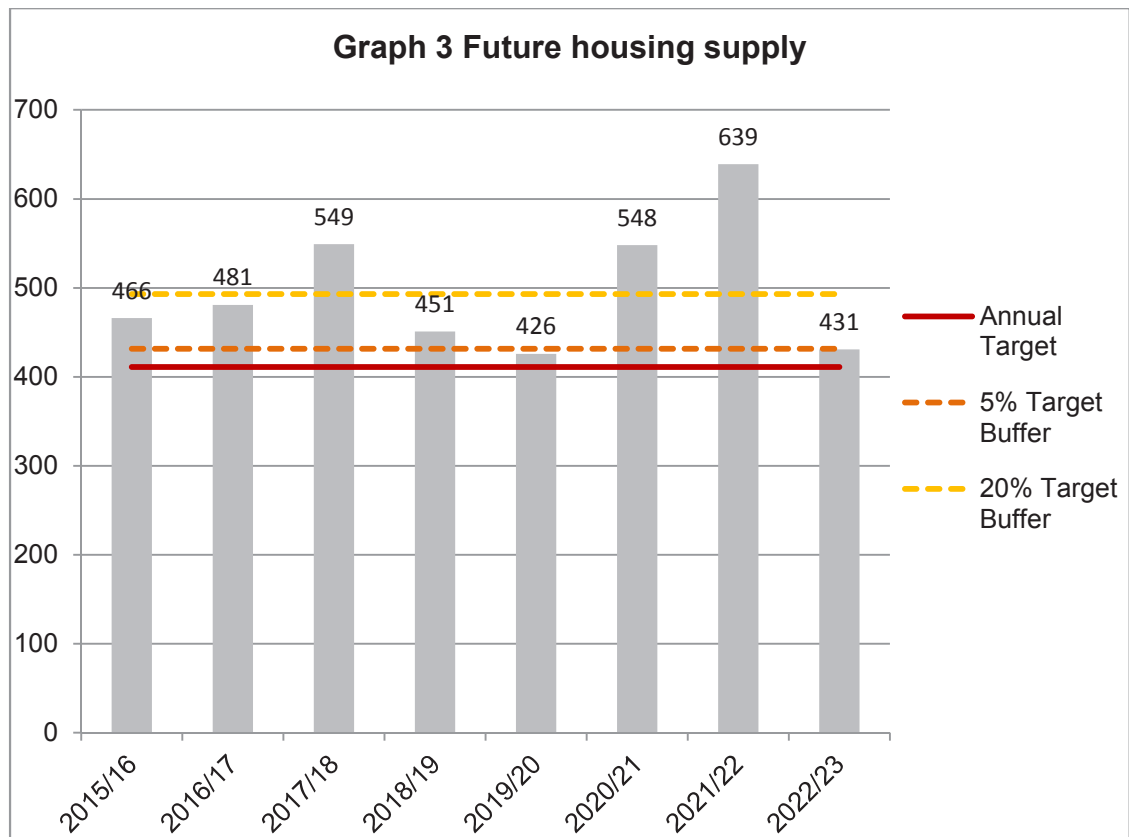


Table 1 Affordable homes built in Merton between 2008 and 2015

Financial Year	Total homes built in Merton	Total Affordable Home built	%	London Plan target	Number of Social Rented	%	Number of Intermediate	%
2008/09	774	265	34%	50%	200	75%	65	25%
2009/10	338	49	14%	50%	30	61%	19	39%
2010/11	357	112	31%	50%	45	40%	67	60%
2011/12	453	162	36%	40%	n/a	n/a	n/a	n/a
2012/13	478	141	29%	40%	71	50%	70	50%
2013/14	440	163	37%	40%	75	46%	74	45%
2014/15	459	186	41%	40%	143	77%	43	23%

Future housing supply

2.17. Merton’s future housing supply is presented in Graph 3. These calculations are based on detailed assessment of sites under construction (e.g. Colliers Wood tower) in the planning system (e.g. Wimbledon Stadium) or allocated for long-term future development (e.g. Morden town centre).. At this time, the calculations do not take CHMP estate regeneration into account



2.18. The map overleaf illustrates location of both the homes that have been built since 2008 and the new homes that are expected to be built in Merton between 2015 and 2025.

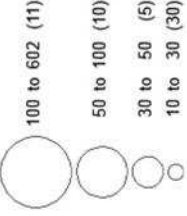


London Borough of Merton

Graph 4 Housing Supply

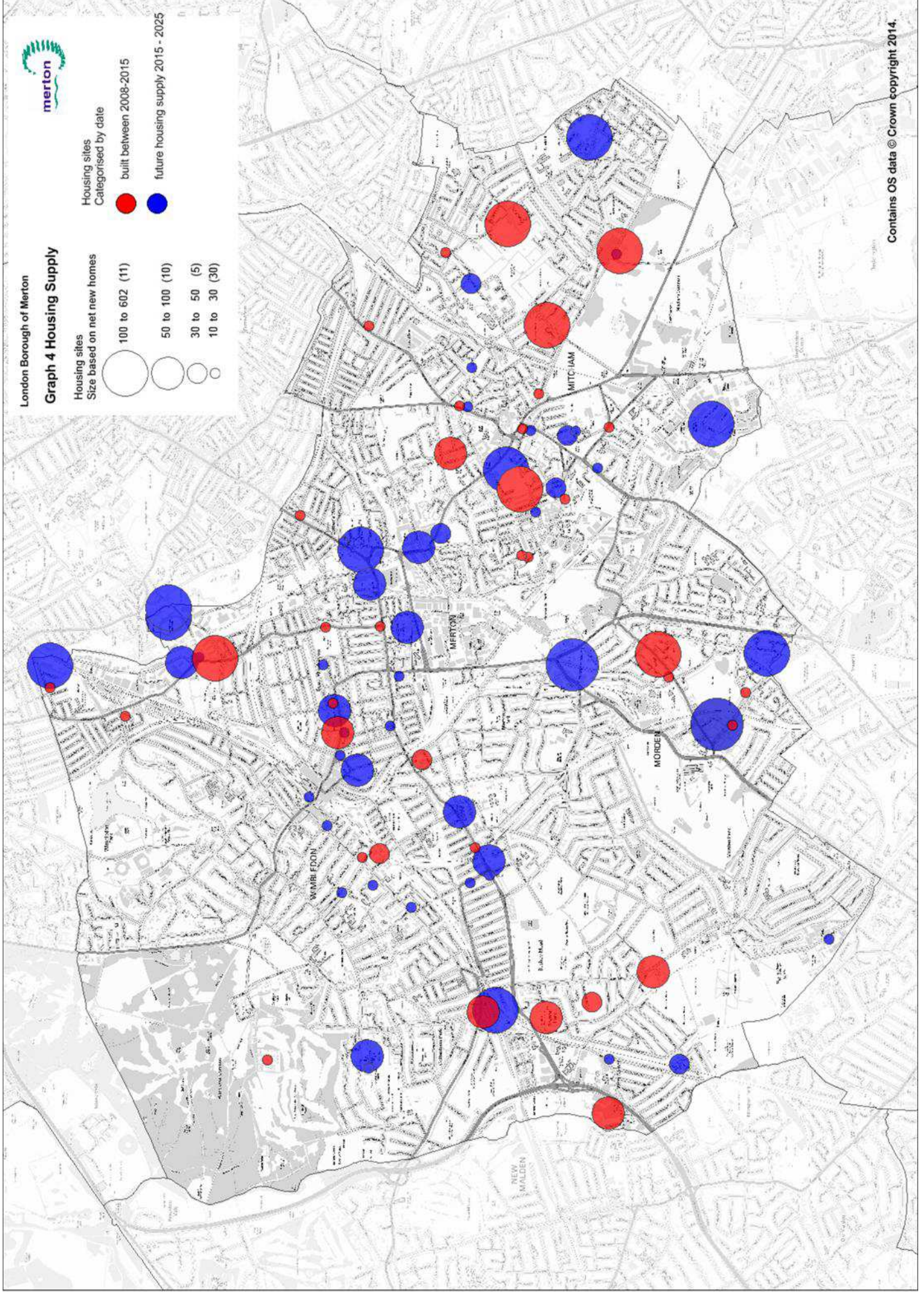
Housing sites
Size based on net new homes

Housing sites
Categorised by date



Red circle: built between 2008-2015

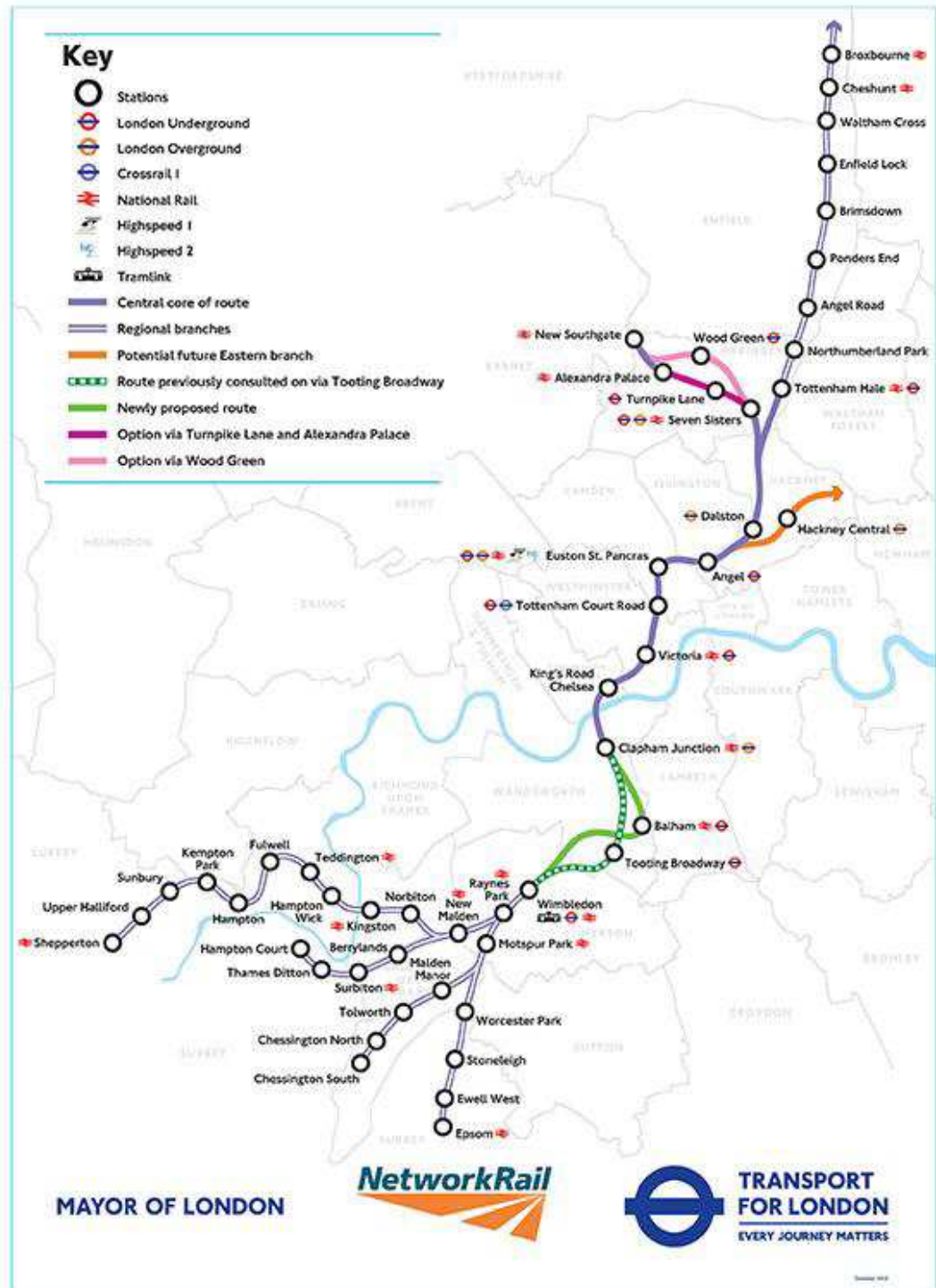
Blue circle: future housing supply 2015 - 2025



Crossrail2 - Wimbledon town centre

- 2.19. Crossrail2 is being planned as London's next major infrastructure project, following on the development of Crossrail1 which is due to open for service in three year's time. Crossrail2 is being proposed to run underground from south west London (Wimbledon) to north east London (Tottenham) with various stops and interchanges including Clapham Junction, Victoria and Tottenham Court Road. Overground it will connect directly to the Network Rail network. A map of the proposed route is included here.
- 2.20. Although Crossrail2 is currently unfunded, over the past year, government has carried out a significant amount of work in progressing the scheme.
- Merton's response and actions*
- 2.21. Wimbledon is the borough's economic powerhouse with half of the borough's jobs in the area. Over the past three years the council has been working with a wide range of organisations to make the most of the opportunities and mitigate the potential negative impacts arising from Crossrail2
- 2.22. **2013 Future Wimbledon Conference:** Merton Council and LoveWimbledon hosted an international conference of businesses, landowners, architects and developers to
- 2.23. **2014 Future Wimbledon Ideas Competition:** Merton Council and LoveWimbledon with CABE and the Design Council hosted a competition where local, national and international groups set out their ideas for the future of Wimbledon.
- 2.24. **2015 Merton Council's cross-party response to the Crossrail2 consultation** welcomed the principle of and opportunities for additional investment in Merton but raising concerns about the development process and long-term socio economic impacts of some of the proposals, particularly focussed on Wimbledon town centre and Weir Road industrial estate. The response is attached as Appendix C. to this report.
- 2.25. **2016 - 2019: FutureWimbledon masterplan.** The council, LoveWimbledon, Wimbledon competition winners (including the Wimbledon East Hillside Residents Association), the community, businesses, landowners will work together to develop a Future Wimbledon masterplan. Developed as a process of public consultation, the masterplan will set out the collective ambition for Wimbledon and develop deliverable actions and projects to manage change and co-ordinate investment arising from Crossrail2.
- 2.26. The Council through Future Merton is working with Crossrail 2 , local landowners, business , the community and other stakeholders to optimise the long term benefits of CR2 whilst seeking to sustain a viable and attractive town centre in the medium term.

Crossrail 2 route (autumn 2015)



2.27. Changes to the planning system

Over the past four years, as part of reducing red tape, government has made numerous changes to the planning system. These include allowing offices, small shops, light industrial units and other types of development to change to residential use without the need for planning permission.

2.28. The forthcoming Housing and Planning Bill, which will have its second reading in the Lords starting on 26 January 2016, proposes further changes to :

- The definition of new Starter Homes product, which will be classified as “intermediate affordable homes” in the planning system and a new duty on councils to promote the supply of Starter Homes prior to other types of affordable homes.
- Introduction of ‘banning orders’ for rogue landlords
- The introduction of a database of rogue landlords and letting agents, and measures to recover rent from these landlords.
- Provision for a regulatory ‘home ownership criteria’ to ensure housing associations introduce the Right to Buy or equivalent support for home ownership.
- The payment of ‘grant’ to providers to compensate for Right to Buy discounts from the government or the GLA.
- Provisions for councils to make a fixed payment to government each year, based on an estimate for the value of high-value vacant homes.
- A duty on councils to consider selling vacant high value housing.
- Powers to reduce regulatory control over registered providers.
- Powers to require higher earning social tenants to pay a higher rent in social housing.
- Duties on local authorities to award sufficient permissions to meet demand for custom building.
- Brownfield registers introduced and new ‘permission in principle’ for some sites.
- More intervention powers for the Secretary of State and the Mayor over planning permissions and some revisions to the Compulsory Purchase Order (CPO) process.

2.29. Together with London Councils, Merton Council is following the progress of this Bill and will update councillors once the Bill receives Royal Assent later in 2016. It is clear that there are a number of challenges and opportunities arising from this legislation which we will need to manage carefully for the benefit of the borough.

Air quality

- 2.30. The council is developing and implementing a variety of proposals to try and improve air quality. Across the borough, the council is considering a policy to incentivise motorists to use less damaging vehicles by imposing a surcharge for diesel vehicles in particular whilst encouraging electric vehicles and other less air polluting motor vehicles. It is expected that a draft policy will be available in the summer of 2016, leading to changes in residents permits from April 2017.
- 2.31. Funded by a successful bid to the Mayor's Air Quality Action Fund in 2013, we have been working to identify sources of pollution on the Willow Lane Industrial Estate and look at ways of controlling these in partnership with other agencies, including the Environment Agency and Willow Lane Business Improvement District
- 2.32. This project also has a strong business engagement component aimed at raising the profile of air quality and practical steps that businesses could take to change the way staff travel to and from work. As part of this project the council has been promoting a range of sustainable programmes to businesses in Willow Lane, such as cycle training, Dr Bike maintenance, eco driving assessments and free oyster cards to encourage modal shift and healthier lifestyle options.
- 2.33. The project also includes air quality monitoring aimed at potentially harmful particulate matter. This monitoring is in partnership with Merton's Pollution Team and their joint service partners in Richmond.
- 2.34. The project is still ongoing and will include a final report of activities and outputs. Since Connect House in Willow Lane is to be used for resident dwellings the issue of air quality will become even more important on the estate.

Solar photovoltaic panels - Merton Council investment

- 2.35. After £2.3 million of direct investment over 5 years Merton has one of the largest Borough portfolios of solar panels in London - saving money and reducing carbon emissions .
- 2.36. As a result of the council's investment programme we have 34 systems producing electricity for 27 sites including 14 schools and 6 libraries and community centres. The list of sites with solar panels is included as Appendix A.
- 2.37. Last year, these systems saved 385,989 kg of CO2 and generated 713,414 kWh of electricity (equivalent to boiling 6,258,549 1 litre kettles or running 4072 energy saving light bulbs for the whole year) reducing electricity bills for these buildings and for the council.
- 2.38. *Solar Panel systems are measured in kiloWatt peak (kWp), which is the total amount of power the system could produce in perfect conditions. For reference a domestic size system is 2- 4 kWp.
- 2.39. Importantly, this investment has been based on a robust business case for each round of installations, representing good value for money for council taxpayers. Sites have been carefully selected based on their capacity for solar panels and the financial return to the council. The business cases

demonstrate a financial return to the council of above 4%, with systems paying back their investment in under 10 years and continuing to benefit sites for the 25 year lifetime of the panels

- 2.40. The council's programme has installed solar panels on the largest and most viable roofs in the council's control however, the lack of remaining large roofs combined with changes to government support for renewable energy announced in December 2015 mean that future installation programmes may be more challenging to achieve.
- 2.41. The council's 2016 programme is focussing on some of the remaining viable primary schools and we will be looking at the 4 Private Finance Initiative (PFI) secondary schools: Raynes Park High School, Rutlish, Richards Lodge and Harris Morden. Under the PFI contract the council pays for the energy costs for these sites and therefore they should provide the council with a strong long term investment, saving for the schools and the council for years to come.

3 SCRUTINY FEEDBACK

3.1. Pre-decision scrutiny

- 3.2. The Sustainable Communities Panel has undertaken pre decision scrutiny on a number of strategic issues and priorities of the council, including. This included:

- Inward Investment Strategy – The Panel made recommendations regarding the development of the council's inward investment strategy as part of its task group review of adult skills and employability and asked to comment ahead of their consideration by Cabinet. The Panel made recommendations on the nature of the activities the council could undertake to promote the borough as a great place for business.
- Economic Development Strategy – The Panel received a progress update on delivery of the councils economic development strategy.
- 20 Mph zones/road safety – The Panel considered the outcome a review of the operation of 20mph zones and limits by an independent consultant and considered the options for Merton. The Panel supported that 20mph zones and limits should be considered on a case by case basis in the borough and recommended that Cabinet investigate radar based technology and signage, and associated costs and benefits to manage speeds.
- Street Lighting - The Panel considered the councils approach to street lighting and possible technology that could be used, including the position of the council's street lighting contract.

3.3. Housing supply

- 3.4. The Panel set up a task group to establish how the supply of affordable housing could be facilitated to meet identified need in the borough. The task group looked at the role of the council as an enabler of housing development, opportunities for partnership working and the business case for the council as a provider of social housing.

- 3.5. The recommendations resulting from the review sought to:

- build stronger relationships with housing associations and the private rented sector, acknowledging the key role they play in meeting housing need;
 - strengthen the Council's position as an enabler of housing development, in its engagement with private developers and seeking to deliver the maximum amount of affordable housing possible;
 - ensure that Affordable Housing Viability Assessments will be shared with members of the Planning Applications Committee
 - encourage the role of the Council as a provider of housing; and
 - support those in priority need and on the Council's Housing Register to access affordable housing
- 3.6. Cabinet endorsed the task group review at its meeting in October 2015 and agreed to investigate recent government changes in affordable housing rules and finance and to then submit an executive response to the Panel. This was received by the Panel at its meeting in January 2016. The Panel will continue to scrutinise progress on this work.
- 3.7. Other work
- 3.8. The Panel has continued to keep an overview of the delivery of the recommendations and action plans resulting from its task group review Climate Change and Green Deal Task Group.
- 3.9. The Panel receives a presentation every six months on progress with delivery of the regeneration programme for each of the town centres in Merton.
- 3.10. The Panel receives regular reports on the performance of Circle Housing Merton Priority Homes and progress on its regeneration projects.

4 ALTERNATIVE OPTIONS

- 4.1. None for the purposes of this report.

5 CONSULTATION UNDERTAKEN OR PROPOSED

- 5.1. None for the purposes of this report.

6 TIMETABLE

- 6.1. None for the purposes of this report.

7 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 7.1. None for the purposes of this report.

8 LEGAL AND STATUTORY IMPLICATIONS

- 8.1. None for the purposes of this report.

9 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 9.1. None for the purposes of this report.

10 CRIME AND DISORDER IMPLICATIONS

10.1. None for the purposes of this report.

11 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

11.1. None for the purposes of this report.

12 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

Appendix A – list of council-owned sites with solar panels through proactive council investment programme

Appendix B – Progress against sustainable communities performance indicators

Appendix C – Merton Council response to Crossrail2 consultation, January 2016.

APPENDIX A: LIST OF COUNCIL-OWNED BUILDINGS WITH SOLAR PANELS

This list is accurate as at January 2016 and relates to the council's proactive investment programme in renewable energy. It does not include sites where solar panels or other renewable energy equipment have been installed as a requirement of the planning system.

Where a site is listed twice, it is because the solar panel system was expanded.

	Site Name	System size (kWp)*
1a.	Haslemere Primary School 1	9.80
1b.	Haslemere Primary School 2	67
2a.	Lonesome Primary School 1	9.80
2b.	Lonesome Primary School 2	39.50
3a.	Corporate Archive 1	25.38
3b.	Corporate Archive 2	27
4a.	High Path Day Centre 1	9.4
4b.	High Path Day Centre 2	48
5.	Jan Malinowski Centre	49.35
6	Lavender Childrens Centre	28.20
7.	Street Sweeping & Salt Store	20.68
8.	Transport Offices & Workshop	24.44

9.	Beecholme School	49.98
10a.	William Morris School 1	49.98
10b.	William Morris School 2	96.25
11a.	SMART Centre 1	12
11b.	SMART Centre 2	12
12a.	Canons Leisure Centre Sports Hall	80
12b.	Canons Leisure Centre Swimming Pool	80.5
13.	Stanford Primary School	71.5
14.	Cricket Green School	48.25
15.	Cranmer Primary School	50
16.	West Wimbledon Primary School	46.25
17.	Bond Road Primary School	39.5
18.	New Horizon Centre	24.25
19.	Pollards Hill Library	20.5
20.	Wimbledon Leisure Centre	64
21.	Garfield Primary School	85
22.	Malmesbury Primary School	37
23.	Merton Hall	30
24.	Chaucer Centre	24.5
25.	Liberty Primary School	50
26.	Mitcham Library	24
27.	Wimbledon Park Primary School	70









APPENDIX B: SUSTAINABLE COMMUNITIES PERFORMANCE INDICATORS

The performance indicators for Sustainable Communities are listed below.

Many of the indicators are monitored annually so monitoring for the financial year 2015-16 will only be available after the end of March 2016.

From 2016-17 performance indicators will be introduced to measure air quality in the borough.

Performance against energy and carbon savings from the council's buildings is measured by Facilities Management (corporate services)

Performance Indicators Code & Description	YTD Result	Annual YTD Target	YTD Status	April 2014-March 2015 reporting	Notes
SP 020 New Homes (annual)	459	320		2014-15	
SP 257 % Town centre vacancy rates (Quarterly)	4.9%	10%		Q3 2015-16	
SP 263 % modal share for walking and cycling in the borough (annual)	33	36		2014-15	
SP 265 Reduce total no. killed or seriously injured in road traffic accidents (annual)	32	44		2014-15	
SP 382 New jobs created - number of apprenticeships (Annual)	100	60		2014-15	
SP 383 Number of new businesses created through the Economic Development Strategy (EDS) (Annual)	157	100		2014-15	
SP 395 Number of new jobs created through the Economic Development Strategy (EDS) (annual)	176	300		2014-15	Performance has increased in 2015-16 due to momentum built up on EDS projects as set out in this report.
SP 396 % modal increase in cycling from 2% baseline in the borough (annual)	3%	0.5%		2014-15	

