

Amendments to national planning policy and associated changes to securing affordable housing contributions from 1-10 units in Merton

December 2014

1. As of Friday 28 November 2014, the Government amended National Planning Policy Guidance to state that planning obligations (section 106 planning obligations) requiring a financial contribution towards affordable housing should not be sought from small scale and self-build development.
2. Following this change, the council can no longer seek financial contributions towards affordable housing on schemes of 1-9 units with a gross area of no more than 1,000sqm; consequently part of Section (d) of Merton's Core Planning Strategy policy CS8 *housing choice*, no longer applies.
3. The new government guidance means that planning obligations on affordable housing and other matters can only be applied to schemes of 11 new homes or more or 1-10 new homes with a total gross floorspace of more than 1,000sqm. For example:
 - The development of 10 homes with a total gross floorspace of 999sqm **is exempt** from affordable housing and other planning obligations.
 - The development of 7 new homes with a total gross floorspace of 1,001 sqm **is not exempt** from affordable housing and other planning obligations. Therefore the council can still seek financial contributions to affordable housing in planning obligations (Section 106 agreements) from small sites where the total gross floorspace is over 1,000sqm..
4. Necessary site-specific infrastructure, such as a cycle park link, is not affected by this new Government policy and can continue to be secured through planning obligations in order to make the development acceptable in planning terms.
5. The application of Merton's Community Infrastructure Levy is not affected by this change.
6. The table below is an extract from Merton's Core Planning Strategy policy CS8 *housing choice* (section d), illustrating the amendments to the policy.

Merton's Core Planning Strategy policy CS8 *housing choice*, section (d)

Table 18.1 Affordable housing requirements for Merton

Threshold	Affordable housing units	Affordable housing tenure split	Provision requirement
<p><u>Major planning applications</u></p> <p>11 units or more</p> <p>10 unit schemes, subject to also having a maximum combined gross floorspace of more than 1,000sqm.</p>	40%	60% Social Rented and 40% Intermediate	<p>On-Site:</p> <p>Only in exceptional circumstances will the council consider the provision of affordable housing off-site or financial contributions in lieu of provision on-site and this must be justified.</p>
<p><u>Minor planning applications</u></p> <p>Schemes of 1-9 units that also have a maximum combined gross floorspace of more than 1,000sqm.</p>	20%	60% Social Rented and 40% Intermediate	<p>Provision of an affordable housing equivalent to that provided on-site as a financial contribution.</p>

7. This amendment to the NPPG takes precedence over adopted Local Plan policies, in accordance with the Planning and Compulsory Purchase Act 2004 Section 38(5) as it is a more recently published document.
8. This advice has been prepared in conjunction with the council's legal team and in consultation with other councils, including Richmond, Islington and Enfield, which have similar policies on affordable housing in their Local Plans.