

LB Sutton's Response to Panel's Question

7 December 2018



Matter 28: Housing Size Mix

a) Does the dwelling size and mix identified in the 2017 SHMA provide a robust and realistic assessment of London wide needs?

- 1.1** The London Borough of Sutton does not consider that the dwelling size and mix identified in the 2017 SHMA (NLP/HOU/001) provides a robust and realistic assessment of London-wide needs. As such Policy H12 'Housing Size Mix' is not justified, as it is not based on the most appropriate strategy, and is not effective, as it is not deliverable. Therefore, Policy H12 is unsound.
- 1.2** Table 1 below sets out the housing mix requirements in the recently adopted Sutton Local Plan (2018) compared to the housing mix requirement in Table 4.3 of the draft London Plan. This shows there is a wide variation between the housing mix requirements at a local level compared to a pan-London level. For example, Sutton's Local Plan indicates a need for 20% 1-bed units, 30% 2-bed units and 49% 3-bed+ family units, compared to pan-London requirements of 55% for 1-bed units (+25%), 16% for 2-bed units (-14%) and 28% for 3-bed+ family units (-21%). There are similarly large variations when the breakdown of market and affordable housing are compared. The council has considerable confidence in its own housing mix analysis because the low 1-bedroom market requirement can be attributed to the significant amount of office-to-residential conversions the borough has experienced since 2013 and the relatively high requirement for 1-bedroom affordable units is a function of the lack of affordability for new entrants to the housing market.

Table 1: LB Sutton Housing Mix vs draft London Plan Housing Mix

Number of Bedrooms	Market		Affordable		Total	
	Sutton	GLA	Sutton	GLA	Sutton	GLA
1 bedroom	8%	46%	39%	60%	20%	55%
2 bedroom	28%	9%	35%	20%	30%	16%
3 bedroom+	65%	45%	27%	20%	49%	28%

*Source: LB Sutton SHMA (2016) and draft London Plan SHMA (2017) *some columns do not add up to 100% due to rounding*

- 1.3** Identifying a housing mix at a pan-London level clearly disguises local variations, as shown above, which are significant in a city such as London where wealth, deprivation, demographics and character are so varied. This has been acknowledged by the Inspectors into the 2011 London Plan, who stated: *“The reality is that within one regional market there are a number of submarkets in inner and outer sectors that have their own characteristics, with considerable variations in types of accommodation, tenure, rents and sale prices.”*¹
- 1.4** The Mayor’s approach places too much emphasis on the delivery of smaller units and underestimates the need for larger family homes. It is not robust or realistic to insist the pan-London housing mix is applied at a borough-level. Therefore delivering a housing mix consistent with the prescriptive requirements of Table 4.2 of the draft London Plan would fail to meet locally identified need.
- 1.5** The council expresses strong reservations toward by the Mayor’s restriction on boroughs setting local dwelling size mix, which clearly strays well beyond providing a strategic framework for London. It is clear that boroughs should be able to set their own housing mix requirements based on locally identified need to help deliver the homes that London needs. Therefore the council considers that Part C of Policy H12 should be deleted, as set out in paragraph 1.14 at the end of this statement.

b)

- 1. Would Policy H12 provide an effective and justified strategic framework to deliver the mix of homes needed?**
- 2. What is the justification for preventing boroughs from setting prescriptive dwelling size mix requirements for market and immediate homes and would this approach be effective? Would it provide sufficient flexibility to meet local needs?**
- 3. In light of this and the need to optimise density would it make a sufficient contribution towards family homes?**

- 1.6** The London Borough of Sutton has broken down question b) into 3 parts. A response to each is provided in turn below.

Part 1 – Is the strategic framework justified and effective

- 1.7** The council considers that it has addressed this point in response to question a). In short, Policy H2 does not provide an effective and justified strategic framework, because: (a) it sets a prescriptive housing mix based on a pan-London SHMA, which significantly distorts the local variations in housing mix requirements; and (b) it prevents boroughs from setting its own requirements based on far more effective and justified local evidence. To address this the

¹ From Paragraph 48 of Case CO/16997/2013, London Borough of Islington *et al* and The Mayor of London

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London Borough of Sutton considers that Part C of Policy H12 should be deleted.

Part 2 – Justification for preventing local housing mix

- 1.8** The London Borough of Sutton does not consider there is any justification, whatsoever, for preventing boroughs setting its own dwelling mix requirements at a local level, and is yet to see any evidence from the Mayor. Such a prescriptive approach offers no flexibility to boroughs to respond to local circumstances and will lead to the delivery of the wrong housing mix at a borough level.
- 1.9** It is clear that the delivery of Policy H12 would not be effective, as it over estimates the requirement for 1-bed units and underestimates the importance of delivering family sized accommodation. For example, if Sutton were to deliver the housing mix required by the draft London Plan, it would significantly over deliver the local requirement for 1-bed units (both market and affordable), under deliver the local requirement for 2-bed units (both market and affordable) and under deliver the requirement for 3-bed+ family homes (both market and affordable). Delivering the correct housing mix that meets borough need is essential if London is to achieve the objectives of Policy GG1 'Building strong and inclusive communities'.
- 1.10** It is also clear that such an approach is not consistent paragraph 50 of the NPPF (2012) which requires councils to "*identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand*" and paragraph 159, which requires councils to "*identify the scale and mix of housing and the range of tenures that the local population is likely to need*". Furthermore, it does not reflect the findings of the Inspector's Report on the FALP, which concludes at paragraph 23 that it is not necessary for London boroughs to produce individual assessments of overall need but it is necessary for boroughs to identify local need relating to size and type of housing that is required at a local level. The council supports this conclusion.

Part 3 – Will Policy H12 provide sufficient family homes?

- 1.11** No. The London Borough of Sutton considers that Policy H12 will fail to deliver Sutton's locally identified need for 3-bed+ units and it will undermine the wider delivery of family homes across London too. A lack of sufficient supply of new 3-bed+ units will be compounded by draft Policy H2, which advocates the sub-division of family houses to smaller units. In short, the draft London Plan will result in a lack of new family homes being delivered, and will reduce the existing stock, which will make it even less affordable for families to live in London.

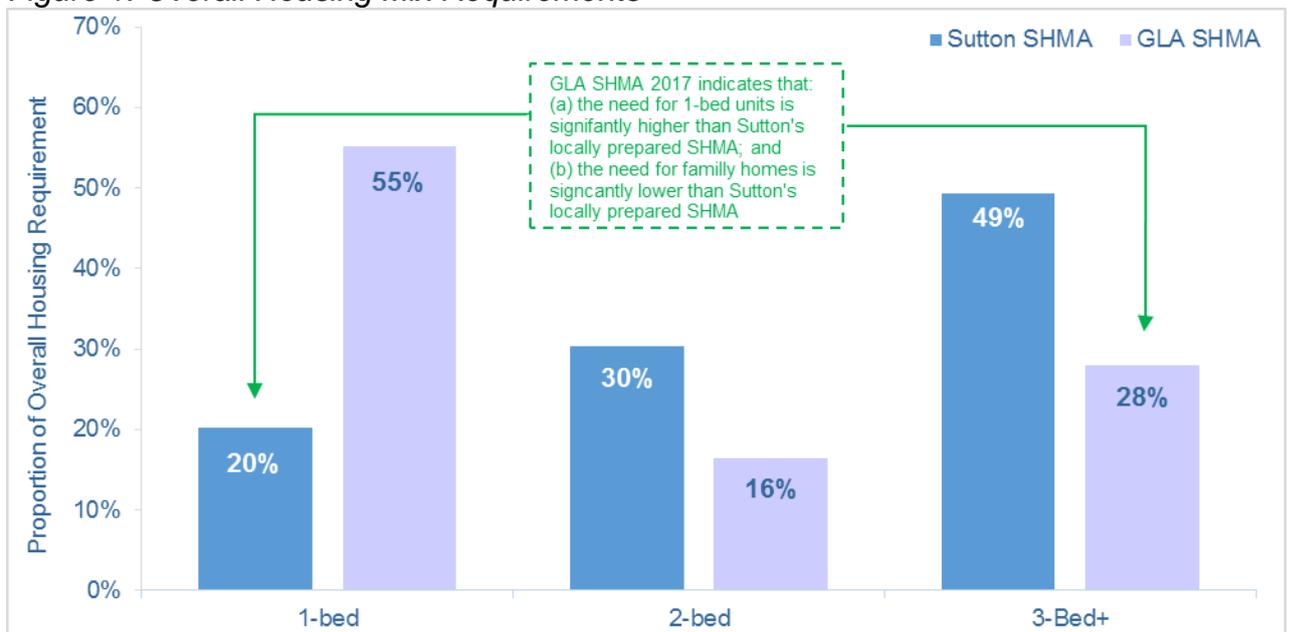
c)

Overall, would it meet the objectives of Policy GG4 to deliver the homes Londoners need?

1.12 The London Borough of Sutton considers that Part C of Policy GG4, which states that boroughs must “*create mixed and inclusive communities, with good quality homes that...provide for identified needs*”, is not achievable alongside the delivery of the housing mix prescribed by Table 4.3 of the draft London Plan. This is because the housing requirements identified in the pan-London SHMA are too broad and hide the wide variations in housing need across London that have been identified in borough-level studies.

1.13 For example, if Sutton were to deliver the housing mix requirements of Policy H12 there would be a significant over supply of small units (1-bed) and a significant under supply of larger family homes (3-bed+). This is illustrated in Figure 1 below.

Figure 1: Overall Housing Mix Requirements



LB Sutton SHMA (2016) and draft London Plan SHMA (2017)

1.14 In summary, preventing boroughs from setting their own local housing mix, based on locally prepared evidence, is not consistent with the requirement of Policy GG4 to create “*mixed and inclusive communities*” and is specifically contrary to “*providing for identified need*”. As a result, the overarching objective of the policy of “*Delivering the homes Londoners need*” will not be met. The housing crisis in London will not be properly addressed by just delivering more homes, it is essential that the right types of homes are delivered too.

Overall Conclusion on Matter 28 'Housing Size Mix'

1.15 The London Borough of Sutton considers that the Mayor has strayed beyond his strategic remit in this instance and that housing mix requirements should be left to boroughs to determine. To address the soundness issues in Policy H12, the council considers that the following change should be made:

Changes Required to make Policy H12 of the Draft London Plan sound

~~C — Boroughs should not set prescriptive dwelling size mix requirements (in terms of number of bedrooms) for market and intermediate homes.~~