



## PLACES OVERVIEW AND SCRUTINY COMMITTEE

**Subject Heading:**

Housing Targets and Larger Homes

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**Policy context:**

National Planning Policy Framework  
London Plan 2021  
Havering Local Plan 2016-2031

### SUMMARY

This report provides an overview of the Council's housing targets and supply and demand with a particular focus on larger family houses.

The report explores the policy requirements in relation to larger homes and how the Council is seeking to maximise their provision. The report also outlines the challenges in securing these types of homes through the planning process.

### RECOMMENDATIONS

This report is for information only.

### REPORT DETAIL

## **1. Policy Background**

### **The London Plan**

- 1.1. The London Plan 2021 sets out a housing target for Havering of 12,850 new homes between 2019/20 and 2028/29 (or 1,285 homes per annum).
- 1.2. The London Plan sets a strategic target for 50% of all new home delivered across London to be genuinely affordable. The Plan also applies a threshold approach to the delivery of affordable housing. Applications that meet a 35% threshold or 50% threshold on industrial land or public sector land are not required to submit viability evidence in support of their application.
- 1.3. In relation to housing size mix, the London Plan Policy H10 states that schemes should generally consist of a range of unit sizes. To determine the appropriate mix of unit sizes (i.e. number of bedrooms) applicants and decision makers should have regard to a number of factors:
  1. Robust local evidence of need
  2. The requirement to deliver mixed and inclusive neighbourhoods
  3. The need to deliver a range of unit types at different price points across London
  4. The mix of uses in the scheme
  5. The range of tenures in the scheme
  6. The nature and location of the site, with a higher proportion of one and two bed units generally more appropriate in locations which are closer to a town centre or station or with higher public transport access and connectivity
  7. The aim to optimise housing potential on sites
  8. The ability of new development to reduce pressure on conversion, subdivision and amalgamation of existing stock
  9. The need for additional family housing and the role of one and two bed units in freeing up existing family housing.

### **The Havering Local Plan 2016-2031**

- 1.4. The Havering Local Plan was adopted in 2021 and sets out how the housing targets in the London Plan will be delivered.
- 1.5. The Local Plan also sets out requirements in relation to housing mix.
- 1.6. Policy 5 states that all housing schemes should include a proportion of family sized homes and reflect the housing mix identified in table 4 (see below) unless it can be robustly demonstrated that a variation to the mix in table 4 is justified have regards to individual site circumstances including location, site constraints, viability and the achievement of mixed and balanced communities.

Table 4 Borough wide housing mix

	1 Bed	2 Bed	3 Bed	4+ Bed
Market Housing	5%	15%	64%	16%
Affordable Housing	10%	40%	40%	10%

- 1.7. The housing mix set out in Table 4 is based on the Outer North East London Strategic Housing Market Assessment 2016 which forms part of the evidence base for the Local Plan.
- 1.8. A Strategic Housing Market Assessment (SHMA) is developed as part of a suite of evidence to inform a local plan.
- 1.9. SHMA's provide the evidence which establishes the full Objectively Assessed Need (OAN), or total need, for housing in a Housing Market Area (HMA). In addition, the SHMA breaks the OAN down into the appropriate mix of housing types needed, size and range of tenures (affordable rent, owner occupied etc.). Whilst the SHMA covers the outer North East London Boroughs, it provides individual results on a borough basis reflecting the circumstances of each borough.
- 1.10. For market housing, the 2016 SHMA identified that 64% of the need is for 3 bed units and a further 16% is for 4 bed units. Only 5 % of need is for 1 bedroom properties.
- 1.11. The 2016 SHMA identified that 40% of the need for affordable homes was for 2 bedroom properties and a further 40% for 3 bed properties. Currently, the Council seeks to prioritise larger 2 and 3 bed affordable homes (2 bed 4 person and 3 bed six person) as these properties can help to reduce issues such as overcrowding and older opposite sex children sharing bedrooms.
- 1.12. A new SHMA is due to be prepared and this will provide updated evidence on the need for affordable housing and the types of homes that are required

### **The Planning Process and securing larger homes**

- 1.13. The requirements of Local Plan Policy 5 are explained to any applicant seeking pre application advice or submitting a planning application.
- 1.14. There are always a number of competing policy requirements that have to be considered. This includes (but is not limited to):
- Affordable housing requirements

- Provision of amenity space
- Achieving high quality design
- Carbon reduction and air quality targets
- New access / roads

## Viability

- 1.15. In plan making, and decision-making, viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission.
- 1.16. The local plan assessment of viability was carried out in 2017 in the “Havering Local Plan – Viability Assessment”, and looked at the affordability of new homes of different sizes and tenures, to inform the policies in the then developing Havering Local Plan. The now adopted policies on Affordable Housing (Policy 4) and Housing Mix (Policy 5) reflect this by requiring more affordable homes and a housing mix that requires larger homes in new development.
- 1.17. Impacts from Covid, Brexit and recent rise in the cost of living may all have impacts that need to be considered in any forthcoming review of viability. This review will be commissioned as part of the evidence base for the update to the Local Plan.
- 1.18. Site specific viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development (sale or letting) is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return. Developers will generally expect a profit of approximately 20% to consider a development as viable. Officers work on each application to maximise the benefits for the new development, the location of the development impacts on this.

## 2. Delivery of family homes in Havering

- 2.1 The number of family homes delivered in Havering is below the level needed, but it has increased over recent years.

Year	2019/20	2020/21	2021/22
3/3+ bedroom units completed (as a % of total)	21%	31%	37%

completions			
Total Completions	508	512	630

2.2 It is anticipated that with the introduction of a stronger, more robust policy in the Local Plan in 2021 this upward trend should continue

### Case Studies

2.3 There are a number of recent examples of where Members have approved development with larger units.

2.4 Planning committee members often raise concerns about the level of family housing within schemes that are presented to them. The planning committees have to make difficult decisions balancing a number of competing policy requirements. It is also necessary to take account of the various provisions set out in Local Plan Policy 5 and London Plan Policy H10 (see paragraph 1.3 of this report) which provide some flexibility in relation to the required housing mix.

2.5 It is worth noting that all of the applications below were submitted to the Council prior to the adoption of the Havering Local Plan in November 2021. It is anticipated that the policy on family homes in the Local Plan will start to take effect and increase the delivery of 3+units. This will be monitored through the Council's Authority Monitoring Report which is published annually

Application Number	Address	Total Number of units	Unit Size Mix
P1789.21	23 -25 Victoria Road, Romford	37	21% 1-bed 60% 2-bed 19% 3-bed
P0615.21	Former Ice Rink, Romford	up to 972	40% 1-bed 46% 2-bed 15% 3-bed
P0883.20	Havering College of Further and Higher Education Tring Gardens	120	10% 1-bed 38% 2-bed 52% 3-bed
P0761.20	Waterloo Estate	Up to 1,380	10% studios 31% 1-bed 44% 2-bed 15% 3-bed
P0751.19	Napier House and	197	44% 1-bed

	New Plymouth House, Rainham		46% 2-bed 10% 3-bed
P1809.19	Solar Court, Serena Court, Hornchurch	197	44% 1-bed 46% 2-bed 10% 3-bed

2.6 Across the borough, in addition to small infill sites, small houses (such as bungalows) are replaced with one or more larger properties. Generally the replacements are the larger 3 or more bedroomed properties, suitable for families. Although annually it could be considered a relatively small number, it is predicted to be over 2,600 over the life of the local plan. (Housing Trajectory, 2019).

### 3. Local Plan Update

3.1. The Havering Local Plan was adopted in November 2021 following consultation on Main Modifications. The Main Modifications included a commitment to an immediate update of the Local Plan. The update is required as the Local Plan was examined in light of the NPPF 2012 and the London Plan 2016, both of which have since been superseded. The Local Plan update will also include Site Specific Allocations for specific development sites.

3.2. The process of updating, consulting and adopting an updated Local Plan will follow a number of stages:

- Preparation of the evidence base – updated evidence will be required for a number of topic areas to ensure updated Local Plan policies reflect local conditions and needs.
- Regulation 18 Draft Local Plan – The updated evidence base will inform the Regulation 18 Draft Local Plan, which will set out the main issues that need to be addressed. Following internal consultation and approval by Cabinet this document will go out for public consultation. The Regulation 18 consultation is expected to take place in Spring 2023.
- Regulation 19 Draft Local Plan – The Draft Local Plan will be refined as a result of comments received during the Regulation 18 consultation and any further evidence base updates. The Regulation 19 Draft Local Plan will go through internal consultation, and following approval by Cabinet, will go out for public consultation.
- Submission to Planning Inspectorate (PINS) – The Draft Local Plan along with comments received during the Regulation 19 consultation will be submitted to PINS. Subsequently PINS will establish a timetable for examination of the Draft Local Plan.

- Examination and Adoption – Following examination and any further consultations and modifications that may be required by the Planning Inspector the Council will be able to adopt the updated Local Plan.

3.3. The evidence base required to support the Local Plan update includes:

- An assessment of Housing and Economic Land Availability and identification of a 5 year housing land supply.
- Housing Needs Assessment (usually known as the Strategic Housing Market Assessment)
- Employment Evidence (Employment Land Review and Retail study)
- Strategic Flood Risk Assessment
- Characterisation Study
- Infrastructure Delivery Plan
- Open Space, Sport and Playing Pitch Evidence
- Biodiversity and Green and Blue Infrastructure Evidence
- Viability Assessment

3.4. Further studies may also be required for the Green Belt, Transport and for Site Specific Allocations.

3.5. The Planning Service is currently in the process of commissioning the following work as a priority:

- Strategic Housing Market Assessment (SHMA) – The SHMA will provide an objective assessment of the need for private and affordable housing (including supported housing) within the borough and the wider outer north East London housing market area (covering Havering, Redbridge and Barking and Dagenham). This will include analysis of the size, type, tenure and range of housing that is required. A SHMA is required to cover a housing market area which is defined as *‘a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work’*. The study will be jointly commissioned with Redbridge Council in order to reduce costs and demonstrate cross borough working to the Local Plan Inspector.
- Employment Land Review – this will assess the supply, need and future demand for employment land and premises.
- Characterisation Study Baseline Data - this will analyse urban form, built typologies, heritage, open spaces and movement in the borough to inform design policies in the Local Plan and design guidance.
- Open Space, Playing Pitches and Indoor Sports Baseline update – this will update data on the quantum, location, accessibility and quality of open space and sports facilities.

- Sites of Importance for Nature Conservation Surveys – this will involve a resurvey of existing SINCS and the identification of potential new SINCS in order to continue to protect biodiversity in the borough.
- 3.6. In addition to the above commissions the Planning Service is also preparing an updated Infrastructure Delivery Plan, this will identify gaps in infrastructure and provides evidence on how future infrastructure needs will be met. The Infrastructure Delivery Plan can also form part of the evidence base for any proposed changes to Havering's Community Infrastructure Levy.
- 3.7. The Local Plan update will include Site Specific Allocations. These will update the Site Specific Allocations Document 2008 and Romford Area Action Plan 2008 allocations; allocate sites that can help meet the development and infrastructure needs of the borough; and provide guidance on how these sites can be developed. The Site Specific Allocations can set out specific requirements for each site, including housing mix targets.



## IMPLICATIONS AND RISKS

### **Financial implications and risks:**

This report is for information only, there are no financial implications or risks.

### **Legal implications and risks:**

This report is for information only, there are no financial implications or risks.

### **Human Resources implications and risks:**

This report is for information only, there are no implications or risks for human resources.

### **Equalities implications and risks:**

This report is for information only, there are no equalities implications or risks.

For information, a full EQIA was undertaken as part of the progression of the Havering Local Plan.

### **Health impact implications and risks:**

This report is for information only, a health impact assessment was undertaken as part of the progression of the Havering Local Plan

## ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

This report is for information only, there are no environmental of climate change implications and risks.

## BACKGROUND PAPERS

None

## **Appendix 1 Detailed Case Studies**

It is worth noting that all of the applications below were submitted to the Council prior to the adoption of the Havering Local Plan in November 2021. It is anticipated that the policy on family homes in the Local Plan will start to take effect and increase the delivery of 3+units. This will be monitored through the Council's Authority Monitoring Report which is published annually.

<b>Application Number</b>	<b>Address</b>	<b>Description of scheme</b>	<b>Total no. of units</b>	<b>Unit size mix</b>	<b>Planning Committee Report comments on Mix</b>
P1789.21	23 -25 Victoria Road, Romford	Erection of a part five storey and part six storey mixed-use development	37	21% 1-bed 60% 2-bed 19% 3-bed	Whilst the percentage of one beds does not comply with Policy 5, it is recognised that this is a constrained town centre site, where there is less scope to provide a greater number of larger units with the provision of appropriate levels of amenity space, and with the need for the scheme to be economically viable, thus on balance the proposed mix of housing for this development is considered to be acceptable.
P0615.21	Former Ice Rink, Romford	Mixed use scheme	up to 972	40% 1-bed 46% 2-bed 15% 3-bed	The committee report concluded that whilst the housing mix does not comply with Policy 5 of the Local Plan, the applicant has engaged the Council Housing Team in establishing and agreeing the preferred unit mix in order to maximise the level of family units from the site, in line with prevailing policies. This was deemed important, as this site is one of the only strategic sites in the Romford Strategic Area that has the potential to deliver a significant proportion of larger housing, particularly affordable housing. On this basis, the committee report determined no objection to the tenure mix as proposed by the applicant.
P0883.20	Havering College of Further and Higher Education Tring Gardens	Residential redevelopment with associated car parking, landscaping, open space, play space and infrastructure.	120	10% 1-bed 38% 2-bed 52% 3-bed	The committee report concluded that whilst the housing mix does not fully comply with Policy 5 of the Local Plan, attention was given to supporting text to London Plan Policy H10. This notes that "the nature and location of the site, with a higher proportion of one and two bed

					<p>units generally more appropriate in locations which are closer to a town centre or station or with higher public transport access and connectivity.”...”the need for additional family housing and the role of one and two bed units in freeing up existing family housing.” The report determined that as the majority of the units proposed are two and three bed, which on balance, would provide the required mix in this location. The report also concluded that one bed and two bed 3person units will be suitable for first time buyers and couples. The two bed 4person units would also be suitable for young families as recognised in the London Plan. As such, it is considered that the unit mix would be appropriate and would accord with development plan policies.</p>
P0761.20	Waterloo Estate	Residential redevelopment with flexible commercial floorspace, community floorspace, open space and associated public realm improvements, parking, play space, highways improvements and central cycle route	Up to 1,380	<p>10% studios 31% 1-bed 44% 2-bed 15% 3-bed</p>	<p>The proposed mix for social rent/affordable units has been led by the Council’s local housing need and therefore meets the relevant suggestions in the Housing Strategy. It should also be noted that the percentages of the affordable mix of housing also has taken on board the need to reprovide the existing mix of social rented housing and there would be no less 2-bedroom and 3-bedroom units that previously existed on the site.</p> <p>The intermediate housing would have a shortfall of the suggested percentage of 3-bedrooms, as does the proposed amount of private market units when compared against the indicative mix of Policy DC2 and Draft Policy 5 of the Local Havering Plan. However, in this instance it is considered that the overall housing mix would provide a good mix of unit sizes when taking into account the site’s location on the edge of a Town Centre, the public transport</p>

					accessibility and the fact that the unit size mix of social rent accommodation has been led by local need. It should also be noted that the provision of further 3-bedroom units within the private market tenure units would potentially make the scheme even less viable than it currently stands
P0751.19	Napier House and New Plymouth House, Rainham	Residential Redevelopment	197	44% 1-bed 46% 2-bed 10% 3-bed	The current application proposes a total of 197 residential units with a division of 44% one beds, 46% 2 beds and 10% 3 beds. This mix results in low levels of 3 bedroom family units and therefore fails to fully comply with the policy mix requirements. However unlike a number of these flatted developments, the application proposes 10 duplex apartments at ground floor and first floor which are supported and encouraged...it should be noted that the existing units on site to be replaced are all one and two bedrooms units only. There are no family units. Therefore the proposed developments would better contribute to the type of housing mix supported by policy
P1809.19	Solar Court, Serena Court, Hornchurch	Residential Redevelopment	197	44% 1-bed 46% 2-bed 10% 3-bed	whilst the housing mix does not comply fully with Policy 5 of the Local Plan, this development is permissible as it has been specifically designed to meet the needs of over 55 years olds' who are mostly retired and are looking for somewhere to settle within a designed community. The report finds that for this group it is not considered that there is likely to be a need for family units. In addition, the report determines that the proposed development has been designed to re-provide what is existing on site where there is no demand for family units. Therefore the report concludes that it is not considered that family units would be required in the circumstances of this particular development. Therefore the report determined that the

					proposed mix is considered acceptable.
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