Dear Ms Heywood

PROPOSED ADJUSTMENTS TO PAST HOUSING COMPLETIONS AND THE MAY 2019 HOUSING TRAJECTORY

The Council is in the process of reviewing its housing completions to produce its Authority Monitoring Report (AMR) and in the lead up to publication of the Housing Delivery Test results in November.

As a result of this review, the Council has identified three adjustments it proposes to make to the May 2019 Housing Trajectory and the historic housing completion figures set out in the May 2019 Housing Position Statement, as consulted on at the May 2019 examination hearing. It is drawing these to your attention so that they can be reflected in the Main Modifications schedule when it is published for consultation.

The proposed amendments are set out in more detail below but importantly the Council remains confident in the robustness of its trajectory. It wishes to emphasise that these adjustments do not affect Havering’s ability to demonstrate a 5 year supply of land under the proposed stepped trajectory using the Sedgefield approach or under a linear trajectory using the Liverpool approach.

A) Presentational correction - sites identified in the Romford Strategic Development Area (SDA) in the May 2019 Housing Trajectory

As part of its review, the Council has found four sites currently identified as being within the Romford SDA, which are in fact just outside the SDA boundary and should be identified in other parts of the schedule supporting the trajectory. These sites are:

- Site 1: 78-80 Straight Road;
- Site 15: Crown Public House;
- Site 16: 110 and 120 Balgores Lane; and
- Site 36: Victoria Hospital

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Whilst this amendment does not have any impact on the housing numbers or five year land supply, in the interests of accuracy, the Council proposes to move these sites so that they are presented in their correct location in the trajectory.

- Site 1: 78-80 Straight Road, Site 15. Crown Public House and Site 16. 110 and 120 Balgores Lane will now be included in ‘Permissions Outside of the SDAs and 12 Estate Sites’.
- Site 36: Victoria Hospital will now be included in ‘Pre-Applications and Other Sites (outside the SDAs)’.

B) Minor corrections to three sites in the May 2019 Housing Trajectory

As part of its review, the Council has identified the following minor updates that it proposes to make to three housing sites within the trajectory.

- Site 52: Moreton Bay Industrial Estate – A single demolition has been included in the annual completions/ demolitions column for the purposes of the trajectory calculations but should also be included in the demolitions column for clarity (no change to the trajectory figures).
- Site 39.4: NR10 (35-43 New Road) -The trajectory notes 4 demolitions, however, this includes non-residential demolitions and should be reduced to 2 demolitions.
- Site 19: Land at Rom Valley Way -The affordable unit numbers should be changed from the 124 currently noted on the trajectory to the most recent s106 agreement which is for 101 units.

C) Corrections to the 2014, 2015 and 2016 financial year completions figures set out in the May 2019 Housing Position Statement

The Council primarily uses the London Development Database to record housing completions which are then reported annually in the Council’s Authority Monitoring Report (AMR).

In preparation for the publication of the Council’s 2018/19 Authority Monitoring Report, The Council has re-run LDD reports on housing completions. It has become apparent that information has been received by the Council on housing completions for previous years and has been retrospectively added. Since October 2018, when the LDD data was drawn for use in the housing trajectory, there have been additional completions added into the 2014, 2015 and 2016 years resulting in a change to the overall completions figures as identified in Table 1, below.
Table 1: 2014/15, 2015/16 and 2016/17 financial year LDD Completions (as identified for October 2018 and 2019)

<table>
<thead>
<tr>
<th>Net Completions</th>
<th>October 2018</th>
<th>October 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014/15</td>
<td>740</td>
<td>741 (+1 completion)</td>
</tr>
<tr>
<td>2015/16</td>
<td>1695</td>
<td>1391 (-351 demolitions and +43 completions from the Mardyke Estate, additional +4 completions)</td>
</tr>
<tr>
<td>2016/17</td>
<td>603</td>
<td>607 (+ 4 completions)</td>
</tr>
</tbody>
</table>

Explanatory commentary on the the Mardyke Estate Completions/ Demolitions

The redevelopment of the Mardyke Estate is a large and complex scheme which is unique in the context of the Havering Housing Trajectory. It is the only large, phased site involving residential demolitions currently under construction in the borough. It is the only large phased site where the Council is still receiving information on demolitions from approved building inspectors / developers. The other large, phased sites involving residential demolitions are either totally completed within the LDD or are yet to have any completions or demolitions recorded.

The Mardyke Estate was not specifically discussed at either of the October 2018 or May 2019 examination sessions on housing.

The Council has recently received information on 351 demolitions and 43 completions in 2015/16, associated with the Mardyke Estate Redevelopment, which have been retrospectively added to the LDD.

In addition, 39 of the 555 permissioned new homes for the development are no longer anticipated to be built as a result of alterations made at the detailed planning phase and 24 demolitions are anticipated to be recorded in the 2019 financial year.

As discussed above, this issue is unique to the Mardyke Estate as the only large, phased site currently under construction involving residential demolitions.

The Council has reviewed the remaining sites in the Housing Trajectory and is strongly confident that the trajectory remains robust.

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Dealing with retrospective adding of completions and demolitions

The Council has outlined the challenges associated with the retrospective updating of the LDD, both in its May 2019 Housing Position Statement and at the May 2019 Local Plan examination.

Retrospective additions to previous year’s completions make it difficult to identify a final completions figure for inclusion in the housing trajectory and, with regard to the Housing Delivery Test, can result in completions not being counted as the MHCLG do not update their completion figures beyond the ‘cut off’ of September following the end of the financial year.

The Council has expressed its concerns to both MHCLG and the GLA. As a solution, the LDD team at the GLA have agreed with Havering that as of September 2019, completions/demolitions for the previous financial year received after the end of August will be recorded as being completed in the year they were received rather than retrospectively added to the year they were actually completed. This is the advice they are now giving to all boroughs.

This will mean that previous years completions will remain static going forward and avoid the chance of units not being included as part of the housing delivery test calculations.

Impact on the Housing Trajectory

As outlined in the Housing Position Statement 2019, the January, April and May 2019 updates to the housing trajectory used data drawn directly from the LDD (as at October 2018). This data, which is included in Annex 14 of the May Housing Position Statement 2019, identified that there were 1695 net unit completions in the 2015/16 financial year.

When factoring in the adjustments above, this figure is changed to 1391 net completions for 2015/16.

The implication of this for the five year supply calculation is set out in Table 1 below. The Council remains able to demonstrate a 5 year supply under the proposed stepped trajectory using the Sedgefield approach, and under a linear trajectory using the Liverpool approach.

The Council’s 10 year’s supply will change from 13,453 to 13,095 net completions, remaining well above its 11,701 target. Its 15 years supply will change from 16,796 to 16,438 net completions, remaining close to the 17,551 target.
Table 2 – Comparison between May and October 2019 five year supply calculations at adoption (2019/20)

<table>
<thead>
<tr>
<th>May 2019 Trajectory calculations</th>
<th>Revised calculations October 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stepped Trajectory/ Sedgefield Approach 2019/20 financial year</td>
<td>5.62</td>
</tr>
<tr>
<td>Linear Trajectory/ Liverpool Approach 2019/20 financial year</td>
<td>5.58</td>
</tr>
<tr>
<td>Linear Trajectory/ Sedgefield Approach 2019/20 financial year</td>
<td>4.91</td>
</tr>
</tbody>
</table>

Amendments to Local Plan Documents

To take into account of the changes set out in this letter, the Council has prepared an updated housing trajectory, a revised Housing Position Statement including an amended Annex 1, 8 and 14, and an updated proposed Main Modifications document. As a result of the process changes agreed with the LDD team, previous completions and demolitions figures will now remain static.

Unless you advise otherwise, it is proposed that these changes are included in the proposed Main Modifications to go out for consultation. To assist with this, the following documents are enclosed with this letter:

A) Updated proposed Main Modifications document  
B) Revised Housing Position Statement (October 2019)  
C) Annex 1. Revised Housing Trajectory (October 2019)  
D) Annexes 8. and 14. Updated Historic Housing Completions (October 2019)  
E) Updated Evidence List (October 2019)

The Council reiterates that the changes discussed in this letter do not affect its ability to demonstrate a 5 year supply of land and that it remains confident in it the robustness of its trajectory.

Since the end of the EIP in May 2019, the Council has also been exploring additional sites to boost further its housing supply. As was emphasised at the Examination hearings, the Council remains committed to optimising the provision of new homes in Havering including through the delivery of its Joint Venture schemes.

Yours sincerely

Martyn Thomas  
Head of Spatial Planning

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