



ADVANCED PUBLICATION OF REPORTS

This publication gives five clear working days' notice of the decisions listed below.

These decisions are due to be signed by individual Cabinet Members and operational key decision makers.

Once signed all decisions will be published on the Council's Publication of Decisions List.

- 1. HOUSING DELIVERY ACTION PLAN 2021** (Pages 1 - 26)
- 2. GLA GRANT FUNDING FOR ENERGETIK** (Pages 27 - 50)

This page is intentionally left blank

London Borough of Enfield**Portfolio Report**

Report of: Joanne Drew, Director of Housing and Regeneration
Vincent Lacovara, Head of Planning

Subject: **Housing Delivery Action Plan 2021**

Cabinet Member: **Cllr Caliskan, Leader of the Council**

Executive Director: **Sarah Cary**

Ward: **All**

Key Decision: **KD 5272**

Purpose of Report

1. The Housing Delivery Test (HDT) is a Government measure of housing supply. The results of this test are reported annually. The latest round of HDT results were published in January 2021, which like a number London Boroughs, places Enfield Council in the category of "presumption in favour of development" meaning that proposed developments should be granted planning permission unless their adverse impacts "significantly and demonstrably" outweigh their benefits.
2. As required an Action Plan has been produced which sets out what steps the Council will take to improve the delivery of new homes in the borough in support of its corporate plan and good growth housing strategy. The nature of housing supply and in particular the London context, means that these steps will deliver change over the medium term and it should be noted that the planning pipeline means that no significant change in supply output will be secured by the end of 2020/21, the results of which will be published by the Government in January/February 2022.

Proposal(s)

3. Approve the HDT Action Plan attached as Appendix A for publication on the council's website and for implementation.
4. Note the requirement for additional staffing capacity to focus on key deliverables of the plan to be brought forward through separate operational decisions.
5. Authorise Officers to continue to call on Government to improve the system within which supply is delivered to maximise the outcomes that can be delivered in Enfield – for example as outlined in paragraph 16.

Reason for Proposal(s)

6. To meet the requirements of national planning policy, that within six months of the results being published the Council should publish an action plan.

7. To promote the importance of housing delivery across all stakeholders and the need to embed a culture of positive growth supported by timely planning decisions.
8. To mitigate the risk of further measures available to the Government, if delivery does not increase.

Relevance to the Corporate Plan

9. The Housing Delivery Action Plan helps to improve the delivery of housing and key issues that may affect slower delivery rates for housing in the borough.

Background

10. A number of changes to the planning system were introduced through the publication of the new NPPF in July 2018, one of which was the introduction of a new monitoring tool (the Housing Delivery Test) to assess housing delivery against housing requirements. In instances where local planning authorities do not deliver up to a certain proportion of their housing requirements they are required to produce an Action Plan detailing how they intend to improve housing delivery going forward.
11. This version of Enfield's Housing Delivery Action Plan has been produced in response to the 2020 HDT results released in January 2021 where it was highlighted that the Council had met 56%¹ of its housing requirements over the last three years. A previous version was published in 2019 (KD 2996).
12. The 2020 results place Enfield Council in the *Presumption in Favour of development* category, which has wider implications for how the Council, acting as local planning authority, makes decisions and for our residents in terms of where homes are built. By invoking the Presumption in Favour of development, applicants will be able to submit proposals which are considered to be in accordance with planning policies, despite any officer and member concerns.
13. The National Planning Policy Framework (NPPF) requires local planning authorities (LPAs) to identify a supply of development sites sufficient to meet five years' worth of local housing need. In Enfield's case, where it is unable to demonstrate a five-year supply of housing land, the NPPF states that their planning policies that are "relevant ... to the supply of housing" should be considered to be out of date. The presumption in favour of sustainable development then applies to both plan-making and decision-taking.
14. If applications are refused or deferred at planning committee or by delegated authority, the applicant could seek to appeal. With the HDT measure applied as material weight, this is likely to mean a higher volume of planning decisions being overturned if the proposal is considered appropriate development in line with relevant policies. This presents a financial and reputational cost to the Council.
15. A copy of the Enfield Housing Delivery Action Plan 2021 is attached at **Appendix A**. This Action Plan sets out the measures which the Council will be taking to identify and promote more landowners to bring forward sites for development, increase the number of applications and improve the rate of build out.
16. The Council does not have full control over the development system and therefore is proposing to continue lobbying for the support and interventions required by Government as follows to :

¹ published by the Secretary of State in February 2020
PL 20/082 P

(1) ensure that Enfield is properly funded to provide the stable foundations to deliver good growth by:

- Backing the Fair Funding regime addressing long standing funding shortfalls
- Ensuring that any changes to infrastructure funding through the new planning regime reflect the need for councils to invest upfront to support growth rather than as is proposed, seeking to mitigate developer risk through lag funding following sales
- Recognise that changes to planning policy and the introduction of additional approvals, e.g. permitted development, are an additional burden on local government and fund local government accordingly.
- Establishing a reformed New Homes Bonus that rewards Councils for the number of homes approved through the planning process
- Creating a high street planning fund, providing a grant to cover any new Local Development Order for a high street which increases housing supply. This would be similar to the grants local councils receive to support neighbourhood plans, and would encourage more redevelopment of high streets for more, and better quality, homes.

(2) reform aspects of the current and proposed housing system that impact on securing good growth:

- Recognising the market failure in London (high prices, low wages in relation to house prices and high demand) and the case for additional funding for affordable housing enabling Enfield and its housing association partners to deliver new supply at the scale and pace required
- Enable increased local discretion on the right affordable products recognising the affordability barriers of First Homes and the increased viability pressures arising from the reformed shared ownership product.
- Support ambitious councils to bring more land into the system, through infrastructure funding and cross-boundary technical support
- Halting proposals for expanded permitted development rights which based on evidence to date in Enfield indicates that it creates low value and undesirable homes which are far away from the aspirations in the Planning White Paper and act as a short term incentive for developers to profit from the housing crisis
- Require developers to build out approved schemes to secure the anticipated pipeline.

(3) invest in the skills and supply chains to deliver the requirements of the Future Homes Standard so that the pace of delivery is not affected by the complexity of new requirements or the higher costs of early adoption.

17. The action plan is seeking to embed five key strategic themes which are policy, process, supply, demand, leadership and market.

18. Within these themes there are nine delivery priorities which will form the basis of actions over the next year and examples are included below:

- Ensuring an effective development management process, to increase the number of applications received and improve the time taken through to determination
- Embed accountability for growth and the housing delivery target across the property and planning services, through the Housing Delivery Board.
- Use data monitoring to drive decision making and identify market-focussed solutions

- Progress the Local Plan, starting with a call for sites exercise in 2021 as a way to positively engage potential landowners and developers;
 - Accelerate delivery of council-owned sites and developer-led regeneration to strengthen the role the council has and continues to play in the local housing market.
 - Establish forums for housing development debate, utilising expertise from the private, housing associations and local agents to identify barriers to delivery and the role of our planning service in that process.
 - Use our partnerships to lobby government to create the right market conditions for unlocking delivery, including targeted investment to build more homes.
 - Ensure applications are not unduly stalled throughout the COVID-19 crisis by continuing to host planning committees on online platforms;
 - Scale up the enforcement action needed to bring more empty homes back into use.
 - Establish an implementation officer role with the purpose of strengthening the understanding of the development sector in Enfield, and specifically following up on schemes where development is delayed in coming forward;
19. The Regeneration and Economic Development Scrutiny Panel reviewed a paper summarising the test, the results for Enfield for 19/20 and implications and the key themes of the action plan
20. Discussion was held about empty homes and how bringing those back into use is an essential part of our role – officers were to provide advice to members of the panel on the implications for empty homes on Council tax and whether any extension of time was permissible/reasonable given the constraints of the pandemic on refurbishing properties whilst also noting that there is a need to ensure that homes are brought into use as quickly as possible.
21. It was also agreed that a further report would be presented on the improvement plans for the planning service recognising the importance of building developer's confidence.

Main Considerations for the Council

22. Preparation of a Housing Delivery Action Plan is a new national requirement outlined in national Planning Practice Guidance and is necessary in instances where at least 95% of the housing requirement is not met over a three-year period. The purpose of an Action Plan is to identify the reasons for under delivery, explore ways to reduce the risk of further under-delivery and set out measures the authority intends to take to improve levels of delivery. They are required to be published on the council's website.
23. Guidelines on what an action plan should include are outlined in national Planning Practice Guidance. There is no requirement to publicly consult on the Action Plan and the Council has opted not to do so in this instance as ongoing stakeholder engagement is an embedded part of the plan. The report is required to be made publicly available however and it is intended that the document be published on the Council's website in early 2021.

Safeguarding Implications

24. There are no safeguarding implications arising from this report.

Public Health Implications

25. The plan to improve delivery of housing in view of the shortfall in delivery over the last three years will likely have a positive impact on the public's health. We know that people experiencing homelessness have a life expectancy 30 years less than the general population and poor housing has a significant impact on mental health and wellbeing. The Building Research Establishment Trust recently estimated that poor housing costs the NHS at least £1.4 billion per year. Housing is therefore fundamental to health and delivery of new housing in response to the demand is necessary to improve the borough's health outcomes.

Equalities Impact of the Proposal

26. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not. The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

27. Delivery of new housing, including affordable housing, which may be bolstered by the actions within the Housing Delivery Action Plan, will likely have a positive impact on protected groups through increased housing supply. Most notably, households with disabled members, those from BAME communities, and those with children are most likely to experience overcrowding and may therefore benefit most from increased housing supply. However, it is also notable that these households are among the most likely to live on low incomes and so the delivery of affordable housing is vital in order to make progress towards an equitable housing market for all.

28. Future individual schemes or considerations may well be subject to appropriate review to ensure they comply with latest equality legislative need. Any risks and opportunities identified will also be subject to assessment for impact on those that share a protected characteristic.

Environmental and Climate Change Considerations

29. The Housing Delivery Action Plan reports on the measurement of the HDT and sets out actions to promote housing growth but does not directly address climate change matters. This report will have indirect environmental implications as it seeks to facilitate, and where appropriate accelerate, delivery of housing sites across the borough and in the preparation of the new Local Plan. The Local Plan will be accompanied by a Sustainability Appraisal (SA) which comprehensively considers the likely social, economic and environmental impacts of the Plan and each of its individual policies and allocations. Mitigation measures will be recommended by the SA are incorporated into the policies of the Local Plan as necessary.

30. Relevant planning applications will be screened to determine whether a statutory Environmental Impact Assessment is required. Where necessary, an Environmental Statement will be submitted for consideration by the case officer, in consultation with relevant technical experts, and will inform any recommendation to the Planning Committee or any other decision-making body.

31. It is worth noting that whilst carbon emissions are considered as part of the planning process, this is in the context of adopted plans and policies. The Intend to Publish London Plan and the emerging Local Plan, which has to be in conformity, will include more stringent requirements including in respect of whole life carbon emissions.

Risks that may arise if the proposed decision and related work is not taken

32. To not produce an Action Plan – national policy states that an Action Plan, when required should be produced within six months of the HDT results being published. However, there is presently no indication as to any sanctions or penalties that might apply if this requirement is not met. Notwithstanding this point, this is not considered an appropriate course of action and not been pursued.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

33. There are no direct risk implications from this report. However, sustainable development of the borough and the preparation of the Local Plan are both corporate risks. The Housing Delivery Action Plan includes proactive measures to help address these.

Financial Implications

34. The preparation of this Action Plan is funded from within approved revenue budgets for the planning service. The costs of planning appeals (e.g. for non-determination of planning applications within statutory time periods) need to be met from within these budgets.
35. The action plan includes additional actions that the Council is committing to undertake. These will be delivered through existing services, as well as new commitments, some of which will also result in increased fees and charges. Changes to service budgets, if needed, will be approved by appropriate procedures outside this report.
36. Planning for the delivery of new homes within the borough influences future funding for the Council through the revenue base derived from Council Tax as well as application fee income and performance-related Government funding (e.g. any replacement for the New Homes Bonus).

Legal Implications

37. Paragraph 75 of the National Planning Policy Framework 2019 states that where the Housing Delivery Test indicates that delivery has fallen below 95% of the local planning authorities housing requirement over the previous three years, the authority should prepare an action plan in line with national planning guidance.
38. Paragraph 073 of the housing and economic land availability assessment guidance (ID: 3-073-20180913) states that the action plan should be published within 6 months of the publication of the Housing Delivery Test results.
39. Enfield's delivery is 56% of its housing requirement and therefore an updated Housing Delivery Test Action Plan should be published.

Workforce Implications

40. A number of appointments have been made within the planning service since the implementation of the directorate restructure in 2018. Workload and vacancies are monitored on an on-going basis against operational and financial requirements.
41. Appendix 1 specifically references a number of key actions which will require additional resource both from the Housing and Planning teams and the wider Council support functions such as Knowledge and Insights.
42. As the plan becomes live consideration will needed to be given to the capacity of all these teams. It is probable that additional workforce resource will be required to deliver the action plan effectively

Property Implications

43. Given the high-level, general perspective of this report in relation to corporate property matters, there are no immediate property implications. However, as the action plan is implemented over time, there is the possibility of property implications arising on specific projects and actions as they pan out. These will be addressed as necessary and as they come forward in future reports.

Other Implications

44. The Coronavirus pandemic has had unprecedented impact on the planning and construction industry and this is likely to continue for some time, with housing delivery likely to be delayed or stalled.
45. In addition, the Government has recently published proposals for significant reforms in the planning system. The impact of these are yet to be fully considered. However, it is clear that housing delivery remains high on the Government agenda.
46. The Housing Action Plan is a measure placed on the council for failing to meet the housing delivery threshold set in the Housing Delivery Test. The Housing Action Plan emphasises the need to deliver a new Local Plan as a priority. Therefore, the Enfield new Local Plan is critical to ensure sustainable growth is planned and fundamental in ensuring corporate priorities are delivered.
47. There is no requirement to consult on the Housing Delivery Action Plan.

Options Considered

48. The option of not preparing an updated action plan was rejected as this would not meet the requirements of the National Planning Policy Framework 2019.

Conclusions

49. The Housing Delivery Action Plan is a necessary response to the shortfall in the delivery of housing over the last three years and a housing system that is not adequately supporting supply. In summary, government regulations require local authorities to publish their Action Plans. This report therefore seeks approval for the publication of the Council's Housing Delivery Action Plan as set out in **Appendix A**.

Report Author: Amena Matin
Housing Development and Regeneration
Manager
amena.matin@enfield.gov.uk
020 8 148 4384

Date of report: February 2021

Appendices

- **Appendix A:** Enfield's Housing Delivery Action Plan 2021

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

Please note Part 2 report is now confidential appendix.

London Borough of Enfield

Portfolio Report

Report of: Sarah Cary, Executive Director Place

Subject: GLA Grant Funding for Energetik

Cabinet Member: Cllr Nesil Caliskan

Executive Director: Sarah Cary, Executive Director Place

Ward: All

Key Decision: 5253

Purpose of Report

1. The Council has successfully obtained grant funding of £1.2m from the Greater London Authority ('GLA') for an extension of Energetik's pipe network, and a retrofit project which will act as a pilot to test the feasibility of retrofit capability. This will advance the general London decarbonisation agenda, as well as providing a revenue stream for the company, improving the profitability of its business plan.
2. It is proposed that the GLA grant funding be invested in the Lee Valley Heat Network Operating Company Ltd (trading as 'Energetik') in the form of equity purchase and grant funding.

Proposal(s)

That the Leader of the Council:

3. Exercise executive function to authorise the purchase of a £750,000 equity stake in Energetik utilising GLA grant funding, and delegate authority to the Director of Law & Governance to authorise necessary shareholder resolutions to enact the issue of shares in Energetik;
4. Authorise the remaining £450,000 GLA grant funding being passed to Energetik by way of a grant; and
5. Delegate to the Executive Director - Place the authority to approve the documentation needed to implement the above arrangements, including the Grant Funding Agreement with the GLA, and agreements between the Council and Energetik.

Reason for Proposal(s)

6. The investment will enable the progression of a retrofit pilot project as well as the construction of key pipework at no net cost to the Council.

Relevance to the Council's Corporate Plan

7. Retrofit projects would potentially open up existing properties as well as new developments to be able to connect to the Energetik network, thereby increasing the coverage of low carbon heat sources and contributing to reduction of carbon emissions in line with the climate emergency declared by the Council.

Background

8. Energetik was incorporated in 2017, to deliver heat networks across the borough, primarily through the Meridian Water development (later extended to include Joyce & Snells development within the 2019 business plan update). The company has also incorporated some satellite schemes around the borough.
9. To date all network connections or proposed connections for Energetik have been new developments. Energetik has not had a plan to connect existing homes to its network. This is more difficult than for other energy companies, as Energetik does not supply utilities through national infrastructure, but requires its own infrastructure to supply, therefore rendering it less likely to be financially viable to connect existing properties

Main Considerations for the Council

10. The available GLA grant funding is proposed to be utilised for two purposes:
 - a. a retrofit project in South Street, accounting for £450,000. The project will seek to retrofit private properties, including flats, for supply from the Energetik network.
 - b. to increase the pipe-size for the current pipe-work design between the Edmonton ERF and Fore Street, facilitating the expansion of the network to Haringey and Hackney, accounting for £750,000.
11. The grant funding will be paid to the Council, and it is proposed to pass the funding on to Energetik as follows:
 - a. £750,000 for the pipe network works to be via an equity injection (i.e. the Council will purchase £750,000 worth of shares in Energetik);
 - b. £450,000 for the retrofit works to be via a grant from the Council to Energetik.
12. The outcome of the retrofit project (as per Energetik's operating plan) will be a report and seminar which will consider the lessons learned in terms of the likely cost and challenges to a wider retrofit rollout, and whether such a rollout may be feasible and beneficial.
13. The GLA grant funding will fund the project without cash input or loans from the Council as shareholder. As this is grant funding, it can be passed on to the company in the form of an equity investment and grant, as opposed to on-lending, meaning the company does not have to factor in interest costs to utilisation.
14. There is no net cost to the Council of this option, however the Council is required to approve the purchase of shares in any company through the use of executive powers. The Council will also be required to approve the issue of shares in its capacity as shareholder. Previous exercises in this regard have been undertaken, and the Director of Law & Governance has signed a written shareholder resolution to effect this, under delegated authority.

Safeguarding Implications

15. There are no safeguarding implications

Public Health Implications

16. The grant funding provided by GLA to pilot a retrofit project is unlikely to have any Public Health implications in itself. However, the project will advance the decarbonisation agenda as the retrofit will increase the coverage of low carbon heat sources and will contribute to the reduction in emissions, which is in line with Council's Corporate Plan.
17. Climate Change has been described as the greatest threat to Public Health in the 21st Century. The pilot project has the potential to lead to a wider retrofit rollout, which would have significant air quality benefits and actively contribute to the council's response to the climate emergency.

Equalities Impact of the Proposal

18. There are assessed to be no equalities impacts.

Environmental and Climate Change Considerations

19. Carbon emissions from buildings made up 38% of the borough total in 2018 and that the Council's Climate Action Plan has a target to reduce overall borough wide emissions to net zero by 2040. This includes by increasing the number of properties connected to Energetik.
20. Investing in the Energetik network improves the climate change impact within Enfield; when the network is fully operational, in use carbon emissions for a property being connected to the Energetik network should reduce carbon emissions by around 80% compared to gas heating.
21. The funding for the proposed extension to Haringey and Hackney will be utilised to increase pipe size, resulting in an increase in the reach of the network in the amount of around 20,000 homes, or 20MW, within Haringey.
22. The retrofit project funding is linked to the retrofit of 30 properties – 10 houses and 20 flats – resulting in lower carbon emissions linked to those homes.

Risks that may arise if the proposed decision and related work is not taken

23. The Council would lose the opportunity to investigate the feasibility of Retrofit for private properties and flats at zero net cost. The Council would either have to risk its own funds to run the pilot project, or it would have to abandon the idea and therefore the potential benefits.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

24. The company may overspend on the pilot project or pipework, affecting its financial performance for the year. The company's financial position is monitored generally through quarterly updates that will identify if the overall position planned for the year is under threat.

Financial Implications

25. There is no net cost or income to the Council as a result of this decision.

Legal Implications

11. The Council has power under Section 1(1) of the Localism Act 2011 to do anything which individuals generally may do provided it is not prohibited by legislation and subject to public law principles (the 'general power of competence'). Further statutory powers exist to establish and invest in Energetik, and the recommendations detailed in this report are in accordance with legal justifications previously reported to Cabinet for establishing and implementing the business, and the decisions taken.
12. The Council as shareholder must comply with the requirements of the Companies Act 2006 with regard to the equity subscription.
13. As the Council will be the signatory to the Grant Funding Agreement with the GLA, it will be responsible for ensuring compliance with the terms and conditions of that Agreement. Accordingly, the obligations and requirements imposed on the Council should be mirrored and passed down via documentation between the Council and Energetik (including the share subscription agreement).
14. The documentation entered into the Council in order to implement these arrangements must be in a form approved by Legal Services on behalf of the Director of Law and Governance.
15. External financial and legal advice has been sought to ensure that the proposed arrangements are lawful under the new subsidy control regime (which replaced the EU state aid rules in the UK as from 1 January 2021).

Workforce Implications

26. There are no workforce implications.

Property Implications

27. There are no implications.

Other Implications

28. There are no other implications

Options Considered

29. The Council could decline the proposed funding and the projects not go ahead. Given that the proposal has no net costs to the Council, there is no compelling reason not to proceed.

Conclusions

30. The Council should utilise the available GLA grant funding, invested by means of an equity investment and grant, to fund the pipework and retrofit pilot project.

Report Author: Will Wraxall
Shareholder & Commercial Partnerships Manager
Will.wraxall@enfield.gov.uk
0208 379 1265

Date of report: 2nd March 2021

Appendices

Confidential Appendix: Proposed Energetik Operating Plan 2021-22

Background Papers

The following documents have been relied on in the preparation of this report:

Confidential Appendix: Proposed Energetik Operating Plan 2021-22

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank