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HOUSING SCRUTINY PANEL

Tuesday, 12th December, 2023 at 7.00 pm in the Conference Room, Civic Centre, Silver Street, Enfield, EN1 3XA

Membership:

co : Kate Anolue (Chair), Josh Abey (Vice Chair), Nicki Adeleke, Lee Chamberlain, Adrian Grumi, Nelly Gyosheva, Tom O'Halloran and Eylem Yuruk

AGENDA – PART 1

1. WELCOME & APOLOGIES

2. DECLARATIONS OF INTEREST

Members of the Council are invited to identify any disclosable pecuniary, other pecuniary or non-pecuniary interests relevant to the items on the agenda.

3. MINUTES OF THE PREVIOUS MEETING (Pages 1 - 4)

To agree the minutes of the meeting held on Tuesday 26 September 2023.

4. HOUSING SUPPLY UPDATE (Pages 5 - 30)

To provide an update on the borough's housing supply which includes delivery by the Council, housing associations and other developers/landlords and includes a draft Housing Delivery Test Action Plan.

5. DATES OF FUTURE MEETINGS

To note the dates of future meetings as follows:
Wednesday 21 February 2024
A further date is TBC.

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MINUTES OF THE MEETING OF THE HOUSING SCRUTINY PANEL HELD ON TUESDAY, 26TH SEPTEMBER, 2023

MEMBERS: Councillors Kate Anolue (Chair), Josh Abey (Vice Chair), Nicki Adeleke, Lee Chamberlain, Adrian Grumi, Tom O'Halloran and Eylem Yuruk

Officers: Joanne Drew, (Strategic Director of Housing and Regeneration), Duane Dyer, (Housing Improvement Programme Director) and Petra Stephenson (Governance Officer)

Also Attending: Councillor George Savva, MBE (Cabinet Member for Social Housing)

1. WELCOME & APOLOGIES

The Chair welcomed everyone to the meeting and introductions were made.

Apologies for absence were received from Cllr Nelly Gyosheva who was substituted by Cllr Bedekova.

Apologies for lateness were received from Cllr Adeleke and Cllr Josh Abey.

2. DECLARATIONS OF INTEREST

Cllr Bedekova declared an Interest as a Landlord in Enfield.

3. MINUTES OF THE PREVIOUS MEETING

With an amendment to record the correct spelling of Cllr O'Halloran at Minute number 4.15, the minutes of the meeting held on 22 march 2023 were agreed.

4. TEMPORARY ACCOMMODATION

Cllr Savva delivered a brief overview of the situation within temporary accommodation as a direct result of the current economic climate which could culminate in a worst-case scenario £20 million forecast overspend by the end of the year.

A new approach to temporary accommodation has been adopted by Enfield Council in response to continued high demand and the extreme departure of Landlords from the rented sector. The approach seeks to reduce the use of temporary accommodation, such as hotels.

Alternative ways of providing accommodation include areas outside of London by offering incentive payments for landlords purchasing properties in Luton and Milton Keynes through Housing Gateway Ltd and encouraging people to find their own home using the “Find Your Own Home Scheme”.

RECEIVED the report from Joanne Drew, Strategy Director and Duane Dyer, Housing Improvement Programme Director which provided a progress update on the new approach including the offer policy and allocation of homes and challenges.

Members were invited to raise questions and comments.

Questions focused predominately on the implications of moving to a one offer policy, reasons for refusing a property, cost savings if any of moving to a one offer policy, moving costs and housing supply.

During questioning from the panel, officers confirmed that since the policy change most placements are still in London. Those who have moved further afield do so on a voluntary basis – people who identified that they were happy to move out of London. i.e. Watford to be closer to family.

Grounds for rejecting housing offers are often “not reasonable”. The council would still be fulfilling its statutory duty to homeless people if it made one offer of housing instead of two. Changing the policy to one offer could save the council more than £12,000 per household.

Regarding the housing supply, traditional procurement is moving to under our own control; modular schemes would be one of the schemes under consideration to boost the supply of temporary accommodation.

During discussions the following was recommended:

- Joanne Drew agreed to provide members with a graph/spreadsheet detailing the numbers of households currently in temporary accommodation and demand.

- In relation to the associated graphs provided in points 6 & 7 of the report, figures are to be circulated to the panel for years prior to 2022 to see comparisons over the last decade. It was noted that the pandemic fundamentally changed the figures as people were not being evicted during that period. The figures will represent the positive impact of this.

- Data analysis is to be provided to the panel on refusals and cessation of duties in relation to the two-offer policy. How many households have had the duty discharged for refusing an offer? How many people refuse one offer verses those who refuse two offers? How many households have been affected by refusing an offer?

Action: Joanne Drew

Enfield strives to align its policies with those of neighbouring boroughs to relieve some of the burden. 85% of London Boroughs operate a one offer policy. A decisive approach is necessary as a safe home and reduced occupation of hotel accommodation is the priority.

During discussions, Joanne acknowledged that although we had anticipated a shift in landlord behaviour and the HGL acquisitions programme was part of mitigating this, there was no anticipating the stark and dramatic rise in interest rates which was a further reason that resulted in a rapid exodus of private Landlords, in fact the pace has been unprecedented across London and all boroughs had been significantly affected. The reduction in rental accommodation – particularly for those on low incomes – was likely to be a “long-term change”.

In summary the Chair commented on how demoralising the current situation is especially for those in temporary accommodation.

The Chair expressed gratitude to the Homeless team for all their hard work and support during this crisis.

Recommendation: Joanne suggested that the two-offer policy could be an area for input from members as the crisis unfolds.

5. DATES OF FUTURE MEETINGS

Tuesday 12 December 23
Wednesday 21 February 23

A further date is TBC. The Chair will liaise with the Governance team and send some dates to consider.

The meeting ended at 8.30 pm.

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London Borough of Enfield

Report Title	Housing Supply Update
Report to	Housing Scrutiny committee
Date of Meeting	12 December 2023
Cabinet Member	Cllr Nesil Caliskan – Leader of the Council
Executive Director / Director	Joanne Drew – Strategic Director of Housing & Regeneration
Report Author	Amena Matin and Aneesh Maini
Ward(s) affected	All
Classification	Part 1 Public

Purpose of Report

1. This is an update on the borough's housing supply which includes delivery by the Council, housing associations and other developers/landlords and includes a draft Housing Delivery Test Action Plan which is required as a statutory response to the Government's Housing Delivery Test (Appendix 1). The Action Plan sets out how the Council is working to unlock supply, improve the lives of residents across the Borough and ensure that it uses all its levers to improve the quality of the built environment delivered by a range of partners.

Main Considerations for the Panel

2. Over the past three years, delivery of approximately 480 homes has also been driven by the Council. For example, through direct delivery or through its partnership regeneration schemes. With more control and direct investment in growth and by acting as master developer to ensure delivery of thousands of homes on Meridian Water, enabled by the lifting of the HRA debt cap in 2018, the Council has developed a pipeline of sites and delivery routes to maintain housing delivery.

3. Additionally, the Planning service have embedded actions from previous years to improve performance. As Planning is integral to housing supply at all stages, from plan making defining land use to planning determination for how many homes will be built, previous action planning has identified a need to improve the interface with the development sector. In the past year significant improvements have been made in clearing backlog of undetermined planning applications, from 1,778 in June 2022 to 743 in June 2023.

4. To enable supply beyond the control of the Council as landowner, developer and partner, a forum has been established to ensure that Housing Associations (Registered Providers) and third-party landowners are moving sites forward at pace. Partnerships have been forged between landowners and affordable housing providers to unlock stalled sites, including innovative products and acquisitions.

5. In the period 2020/21 to 2022/2023, the Council has met 75% of its housing target delivering 894 homes in 2022/23. This is an improvement on the previous year (755 completions) despite challenging market conditions. However, as delivery across three years is 75% of the Government's requirement, the Council is placed in the 'buffer' category. This requires the Council to prepare a Housing Delivery Action Plan and add a 20% buffer to the Council's 5-year housing land supply which is monitored through the AMR.

6. Although the housing delivery is above what was averaging historically which was around 500 homes a year up to 2019/20, the Council's housing targets have also increased as a result of the updates to the Mayor of London's London Plan which sets London local authority housing targets.

7. The Council's 5-year housing land supply requirement is 6,230 homes over the next five years i.e. 1,246 homes a year increasing to 7,476 homes when the 20% buffer is applied. The number of homes identified for housing delivery between 2022/23 to 2026/27 is 5,162. This indicates that Enfield Council cannot demonstrate a five-year land supply and so would remain in the National Planning Policy Framework's presumption in favour of sustainable development category for decision making and requires a "buffer" of 20%

Table 1 – Housing Delivery Test: 2022 Measurement

	2020/21	**2021/22**	**2022/23**	**Total**	**HDT 2023 Measurement**	**HDT 2023 Consequence**
No. of homes required	830	1,246	1,246	3,322	75%	Buffer
No. of homes delivered	853	755[1]	894	2,502		

[1] This was previously reported as 1,041 homes.

8. Although the overall 2022/23 housing delivery has not met housing targets, we have recorded above average residential completion rates in this year which can be largely attributed to:

    - Build out of Council led schemes such as Bury Street West, Gatward Green and Maldon Road as well as significant number of minor housing development schemes which contributed 428 net additional homes towards this year's housing completion figures.

    - The build out rate of Council schemes is currently averaging at 24 months per phase and there are another 1,000 new homes targeted within Alma, Ladderswood and New Avenue Estates to be delivered across the remaining phases by 2027 which will help future housing delivery performance.

Council's Bury Street West, Maldon Road, Gatward Green developments completed in 2022/23

9. As planning is critical to building a pipeline for future years, improvements have been made to the processing of applications. During the last three financial years, just north of 7,400 homes were granted planning permission as part of major housing schemes. Around 3,000 of these were granted outline planning permission and close to 4,400 homes were approved in detail. The number of dwellings approved since the first Housing Delivery Action Plan was published shows a significant increase from 647 approved homes in 2019/20. The substantial increase of the homes approved is due to a number of major residential applications, such as Meridian Water Orbital Business Park (19/02718/RE3, 20/03821/RM) with 2,600 homes, Colosseum Retail Park (20/00788/OUT) with 1,578 homes and Edmonton Green Shopping Centre and Adjoining Land (20/04187/OUT) with 1,438 homes, together accounting for 5,616 homes alone.

Economic Conditions

10. Since 2020 the housing construction industry has undergone unprecedented financial strain – with the global economic shock resulting from the Covid 19 pandemic, supply and labour contraction following our exist from the European Union, which was further compounded by the supply uncertainties due to the Ukraine War and the cost uncertainties of the building regulations.

11. Current challenges impacting housing supply are a ‘perfect storm’ of issues constraining housing delivery, both inside and outside of London. These issues are summarised as:

a) Macro-economic conditions such as inflation and interest rates remain very high – particularly compared to recent years which saw interest rates at nearly zero per cent. The cost of construction materials has stabilised, albeit at very high levels. In practice, these conditions mean that the cost of development (including debt servicing) is more expensive and demand for sales is declining. Higher rates of contractor insolvencies (in part because of these conditions) are also making development more expensive and uncertain.

b) Lack of government investment particularly in respect of grant funding for affordable housing – has been a longstanding challenge for housing associations and local authorities. This is limiting the potential for counter-cyclical investment which helped to maintain delivery during previous economic downturns. This underinvestment inhibits new supply, but the lack of government investment in existing stock also has an indirect drag as providers are having to invest greater sums in housing maintenance, repairs and remediation. Below inflation rent rises in 2022 and the 2016-2020 rent reduction have also threated financial sustainability. Current macro-economic conditions (including the dampened sales market) are underscoring the need for greater government support to maintain delivery.

c) Policy uncertainty continues to impact on multi-phases regeneration schemes such as Joyce and Snell’s, Exeter Road and Upton and Raynham. It is notable the extent to which a single intervention such as requirements for second staircases is currently stalling development. The sector feedback is that new developments were held pending the government’s recent clarified position on the second staircase requirement. There was also awareness that certainty may not unlock development if the additional costs of incorporating a second staircase are significant. This acute challenge has emerged amid a backdrop of further uncertainty – most notably the future rent settlement and introduction of the Infrastructure Levy.

d) Funding rigidity as central government continues to place stringent rules on the way in which funding can be deployed in London. One key example is the Affordable Homes Programme (AHP) funding settlement in London, where the GLA has to adhere to strict funding requirements in deploying grant – constraining its ability to quickly adapt programmes to respond to a changing market and environment. For example, whilst recent flexibility to support estate regeneration was welcomed this has come late in the development cycle. The lack of certainty on funding beyond 2026, when the AHP ends, is also a significant barrier (particularly for larger and more complex schemes). Additionally, the rigid rules governing the way retained Right to Buy receipts are set can be counterproductive to the delivery of replacement homes and removal of these rules would allow for longer term planning of investment and acquisitions for new homes.

e) Planning – Government cuts to local planning authorities over the past ten years are being felt acutely. Housebuilders highlighted that planning applications are taking longer, and attribute these delays to a continued lack of appropriate resourcing and pressure on Local Planning Authority (LPA) officers including where Planning Performance Agreements (PPAs) are being utilised. The above are compounded by long standing challenges.

f) The high cost of land remains one of London’s largest barriers to increasing levels of homebuilding, especially among smaller housebuilders. There is limited demand for market sale homes given high prices. London's market is also characterised by high rates of homelessness and temporary accommodation use. London Councils research from August 2023 shows that one in 50 Londoners are now homeless and living in temporary accommodation, and the capital’s boroughs are collectively spending on average around £60m per month on temporary accommodation costs. Longer-term government investment in delivering social rented homes would make better use of public funds, as well as provide more secure housing for homeless households.

12. Adding to the volatility over the past year has been the increasing interest rates which caused a slump in house prices as potential buyers struggle with affordability of the private homes that cross subsidise affordable housing provision.

13. At the same time, demand for affordable housing is growing as housing insecurity in the private rented sector (PRS) grows due to landlords existing the market as mortgage rates and the increasing costs of doing business hit their profit margins.

14. As a result, while demand grows, nationwide housing delivery is at a near standstill and with planning applications at an all-time low, the housing supply pipeline is likely to slow.

Housing Supply

15. Despite the market conditions, over the past three financial years, the Council recorded completion of 2,502 net additional homes from all providers. This falls short of the 1,246 homes a year housing target set by the Greater London Authority. During this period the Council-led schemes played a significant role where completion of 484 homes were as a result of either direct Council delivery or Council’s Estate Regeneration schemes which included:

- Electric Quarter – 106 homes
- New Avenue Estate Regeneration Phase 1 – 103 homes
- Maldon Road – 10 homes
- Newstead House – 12 homes
- Gatward Green – 12 homes
- Bury Street West – 50 homes
- Ladderswood Estate Regeneration Phase 3 – 74 homes
- Alma Estate Regeneration – 117 homes

Council Delivery

16. This year the new homes programme has experienced challenges arising from the current volatile market conditions. As a way to mitigate these risks going forward, we are reviewing partnership models of delivery and short-term looking to achieve new homes targets by acquiring additional homes already in the pipeline. This also has the benefit of underwriting delivery of existing programmes at a time when progress may be reviewed/paused by partners due to market uncertainty.

17. The Council is contractually obligated to deliver starts through the GLA programme with a longer-term commitment to deliver 3,500 homes. To manage cost pressures and deadlines a review is in progress as follows:
    a. Value engineering aspects of schemes to create efficiencies.
    b. Seeking higher levels of grant – especially those funded through historical low grant rate programme such as Upton and Raynham.
    c. Seeking funding via the S106/CIL budgets.
    d. Review of procurement strategies including packaging schemes to identify cost efficiencies.
    e. Review of tenure and increasing private sale.
    f. Reviewing partnership models of delivery

18. As a result, we have been able to progress our current schemes as outlined below.

Pipeline schemes with planning

19. The Council successfully secured planning for over 300 homes at Exeter Road and Upton and Raynham in 2021. Following a procurement, a contractor was appointed for both sites and enabling works to prepare the site for construction commenced over the period of 2022. However due to the economic conditions described in paragraph 11, the price returned was significantly higher than the approved HRA budget and the sites could not proceed. Following a strategic review of delivery routes, Exeter Road will form part of a package of sites for a forward funded partnership and Upton and Raynham is targeted to commence on site in 2024.

Sites under construction

20. Reardon Court will provide 70 homes for adults with physical and social care needs and is fully adapted for wheelchair users. This is due to complete in April 2024 and will provide newbuild homes in Winchmore Hill.

21. Through our partnership programme, there are over 1000 homes currently on site at Alma, New Avenue, Ladderswood and Meridian Water. These homes will provide new homes for council tenants, shared ownership and first time buyers with over 400 completing by 2024.

22. Brambling House and Greatcrest House (20 new affordable homes at Meridian Water): construction completed in September 2023, with the next set

of homes as part of Block A and Block E1.2 at Meridian Water expected to be delivered in April 2024.

23. Over 300 homes will have completed on Alma Phase 2a, 2aiii and 4 in 2024 and will see over 200 households supported into new council housing. Phase 1 at New Avenue delivered 127 homes in 2022 of which 78 were council housing. A further 90 homes are due to complete in 2024 and Phase 3 will start towards the end of the year which will see the full transformation of the former estate achieved by 2027. Steady progress on Ladderswood has seen the delivery of over 175 homes with the remaining Phases (342) due to be delivered by 2026.

Proposed pipeline - planning applications

24. Following a successful ballot in Joyce and Snells: a planning application has been submitted for over 2000 homes. The submission is currently being redesigned to include a second staircase and will be resubmitted in April 2024 to be considered by planning committee later that year. Works are planned to commence on the initial 530 homes in 2025.

25. Temporary Accommodation: we are currently developing the design and delivery programme for two pilot sites to deliver 33 homes for temporary accommodation in 2024

Housing Association and Developer Delivery

26. The Council has existing partnerships which are successfully delivering new supply across the borough. Currently there are over 600 homes on site across the regeneration schemes which will see completions in the next 6 months on all tenures. The Council is also developing and brokering relationships between Housing Associations and developer partners which has seen the successful provision of build to rent and shared ownership at New Avenue and Alma. The Council has developed strategies to work with Affordable Housing Providers to maximise contributors towards the delivery of the Council's Good Growth Housing Strategy and delivery of 12,460 homes over the Local Plan period. Specifically, the Council is seeking to work with housing providers to deliver up to 2000 new homes in the borough on Council owned sites over the 10-year strategy period. The Council wants to ensure quality of affordable housing provision across the Borough, as well as speed of delivery of new homes.

27. Working alongside the Council or developers, Registered Providers (RPs) are key partners in the provision of affordable housing in the borough and share a common purpose with the Council to provide good, well managed affordable housing. Currently there are 39 stock-owning Registered Providers in the Borough with a total of 8840 homes. The largest landlords are London and Quadrant, Metropolitan Housing Trust and Christian Action Trust.

28. RPs include local authority landlords and private registered providers (such as not-for-profit housing associations and for-profit organisations) with the core purpose of supporting people with a housing need and are regulated by

the Regulator of Social HousingRPs tend to range in scale from those who work across a large geographical area to more localised and specialist RPs that have been set up to meet the needs of specific communities.

29. Some of the leading RPs in London also have a representative group known as G15, sets out how RPs can collaborate with councils and communities to build more genuinely affordable homes for people living in the capital. The G15 recognises that London's housing crisis is severe, but with new funding pledges and policy announcements, including reinstating grant funding for social rent homes and lifting the Housing Revenue Account cap, that there is an opportunity for housing associations and councils to have a closer and deeper partnership.

30. The Council has established a dedicated team focussed on enabling and tracking schemes from pre-planning through to completion. This allows the council to support and facilitate early delivery by using data trends to inform interventions needed to enable development to happen, including acquisitions where sites have stalled.

31. The trends include where development is taking place and this shows the most development has occurred in New Southgate and Ponders End, followed by Cockfosters and Upper Edmonton where the Council has taken a lead role in releasing land.

RP and Developer Forums

32. As part of the enabling role the Council has established a forum with developing Registered Providers and one for landowners. This has been running for a year and has become a useful forum to discuss the challenges in the local market and develop strategies for collaboration and lobbying issues. It is also an opportunity to promote the Council services and the work being undertaken by planning to improve the service. This provides confidence and assures developers, landowners and registered providers that the Council is committed to new supply and unlocking sites at the earliest opportunity
33. The council has also procured a framework for Affordable Housing Providers to support with development ranging from forward funding, delivery partners and expertise to enhance the council's existing teams working on development projects.
34. The goal being that by establishing strategic partnerships with affordable housing providers this will increase investment in existing stock and create new homes in the Borough. This will also allow market facing advice on the challenges and approach to how housing providers engage and deliver services in the Borough, including the emerging Build to Rent market, to ensure that the Council's wider objectives to address housing needs are met.

Other supply initiatives – e.g. CLTs, Naked House, Self Build

35. In the past year the Council has successfully worked with small builders to develop their own pipeline. This ranges from disposal of sites through the GLA Small builders Small Sites Programme and also facilitating the promotion of self-build and custom build. Working in partnership with Naked

House, the council has promoted the schemes successfully through planning to secure consent for three sites which will deliver an innovative home which can be adapted to meet a growing household needs. These schemes would not have otherwise come forward without the Council's role as landowner, enabler and planner. Following a successful bid to the One Public Estate programme, which is an initiative to support release of public sector land, the Council is preparing nine sites for sale in the next year. This will support custom build and self-builders who are actively looking for sites in Enfield.

36. By taking a mixed economy approach to supply with Council unlocking delivery of sites which would not be attractive to the traditional volume housebuilder, willingness to develop innovative products and establishing a range of partner routes, the Council is able to adapt to the external market conditions to secure future delivery.

Report Author: Amena Matin
Head of Regeneration and Growth

Appendices

Appendix – Draft Housing Delivery Test Action Plan

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Draft Enfield Housing Delivery Action Plan 2023

October 2023

Contents

1 Introduction

This Housing Delivery Test Action Plan has been produced in response to the policy requirements of the Housing Delivery Test which sets targets for a Local Authority area rather than on the Council. This Action Plan highlights the improvement of housing supply from what has been achieved so far and aims to tackle the drivers of change for the future. This year's report highlights that during 2022/23 there remains a shortfall against the overall housing requirement and that the Council is addressing the housing delivery through interventions in a number of ways.

As noted in last year's report (published May 2022) there are a set of issues that had an impact in Enfield which has resulted in the delivery of new housing not matching pace with local plan targets and is far away from housing need.

Enfield continues to tackle the position head on. With a Corporate Plan[1] and a Housing and Growth Strategy[2] which prioritises growth, work has progressed to ensure services are funded including through the introduction of applicant funded pre-planning advice. The skills and capacity of the planning service has been enhanced and improvements are being made to the planning process.

The Planning team in the past year have made significant improvements in clearing backlog of undetermined planning applications from 1,778 in June 2022 to 743 in June 2023 by recruiting additional planning officers. As a result of these improvements, the productivity of planning service has increased enabling officers to dedicate more time to resolve complex planning issues and achieve consistent decisions at Planning Committee in line with officer recommendations.

Over the past three years, delivery of approximately 480 homes has also been driven by the Council – for example through direct delivery or through its partnership regeneration schemes. With more control and direct investment in growth and by acting as master developer to ensure delivery of thousands of homes on Meridian Water, enabled by the lifting of the HRA debt cap in 2018, the Council has launched its ambitious direct delivery programme to deliver 3,500 homes by 2035.

This demonstrates that when enabled to do so with the right funding and powers Councils can take the driving seat in delivering growth.

The Council's contribution to housing delivery is therefore significant and one of the main ways the housing supply can improve is by the Council doing more. The Council also aims to support direct delivery by disposing underutilised Council land and by acquiring land for development e.g. permitted housing schemes.

The Council is planning for further growth and development, but a key corporate priority is to ensure that growth is appropriately located and managed through the preparation of a new Local Plan. Quality developments being brought forward by developers that match the Council's vision for Enfield as a place are being supported and more are needed.

[1] https://www.enfield.gov.uk/__data/assets/pdf_file/0022/34087/Enfield-Council-Plan-2023-2026-Your-Council.pdf
[2] https://new.enfield.gov.uk/services/your-council/housing-and-growth-strategy-2020-2030-your-council.pdf

The economic impact of the recent pandemic including higher than average inflation having a significant impact on build cost and the recent obligation on developers to remediate building safety defects, along with significant changes to the Building Regs (Fire Safety) now requiring a second stair core on tall buildings further delaying large schemes means that housing supply is and will be constrained by these uncertain times.

2 Housing Delivery Test

In the period 2020/21 to 2022/2023, the Council has met 75% of its housing target delivering 894 homes in 2022/23. This is an improvement on the previous year (755 completions) despite challenging market conditions. However, as delivery across three years is 75% of the Government's requirement, the Council is placed in the 'buffer' category. This requires the Council to prepare a Housing Delivery Action Plan and add a 20% buffer to the Council's 5-year housing land supply which is monitored through the AMR.

Although the housing delivery is above what was averaging historically which was around 500 homes a year up to 2019/20, the Council's housing targets have also increased as a result of the updates to the Mayor of London's London Plan which sets London local authority housing targets.

The Council's 5-year housing land supply requirement is 6,230 homes over the next five years i.e. 1,246 homes a year increasing to 7,476 homes when the 20% buffer is applied. The number of homes identified for housing delivery between 2022/23 to 2026/27 is 5,162. This indicates that Enfield Council cannot demonstrate a five-year land supply and so would remain in the National Planning Policy Framework's presumption in favour of sustainable development category for decision making.

Table 1 – Housing Delivery Test: 2022 Measurement

	2020/21	2021/22	2022/23	Total	HDT 2023 Measurement	HDT 2023 Consequence
No. of homes required	830	1,246	1,246	3,322	75%	Buffer
No. of homes delivered	853	755[3]	894	2,502		

Presumption in favour of sustainable development

The presumption in favour of sustainable development applies to decision-taking on planning applications. In accordance with paragraph 11 of the NPPF, this means:

- Approving development proposals that accord with an up-to-date development plan without delay; or where the policies which are most significant for determining the application are out-of-date, granting planning permission unless:
- The application of policies in this Framework that protect areas or assets of particular importance provides a clear reason for refusing the development proposed; or
- Any adverse impacts of doing so would significantly and demonstrably outweigh the benefits when assessed against the policies in the NPPF taken as a whole.

[3] This was previously reported as 1,041 homes.

3 Housing Delivery performance

Housing completions

Although the overall 2022/23 housing delivery has not met housing targets, we have recorded above average residential completion rates in this year which can be largely attributed to:

- Build out of Council led schemes such as Bury Street West, Gatward Green and Maldon Road as well as significant number of minor housing development schemes which contributed 428 net additional homes towards this year’s housing completion figures.

- The build out rate of Council schemes is currently averaging at 24 months per phase and there are another 1,000 new homes targeted within Alma, Ladderswood and New Avenue Estates to be delivered across the remaining phases by 2027 which will help future housing delivery performance.

Council’s Bury Street West, Maldon Road, Gatward Green developments completed in 2022/23

Housing Approvals

During the last three financial years, just north of 7,400 homes were granted planning permission as part of major housing schemes. Around 3,000 of these were granted outline planning permission and close to 4,400 homes were approved in detail. The number of dwellings approved since the first Housing Delivery Action Plan was published shows a significant increase from 647 approved homes in 2019/20. The substantial increase of the homes approved is due to a number of major residential applications, such as Meridian Water Orbital Business Park (19/02718/RE3, 20/03821/RM) with 2,600 homes, Colosseum Retail Park (20/00788/OUT) with 1,578 homes and Edmonton Green Shopping Centre and Adjoining Land (20/04187/OUT) with 1,438 homes, together accounting for 5,616 homes alone.

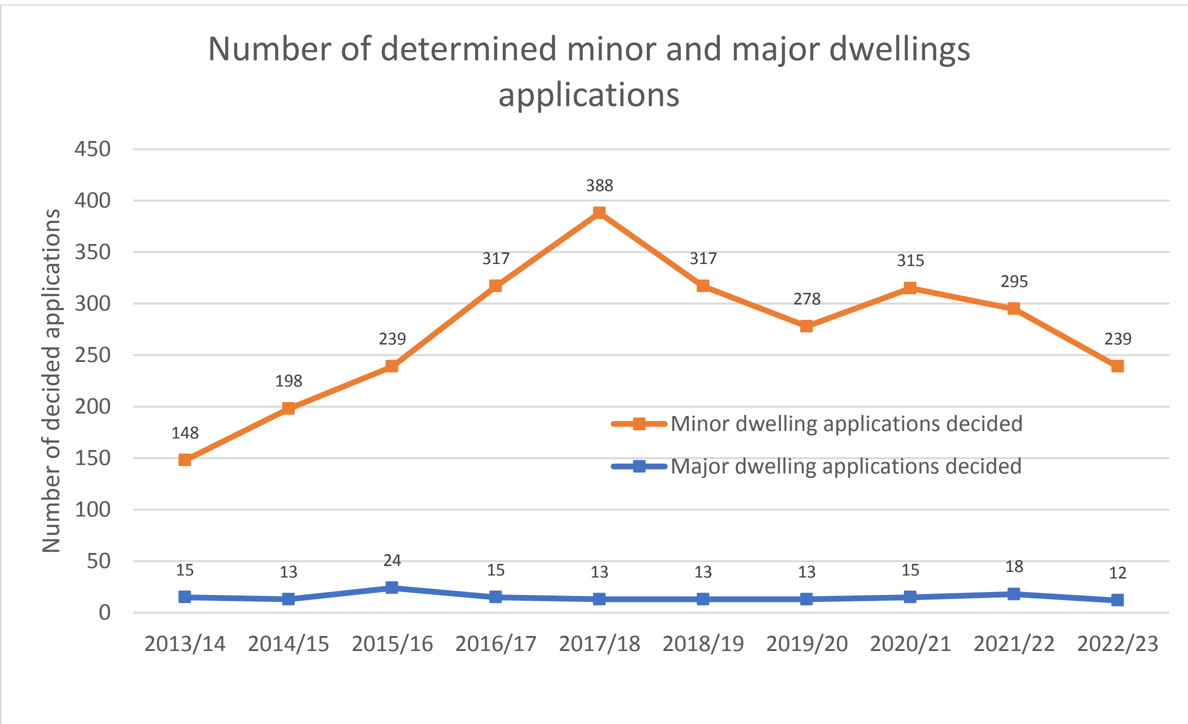
4 Planning decisions performance

Number of minor and major dwellings decisions

The number of determined minor dwellings planning applications in year 2022/23 was 239 and this is lower than what was recorded in 2021/22 and 2020/21 which were 295 and 315 respectively.

The number of major dwellings planning applications decided in year 2022/23 was 12 and this figure is again lower than the previous two year's recorded major dwellings decisions.

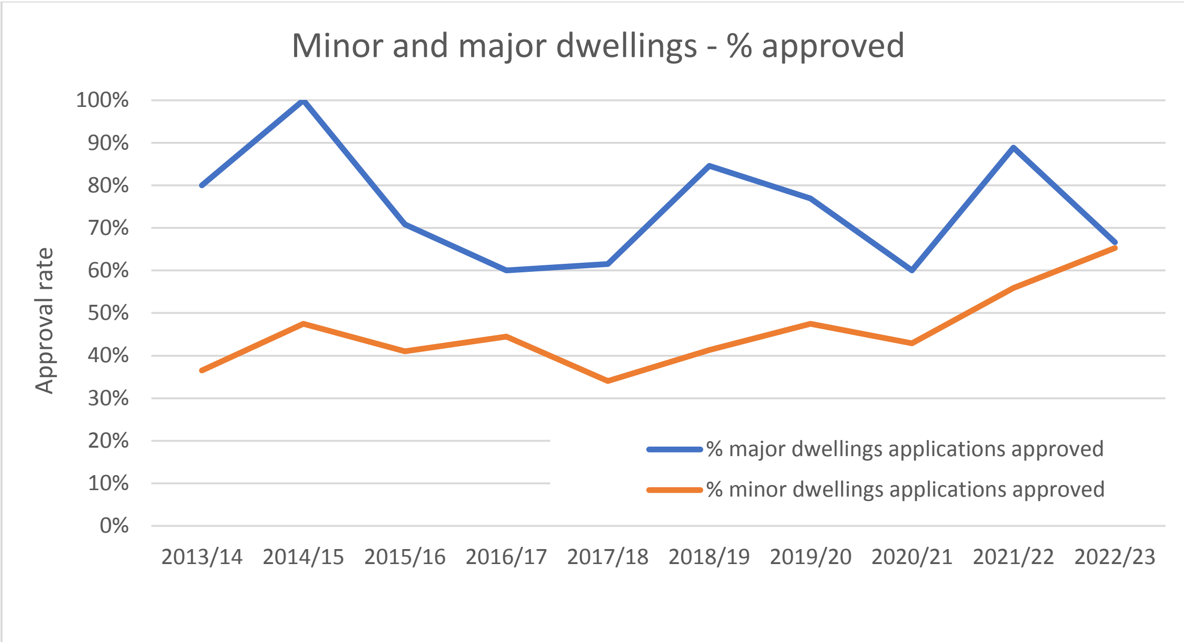
Table 1 below shows the number of minor and major dwellings applications decided in the previous ten-year period. Source District Planning Applications PS2 tables[4].



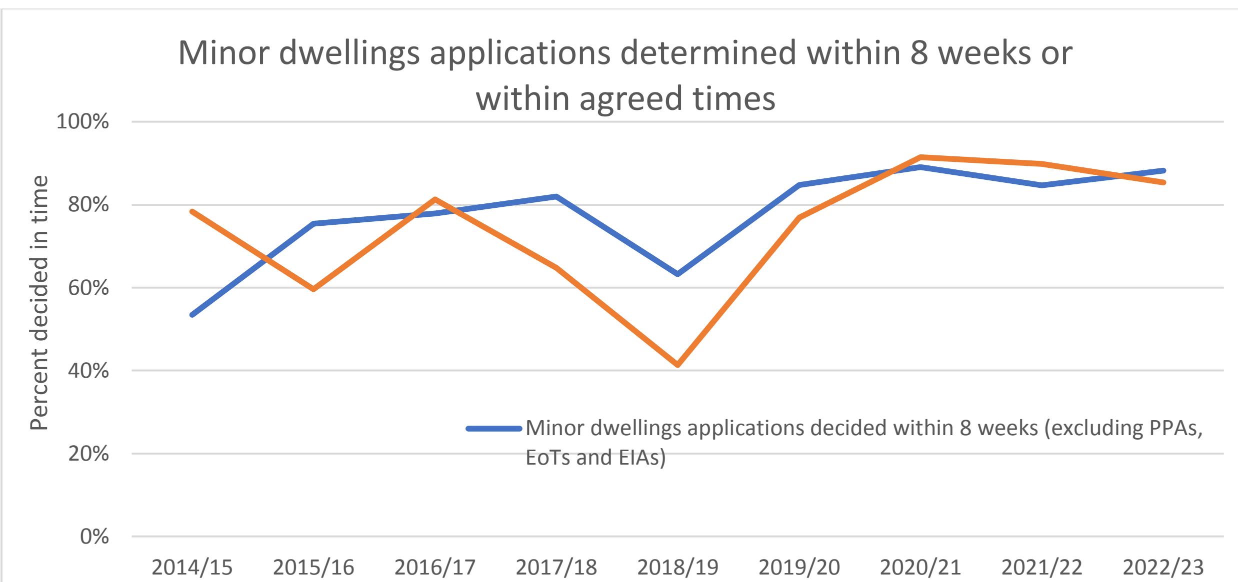
Approval rate

The approval rate for both the minor dwellings applications increased in year 2022/23 but the rate of approval major dwellings applications has dipped to 67%. Of particular note is that over the past six years the percentage of minor dwellings applications which were approved steadily increased from 34% in 2017/18 to 65% in 2022/23.

[4] https://www.gov.uk/government/statistical-data-sets/live-tables-on-planning-application-statistics, District planning application statistics (PS2)



According to the published PS2 tables, in 2022/23 88% of minor dwellings applications without planning performance agreements (PPAs), extensions of time (EoT) or environmental impact assessments (EIA) were determined within the 8-week statutory period. 85% of minor dwellings applications with PPAs, EoTs or EIAs were determined within agreed times with the applicants.



As for major dwelling applications, in the year 2022/23, 10 out of 11 applications (91%) that involved agreed extensions of time with the applicant, were determined within the agreed times. In the same year, 11 out of 12 major dwelling applications (92%) decided had either entered into planning performance agreements and/or had extension of time agreed with the applicant. In contrast the proportion of major dwelling applications that had PPAs and/or extension of time in place was 46% in 2018/19, 54% in 2019/20 peaking at 93% in 2020/21.

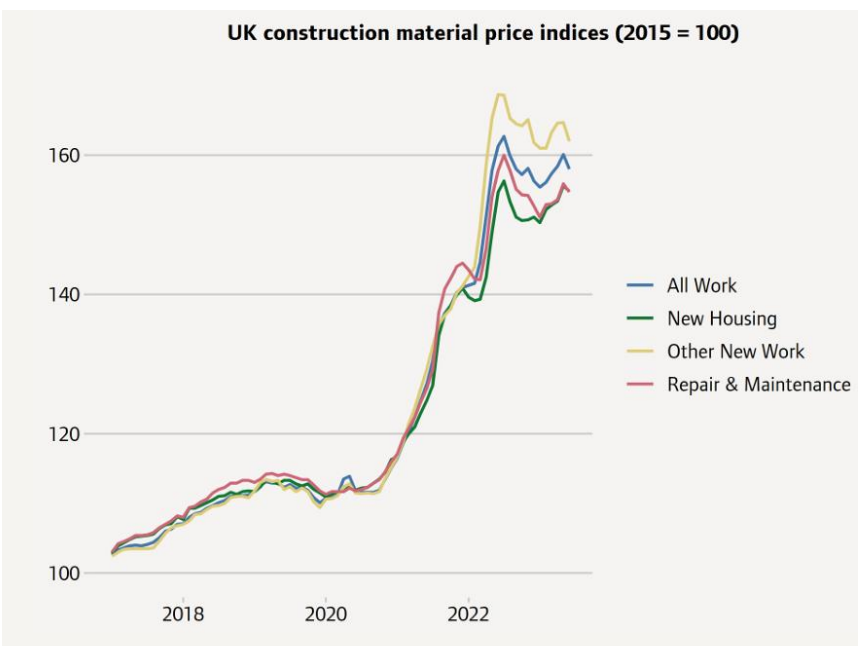
5 Market challenges and land use constraints

This section provides commentary on wider market context to housing supply in Enfield. Build out rate in the borough continues to be challenging with large sites commencing 12-24 months after planning is approved and taking longer to reach completion as a result of skills shortages, capacity on site and high material costs.

Labour and materials
In Enfield and the country more generally, the labour market had already been significantly impacted by Brexit which reduced available workforce. The coronavirus pandemic has exacerbated the labour and material shortages the impacts of which are still felt today. According to the London Housing Market Report August 2023 published by the Greater London Authority, in the wider labour market, 20% of construction firms reported experiencing a shortage of workers in mid-July 2023, up from 16% in June. Furthermore, the report provides that this shortage is impacting businesses and the number of firms having to pause trading in some parts of the business has more than doubled to 12%.

High inflation and interest rates
The UK is currently experiencing a period of high inflation against the backdrop of a faltering economy and high cost of energy, following the ongoing war in Ukraine which started at the end of 2021/22. The Bank of England (BoE) started to raise interest rates from 0.25% in December 2021 to 0.75% in March 2022 which accelerated to 4.00% in February 2023. The BoE interest rate in October 2023 was 5.25%. This is resulting in relatively high construction and borrowing costs for housing developers and higher mortgage rates having an impact on mortgage approval rates and demand for new homes. This is at a time where the average house price in Enfield is more than 12 times the average employee salary.

According to the London Housing Market Report August 2023, the prices of construction materials in the UK have stabilised since spring 2022 but continues to be significantly higher than what they were two years ago.



Source: Building materials and components statistics: July 2023

Although the UK consumer confidence has improved in the last year as shown by GFK's consumer confidence index[5], which reflects people's views on their financial position and the general economy over the past year and in the next 12 months, the Bank of England in its August Monetary Policy Report[6] forecast that housing investment (which includes new dwellings, improvements and spending on services associated with the sale and purchase of property) is expected to fall significantly by 6% in 2023, by another 6% in 2024 and by 3% in 2025, reflecting the impact of sustained high interest rates. In general, it is accepted that higher interest rates have a negative impact on the demand for housing and they lead to a reduction in investment in new dwellings.

Land use constraints

The existing land use designations and the Council's existing development plans (Core Strategy, Development Management Document and Area Action Plans) sets out the land use policies to assess planning applications. Despite the aging local planning framework, Enfield's statutory plan comprises the London Plan as well. Enfield has greater than 30% of the land area covered by Green Belt and over 300 ha of land designated as Strategic Industrial Location (SIL). The Borough also has significant amount of Site of Special Scientific Interest (SSSI) and has areas prone to high flood risk.

[5] https://www.gfk.com/press/uk-consumer-confidence-up-four-points-to-21-in-september

[6] https://www.bankofengland.co.uk/monetary-policy-report/2023/august-2023

6 Achievements in 2022/23

Despite the challenges identified above, and since the publication of the Council's first Housing Action Plan in 2019 the Council has made progress in a number of identified actions and priorities.

Against the previous action plan the following have been delivered:

- Increase in minor dwelling planning application approval rates. Minor dwelling schemes i.e. delivering less than 10 homes accounted for 50% of all conventional housing completions in 2022/23.
- Successfully implementing the planning improvement project by reducing planning backlog by around 1,000 cases which is allowing officers more time to resolve complex planning issues at the planning application stage.
- Delivering first homes (London Affordable Rent) in the Council's ambitious Meridian Water regeneration project in September 2023. So far planning permission has been obtained for over 3,200 homes within the development.
- Identification of 100 housing units across Council's small sites for delivery in the short term.
- Promotion of custom-build sites by the Housing Enabling team with three sites identified and planning permission granted. Works due to commence in November/December 2023.
- Acceleration of large regeneration schemes – Alma, New Avenue and Meridian Water
- Regular Developer and RP Forums are set up in 2022/23 by the Housing Enabling team to promote borough and identify barriers to housing supply. Continued dialog with the development industry has already resulted in accelerated planning decisions and unlocking sites by information exchange.
- Acquisition of 27 affordable homes within Meridian Water by the Housing Enabling team and the acquisition of 134 affordable homes within the Alma Estate regeneration scheme by the Regeneration and Growth team in order to address market shortages and help unlock housing delivery preventing further delays.
- Given the difficulties in the market with build costs rising, we have diversified our development strategy to introduce MMC (modern methods of construction)[7] in our programme and sharing our experiences with all housing providers in the market to accelerate delivery.

The Council has continued to promote our direct delivery schemes despite the economic difficulties of the last two years, with schemes progressing through design to planning and maintaining our contractors on site, to building out homes at pace.

As a result of continues efforts by the Council the following schemes are in the pipeline for delivery in the short to medium term:

Site	Number of homes	Activity this year	Completion actual/forecast
Meridian Water	300 homes	Golden brick achieved on site	September 2023

[7] https://www.designingbuildings.co.uk/wiki/Modern_methods_of_construction

Phase 1a		with developer progressing at pace to deliver first homes from 2023 onwards.	onwards
Meridian Water Phase 1b	676 homes	Works to commence in 2024.	May 2026 onwards
Alma Estate Phase 2a (iii)	66 homes	Works commenced in 2021.	November 2023
Alma Estate Phases 2a and 4	303 homes	Planning consent approved in 2021 to vary and deliver 228 homes across Phase 2A and 13 homes in Phase 4. Works are on site at Phase 2A and Phase 4.	Phase 2a phased completion by July 2024. Phase 4 due to complete by March 2024
Ladderswood Estate	268 homes	Phase 4 commenced on site in January 2022 and will deliver 28 affordable rent and 84 private sales. Phase 5a have commenced in September 2023 with the demolition of Mason House and will deliver 11 A/R Phase 5 commenced in September 2023 and will deliver 10 affordable houses 10 Private Sale flats and 34 private sale houses Phase 6 is anticipated to commence December 2025 and will deliver 10 shared Owner ship units, 46 Private Sale flats and 35 private sale houses.	28 A/R and 82 private sale is forecast to complete Autumn 23 and 2 Private Sale Houses by Spring 24. Phase 5a to complete June 2025 Phase 5 to complete January 2026 Phase 6 to complete Spring 2028.
New Avenue regeneration	375 homes yet to be completed in Phases 2 & 3 (502 overall project total)	Phase 1 (127 homes) completed in January 2021. Revised planning consent in November 2021 and works are in progress. Phase 2 (156 homes) anticipated completion October 2025. Phase 3 demolition works of the empty Coverack Close buildings to commence in January 2024. Phase 3 (219 homes) anticipated completion March 2029.	October 2025 onwards
Exeter Road and Reardon Court	199 homes (across two sites)	Planning consented in 2021.	2024 onwards

7 Actions to help increase housing delivery

The following actions build on the above performance and aim to tackle the drivers of change for the future.

Strategic priority	Delivery measure	Action	Responsible area	Timescale
Local Plan – plan making policy	A new Local Plan	✓ Publish an updated LDS and progress to next stage of the Plan preparation.	Planning service	2023/24
Development Management process	Increased number of planning applications received and determined in year	✓ Identification of sites currently in pre-app and agree PPA with where possible, determination within year of pre-app commencing. ✓ Continued assessment of planning conditions to derisk start on site where possible and flexible approach to timing triggers and evidence required (rolled forward from previous Action Plan) ✓ Review of Agree standardised S106 draft, affordable housing clauses and SLA with legal team (rolled forward from previous Action Plan) ✓ Continue to reduce the number of undetermined planning applications	Planning service	2023/24
Increased supply build out of consented schemes	Improved build out of sites in construction, consented in last three years (not on site) and completions.	✓ Assessment of status and interventions required for each site consented ✓ Review large multi-phased developments and identify build out programme, identifying ways to accelerate ✓ Improve data on sites consented, started and in construction (or stalled)	Housing Enabling team in collaboration with Planning service	2023/24
Market-led interventions and land release for housing delivery	Functioning developer and land owners forums to maintain healthy dialog with the development industry	✓ Identification of public sector sites suitable for residential development; including council owned corporate assets ✓ Ongoing review of small sites (under 100 units) and interventions required to assemble and unlock delivery ✓ Review schemes which were refused and actions needed to improve design and scheme proposal to bring back into planning ✓ Identification of additional windfall sites and promoted through planning service in year	Housing Enabling team (lead) in collaboration with property, asset management and planning service Planning service and Housing Enabling team	2023/24

		✓ Continue Council-led acquisitions programme to unlock delivery including small sites, S106 units and stalled or lapsed consents ✓ Dedicated resource for monitoring data related to the Annual Monitoring Return		
Council-led housing delivery	Accelerated promotion through planning and build out of sites in council ownership	✓ Establish in year timescales for determination – planning performance agreement with accelerated programme where possible ✓ Agree required validation and application information by site (including statutory consultees) at pre-app stage ✓ Reduce procurement timescales through use of contractor frameworks for delivery ✓ Accelerate build out of strategic and estate regeneration schemes. ✓ Disposal of HRA land for housing delivery	Development and Regeneration team in collaboration with the Planning service	2023/24

Detailed predictive forecasting and Annual Monitoring Report

During 2021 the council developed a monitoring tool for delivery on council owned sites and pipeline applications in the planning system to monitor performance against timescales. This tool is now capable of automating key analytical and representational functions and is able to identify trends in the number of lapsed planning applications and build out rates. The Council intends to carry out further analysis to build up a picture of completion rates by site and scale.

8 Next steps

The actions identified in this Housing Delivery Test Action Plan are for the period March 2023 to March 2024.

Progress will be monitored through existing monitoring processes in place, such as the annual land use surveys for housing and delivery. These existing surveys will be enhanced to provide the data necessary to inform any future action plans as they will use the same basic datasets. Much of this data already exists in the Authorities Monitoring Report (AMR)[8] which is published each year by the Local Planning Authority and it is intended to review the Action Plan through the AMR process.

[8] https://new.enfield.gov.uk/services/planning/monitoring/

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