Draft Enfield Housing Delivery Action Plan 2023

October 2023

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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.

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[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.

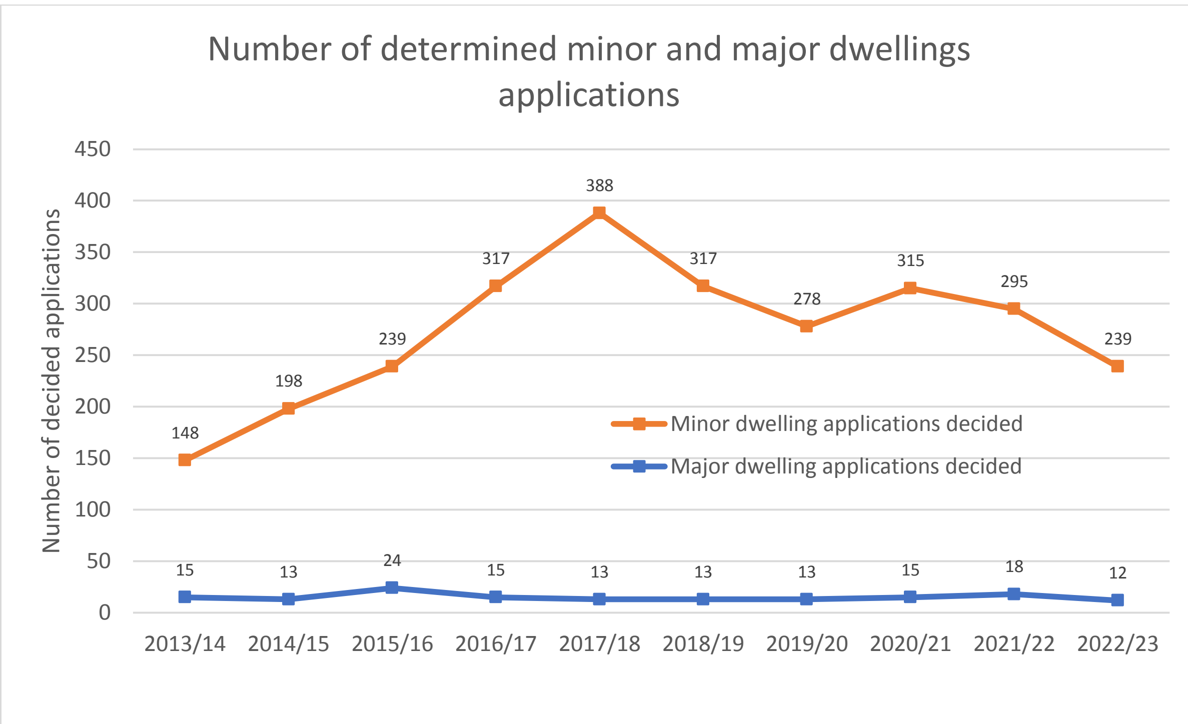
4 Planning decisions performance

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.

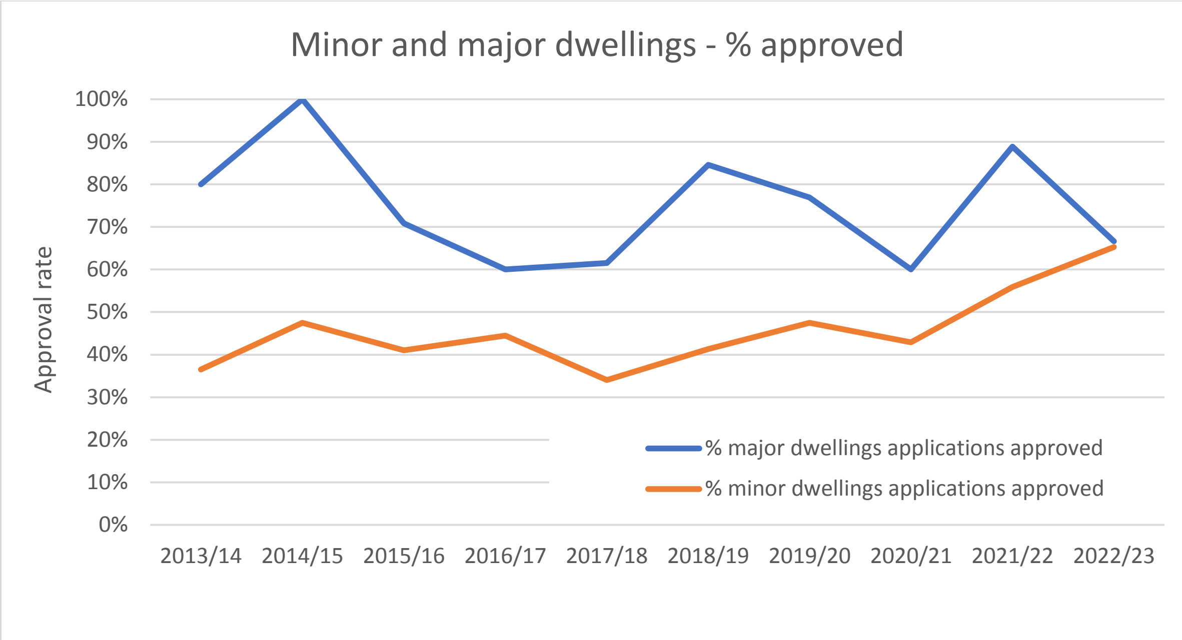
Table 1 below shows the number of minor and major dwellings applications decided in the previous ten-year period. Source District Planning Applications PS2 tables[4].



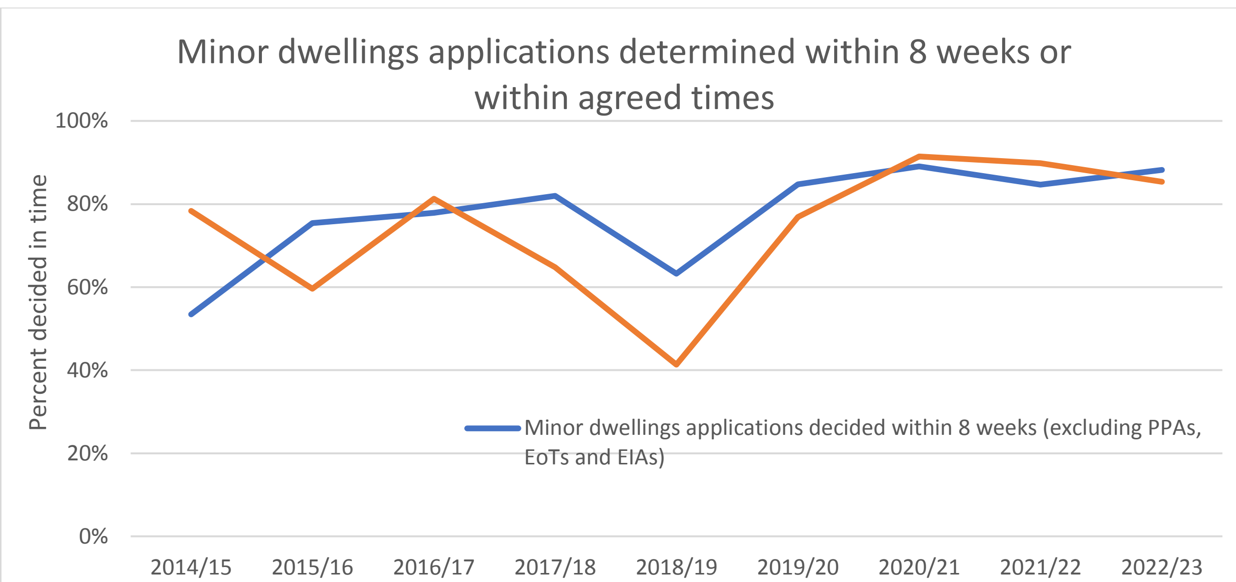
Approval rate

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.

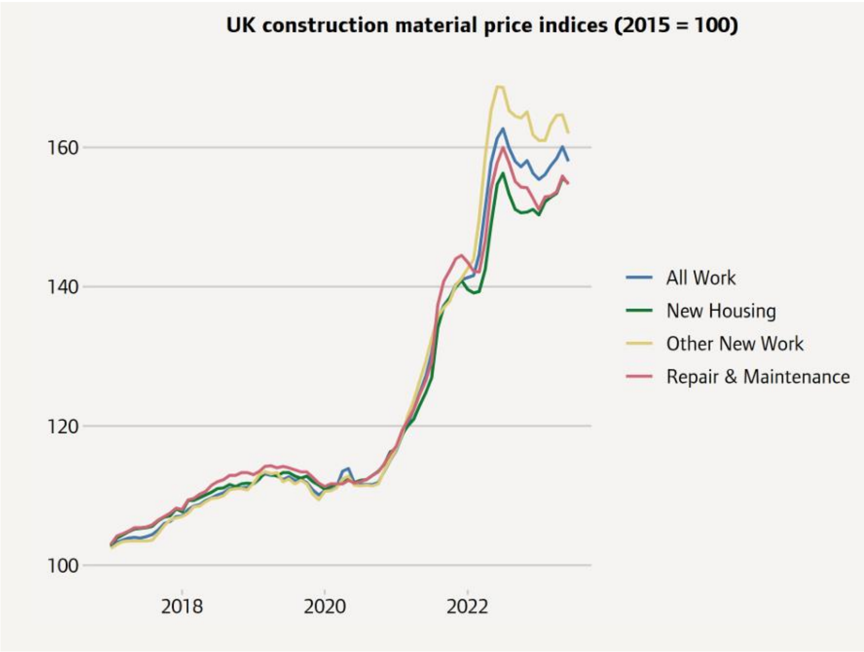
Labour and materials

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/