

Executive Summary

London Plan Context

Following the Examination in Public of the Draft London Plan, the Mayor published a revised, 'Intend to Publish' version of the London Plan, dated December 2019. In response to a report by the Panel of Inspectors published in October 2019, this accepted a 10-year housing target for Enfield of 12,460 (1,246 each year).

The Secretary of State wrote to the Mayor on 13 March 2020 setting out a series of modifications of the London Plan to bring it into line with national policy. Of relevance to the LHNA, these include:

- the need for additional family housing; and
- overall housing numbers (In line with the Secretary of State's comments; boroughs now only do not need to revisit the figures in the London Plan unless they have additional evidence they can achieve delivery of housing above these figures whilst remaining in line with the strategic policies established in the London Plan).

The Mayor is now considering the Secretary of State's response and taking the statutory steps to finalise the London Plan. Final confirmation of housing numbers will not be possible until the Mayor has published these.

The Enfield LHNA report reflects the new annual target of 1,246. However, changes to housing numbers in the Executive Summary, as well as in the remainder of the LHNA, may be required in future, once national and regional policy are settled.

About this report

1. The purpose of this report is to present evidence on the need for new homes within the London Borough of Enfield. This evidence supports the preparation of the emerging Local Plan to 2036¹ for the Borough and is consistent with national policy requirements, as set out in the National Planning Policy Framework (NPPF 2019)² and accompanying Planning Practice Guidance³. It also takes account of and reflects the evidence and policies in the adopted and emerging London Plan⁴, which is part of Enfield's statutory development plan.
2. It is important to emphasise that this report presents evidence on housing need but does not develop policy. Evidence of need will be a key consideration for the Council in forming

¹ Available at <https://new.enfield.gov.uk/services/planning/local-plan/>

² Available at <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

³ Planning Practice Guidance (PPG) on Housing and Economic Land Availability as available at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment> at the time of writing in November 2020 (version last updated in July 2019); please note that PPG can be updated by government at any time.

⁴ Available at <https://www.london.gov.uk/what-we-do/planning/london-plan> the adopted London Plan at the time of writing was the 2016 Plan (January 2017 fix) version; the most up to date version of the emerging Plan was the Intend to Publish dated December 2019.

policies in the Local Plan, but the Council must also consider a range of factors including viability considerations, the availability of funding and wider strategic objectives for Enfield.

3. During the course of this study, the national and London planning policy context has continued to evolve, and future requirements remain uncertain. The Government has recently completed a consultation on advanced proposals to change the 'standard method' for calculating housing need and to introduce a new affordable home ownership product known as 'First Homes'.⁵ At the regional level, the London Plan 'Intend to Publish' version has been challenged by Government. Housing targets contained within the London Plan therefore remain uncertain.

The overall need for new homes

4. There have been various approaches to assessing the overall need for new housing in an area over recent years. All approaches have started with the latest official household projections. The current practice guidance and existing standard method recommend the use of the official 2014-based household projections⁶. These projections anticipated 2,327 additional households per annum in the Borough between 2020-2030 (10-year period).
5. More up to date household projections have been produced by the ONS, including the latest 2018-based household projections⁷. In the latest projections, household growth in Enfield is projected to be substantially lower than the 2014 based projections. Between 2020-2030 (10-year period), household growth is expected to be 678 per annum. The significant downward adjustment of Enfield's anticipated household growth over this period is consistent with falls in London as a whole, although Enfield is a particularly extreme case.⁸ This largely reflects recent changes in migration trends, which are now captured over a shorter (and potentially more volatile) period and reflect recent net outmigration of households from the borough.
6. However, these projections are rarely considered a sufficient sole basis for planning for new homes because the declining affordability of housing over time has suppressed household formation. Not everyone who would like to establish their own household in Enfield is able to. Many have to move further afield, stay in shared accommodation or live at home longer than they would like to.
7. More importantly, planning has long since been a 'predict and provide' exercise. Local authorities and other plan making authorities, including the Greater London Authority (the GLA, undertaking the Mayor's statutory planning function), need to balance the need and demand for new homes with other considerations, including local constraints on

⁵ MHCLG (August 2020) Changes to the current planning system: consultation on changes to planning policy and regulations

⁶ Available at <https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections> (see live table 406)

⁷ Available at <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/datasets/householdprojectionsforenglanddetaileddataformodellingandanalysis> (see 2018-based: Principal projection edition of this dataset and view stage 1 projected households – Principal table)

⁸ The same tables show an annual growth for London (2020-2030) of 35,481,473 households in the 2014-based projections and of 27,720 households in the 2018-based projections. Annual household growth for London 2020-2030 is 50% lower using the 2018-based projections than the 2014-based projections. For Enfield, annual growth is 71% lower using the new projections instead of the older ones. This is the fourth biggest change of all London Boroughs.

development, such as environmental designations and the need for employment land, and on where infrastructure and services can best be provided to support growth.

8. The overall need for new homes within Enfield, and all local authority areas in England, is now determined by the current government 'standard method' set out in national planning policy. This standard method provides the minimum housing target that should be set out in the Local Plan. The standard method has to be based on 2014-based national household projections as the starting point and then adjustments have to be made to take account of the affordability of housing to local households. Under the current methodology, the figures are then capped to take account of existing adopted local plan requirements. In Enfield, the existing standard method results in a minimum housing need figure of 1,117 per annum. It is calculated as follows:
 - I. 2014-based household projection for 10-year period = 2,327
 - II. Uplifted to take account of affordability = 3,856
 - III. Capped at 40% above the adopted Local Plan target (798 + 40%) = 1,117
9. The figure of 3,856 per year can be seen as the 'unconstrained' estimate of housing need (i.e. need and demand is not limited by the supply or affordability of homes). The final figure of 1,117 is substantially lower than household projections and the affordability uplift. This is because of the cap which is applied under this method and this relates to the target in the existing plan. The intention of the cap is to make sure that housing targets do not increase so much from the adopted local plan as to make delivery entirely unrealistic.
10. The *new* government 'standard method', as proposed in the technical consultation document 'Changes to the current planning system' published by the Ministry of Housing, Communities and Local Government (MHCLG) in August 2020⁹, introduces the size of the existing housing stock in an area to the approach, as well as an additional uplift where housing affordability has worsened over time. This means that the more housing an area already has, the less affordable the existing housing stock, and the worse affordability is becoming, the more the area has to build in future. Furthermore, any cap on growth has been removed from the new method.¹⁰
11. In Enfield, as with other London Boroughs, the removal of the cap on growth has the effect of substantially increasing overall housing need despite substantial falls in the official household projections over the last 4 years. The new standard method results in a minimum housing need figure of 2,213 per annum – almost double the figure identified in the existing standard method. It is calculated as follows:
 - I. 2018-based household projection for 10-year period = 678
 - a. Because this is higher than 0.5% of the existing stock, at 631 dwellings, only the household projection is used in subsequent steps
 - II. Uplifted to take account of affordability = 2,213

⁹ Available at <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system> (please note that this consultation is now closed)

¹⁰ At the time of writing, Government has suggested it will further amend the new standard method but a revised approach has not yet been published

- a. This includes an additional uplift because Enfield's affordability ratio has risen from 8.09 to 14.51 during the 10-year period
- III. No cap is applied
12. The figure of 2,213 per year can be seen as the 'unconstrained' estimate of housing need in Enfield, based on the 2018 projections. The final figure of 2,213 is substantially higher than household projections primarily because of the removal of a cap on growth.
13. Neither of these standard method figures provide a housing target or requirement for Enfield. The London Plan 'Intend to Publish' identifies a target of 1,246 homes per annum for Enfield. This was developed before the new standard method was published and so does not reflect the latest national policy developments. Nevertheless, if the London Plan is adopted, the Enfield Local Plan will need to adopt a housing requirement that is in conformity with this.¹¹
14. The government also states in its White Paper 'Planning for the Future', published for consultation in August 2020¹², that it proposes to accompany the new standard method with a *'new nationally-determined, binding housing requirement that local planning authorities would have to deliver through their Local Plans. This would be focused on areas where affordability pressure is highest to stop land supply being a barrier to enough homes being built. We propose that this would factor in land constraints, including the Green Belt, and would be consistent with our aspirations of creating a housing market that is capable of delivering 300,000 homes annually, and one million homes over this Parliament We also propose that it would be possible for authorities to agree an alternative distribution of their requirement in the context of joint planning arrangements. In particular, it may be appropriate for Mayors of combined authorities to oversee the strategic distribution of the requirement in a way that alters the distribution of numbers, and this would be allowed for'*.
15. This means that the government intends to provide London with a binding housing requirement (different from, but based on the unconstrained need calculation), taking into account constraints such as Green Belt, which is then likely to get redistributed by the Mayor for each borough, based on his growth strategy for London as a whole.¹³
16. The Local Plan for Enfield is therefore being developed in an uncertain policy environment. There is a range of possible outcomes in terms of the overall need and requirement for housing that will emerge once the new standard method is finalised and the new London Plan adopted:
- 1,117 homes per annum: existing standard method minimum need figure;
 - 1,246 homes per annum: Draft London Plan Intend to Publish target, based on existing standard method;
 - 2,213 homes per annum: new standard method minimum need figure;

¹¹ Assuming the emerging New London Plan (2019) is adopted prior to the adopted London Plan (2016) becoming more than five-years old: <https://lichfields.uk/blog/2020/august/7/london-and-the-new-standard-method-england-s-hotbed-of-need/>

¹² Available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/907956/Planning_for_the_Future_web_accessible_version.pdf

¹³ We assume this would be as part of an early or comprehensive review of the New London Plan. Therefore the standard method would apply at the point of the update to the New London Plan is adopted.

- An as yet unknown target, likely provided by the government, based on the new standard method; and
- An as yet unknown target, likely to be provided by the Mayor of London, based on the awaited government requirement and the new standard method, redistributed based on Greater London spatial priorities.

17. It is relevant to note that the current adopted Local Plan target is 798 per annum and Enfield delivery in recent years has been below this target. All of the plausible housing requirements described above, therefore, significantly exceed current plans, strategies, and delivery.

18. This report takes forward the Draft London Plan Intend to Publish target of 1,246 homes per annum as a point of reference. In practice, the housing requirement in the Local Plan may (and is likely to) be different, depending on how national and regional planning policy settles and decisions taken by Enfield. However, 1,246 is the most up to date target (rather than needs figure), available to Enfield at the time of writing.

Key issues and challenges in Enfield identified in this Local Housing Needs Assessment (LHNA)

19. This report demonstrates that Enfield is part of a wider housing market in north London, with significant net in migration from Haringey (south) and out migration to authorities to the north of Enfield, such as Broxborne. In recent years, there has been net outmigration of households from Enfield and the declining affordability of housing in the borough is likely to have been a significant factor in this pattern. Enfield is also connected to other London Boroughs, including Westminster and the City of London, as many Enfield residents travel to work in these areas. This means that trends in neighbouring Boroughs and decisions taken about development across London will impact on Enfield and vice versa.

20. There are distinctive patterns within the Borough with generally higher house prices and rents in the west and lower prices and rents in the east of the Borough. The east of the Borough also contains some of the most deprived areas of England according to the Index of Multiple deprivation¹⁴.

21. Enfield has a particular challenge in addressing homelessness. Almost 2,000 households were 'owed a duty' in 2019/20 – meaning that Enfield Council had a duty to address their needs under the Homelessness Reduction Act 2018¹⁵. This level of homelessness is consistent with Enfield's share of the population of London as one of the most populous London Boroughs. However, a substantial number of households are currently living in temporary accommodation in the Borough and rates of temporary accommodation use are high compared to London as a whole. At the time of writing, around 3,600 households were living in temporary accommodation in the Borough¹⁶. Temporary accommodation is given to households who present to a local authority as homeless, if the Council does not have

¹⁴ Available at <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

¹⁵ Available at <https://www.gov.uk/government/publications/homelessness-reduction-bill-policy-factsheets>

¹⁶ Data provided by LBE knowledge & insight

suitable longer-term housing available when it accepts responsibility to house that household. This accommodation can be in a council owned or a privately owned property or even in a B&B.

22. The high level of households living in temporary accommodation within Enfield presents a particular challenge to the Council in meeting housing needs. There are a number of facets to this problem:

- There is a higher concentration of homelessness and households living in temporary accommodation in the east of the Borough. This is because of the availability of relatively cheaper private rented sector housing which allows households to access accommodation with housing benefit. Conversely, there is more limited availability of social housing and higher private rented rents in the west of the Borough.
- There is evidence of substantial numbers of placements of homeless households from other London Boroughs into Enfield, particularly from Boroughs which have more expensive rented housing. This has contributed to what can be described as a 'dysfunctional' private rented housing market within parts of the Borough (e.g. Edmonton in the south east) where the sector is somewhat driven by housing benefit, homelessness and private sector landlords taking incentive payments from a range of Councils to house their homeless households.
- The high level of households living in temporary accommodation means that the acute needs of these households dominate the Council's housing register and that the Council therefore has had to concentrate much of its efforts on addressing this very acute need, limiting its ability to address wider housing needs.

23. House prices in the Borough have risen significantly in the last 20 years, more than doubling between 2000-2019, in line with the trend across London as a whole. The ability to buy a home in the open market is beyond the reach of many Enfield residents on the basis of their incomes.

24. Rents have also increased substantially in the last 5 years, with more significant rises amongst lower quartile rents (the cheaper properties on the rental market). Affordability is particularly challenging for those on lower incomes and key workers. In some parts of the borough, particularly in the south east, many households have very low incomes and rely on benefits in order to access housing. As such, they are often in financially precarious positions, including where their earnings and benefits together do not cover rent and living costs. This can particularly be the case for larger households.

The need for affordable housing

25. A key role for local authorities is to identify the need for affordable housing and to set out policies to address this in the Local Plan. The NPPF sets out the definition of affordable housing and it is important to note that this definition now clearly includes the need for affordable home ownership as well as for affordable rented accommodation more traditionally associated with affordable or social housing.

26. The recent GLA Intermediate Housing Consultation and supporting research note published in 2020¹⁷ is also clear about the distinction between households who need or want affordable home ownership, or intermediate rents, and those who need social or affordable rented housing.
27. For this reason, it is important that the LHNA for Enfield provides two estimates of these distinct groups of households who may need or want affordable housing.
28. The first relates to the need, primarily, for subsidised rented homes to meet acute needs identified through the waiting list¹⁸ and other sources. These are the people who cannot afford to rent or buy in the open market and would be more likely to present as homeless or live in unsuitable or overcrowded accommodation without access to affordable rented housing.
29. The second estimate identifies the need for affordable home ownership or intermediate products (which could include discounted market rents) to meet the needs of those who may be able to afford to rent in the market but cannot afford to buy or to save for a deposit. These needs are part of the definition of affordable housing need but less acute, as these people can afford a form of private housing.
30. It is important to acknowledge that there may be some overlap between these two groups. For example, those who are identified as being able to afford market rents may actually struggle to afford a property of a suitable size (for example if they have a large family) or may have debts or outgoings which mean their position in the rented sector is precarious. It is unlikely that the households identified as in need of subsidised rents (from the waiting list) would have the resources to afford other tenures since these are largely households in acute housing need and living in temporary accommodation. The Enfield housing register also uses an income threshold which rejects applicants who may be able to afford one of the least expensive shared ownership properties and by extension, those who can afford market rents.
31. The LHNA estimate of the need for social/affordable rented housing is 711 homes per annum. This is based on:
 - the backlog of households currently in need, as evidenced by the Council's waiting list,
 - the formation of new households who are unable to afford to meet their needs in the market, and
 - the available supply of social and other affordable rented housing through lettings each year.

A separate estimate of the need for intermediate and affordable home ownership homes is provided on the basis of:

- the backlog of households living in the private rented sector who may prefer to buy,
- the proportion of newly forming households who are likely to be able to rent but unable to buy, and
- the supply of intermediate (shared ownership) properties for resale.

¹⁷ Available at https://www.london.gov.uk/sites/default/files/20200804_intermediate_housing_consultation_2020.pdf

¹⁸ Also called housing register (<https://new.enfield.gov.uk/services/housing/council-housing/apply-to-be-on-the-housing-register/>)

32. The LHNA estimates 696 households per annum will need intermediate tenures and products in Enfield. It is important to keep in mind that these households are generally not in acute housing need and do not lack housing, but most would prefer to own their own home rather than rent.
33. It is important to note that the two estimates of the need for affordable housing are different. The estimate of the need for subsidised rented housing is a measure of acute need where households lack their own housing or live in unsuitable conditions. It is also a minimum estimate since it relies to some extent on the waiting list which only registers those in acute need (primarily those who are homeless and living in temporary accommodation). There are a large number of additional households living precariously in the private rented sector supported by housing benefit who are not included in either estimate.
34. The estimate of the need for affordable home ownership or intermediate housing is a measure of households who may be able to rent in the market but are unable to afford to buy and would prefer to do so. This may be seen as 'potential demand' rather than housing need since these households may have other options. However, it is important to note that NPPF 2019 considers these households as in need of affordable housing.
35. Taken together, the two estimates equate to 1,407 households each year who need some form of affordable housing in Enfield. This would exceed the current standard method need figure (1,117) and the London Plan target (1,246 per annum) and equates to 64% of the need figure under the new standard method (2,213).
36. Over the period 2013/14 to 2017/18, a total of 853 affordable dwellings have been built in Enfield, accounting for 30% of all dwellings built. The overall average annual newbuild 2013/14 to 2017/18 has been 573, which is well below the potential housing target of 1,246. There is therefore a substantial gap between actual affordable housing delivery in past years and the estimated need for affordable housing in the Borough. This gap has been widening for a considerable time in Enfield as well as in other local authority areas. It is relevant to note that new homes delivered through permitted development conversions from office space in Enfield have not contributed to delivery of affordable housing. This issue is considered in a separate report to the Council.¹⁹

Affordability of housing in Enfield

37. The LHNA demonstrates the challenge for many Enfield households in affording to buy or rent in the open market. Affordability of market housing has also worsened over recent years as prices and rents have risen more rapidly than earnings and incomes.
38. However, it is also important to consider how affordable existing 'affordable housing' tenures and products are to those households who need them. This LHNA has considered affordability by applying a number of measures or benchmarks:
- Whether households are spending more than one third of their gross income on housing costs;
 - Whether LHA (Local Housing Allowance, also called housing benefit) covers their rent;

¹⁹ AECOM report to London Borough of Enfield (2020) Office to Residential Research

- Whether households on average incomes can afford to rent or buy affordable housing; and
- Whether key workers on typical salaries can afford to rent or buy affordable housing.

It is useful to draw out a number of observations about the affordability of housing in Enfield:

- The cost of home ownership is out of reach to most households in Enfield on the basis of their incomes (unless they are existing home owners or have substantial deposits).
- Market rents are affordable to households on average incomes, but even lower quartile rents are stretching for households who rely on housing benefit alone, as they are typically set just above the LHA (housing benefit) limit.
- Existing affordable home ownership products, such as shared ownership, extend home ownership to additional households in Enfield but they do not extend affordability to all households who can rent but can't buy.
- The Government's proposed new First Homes product would need new homes to be discounted by more than 60% in Enfield to ensure they are affordable to households on average incomes.
- Intermediate rents (e.g. London Living Rent) are affordable to households on average Enfield incomes. These types of homes may also be a route to home ownership for households on average incomes as the discounted rent allows these households to save for a deposit. Discounted market rents provided through new Built to Rent schemes may be considered a new source of intermediate rents, though this will depend on the discount secured.
- Affordability of intermediate housing is challenging for key workers if their household is reliant on one income. Households with two people earning are likely to be able to access current products such as shared ownership, as well as subsidised rented homes.
- Housing benefit rates cover the cost of renting in the social and affordable rented sector. They are sufficient to cover London Affordable Rents and London Living Rents within Enfield, but this does not guarantee that households will have sufficient incomes (from earnings or other benefits) to afford their other living costs. This raises a separate question about whether welfare benefits (set by the Government) are sufficient to cover living costs of low income households which is beyond the scope of this LHNA.
- It is important that new tenures and products are provided with local incomes in mind to maximise affordability to households who are unable to rent or buy in the open market²⁰.

The size mix of homes needed

39. The LHNA provides evidence on the likely mix of homes needed over the plan period and the current stock of homes available to residents in Enfield. It is important to keep in mind that estimating the appropriate mix of homes that might be needed in the future is not a

²⁰ However, please note that such rents cannot be set through planning policy and have to be determined as part of a Housing Strategy

precise science. In the market sector, the type and size of homes required is driven by income, wealth and life-stage rather than demographics (e.g. the size of the household).

40. The modelling undertaken for this study suggests the largest requirement in the market sector will be for 3- and 4-bedroom homes – i.e. family sized accommodation, with just over one quarter likely to require 1- and 2-bedroom properties. It is important to note that this is driven by demographic change within the Borough and does not mean that existing households within Enfield will be able to afford such new family sized housing.
41. In the affordable sector it is easier to match households with the type and size of property they need because, at least in the social/affordable rented sector, households may only access homes that meet their basic needs (based on the Council's allocations policy²¹ and on what properties are available to the Council to allocate). Nevertheless, overcrowding within the Borough is a problem, with a substantial proportion of households in the private and social rented sectors living with less space than they need.
42. In the affordable housing sector, the largest proportion of households need 2- and 3-bedroom properties. Once the borough's new allocation scheme is adopted, this may result in some change to the nature of demand for social/affordable rented properties in the borough, but this is unlikely to be radical, as young families with acute need tend to be the largest proportion of households needing affordable accommodation in the social/affordable rented sector.
43. Enfield does not currently hold a waiting list of households interested or eligible for intermediate or affordable home ownership properties. Take up of these properties both within the borough and more widely across London and England is typically amongst younger households who were previously living in the private rented sector. Demand for 2-bedroom properties tends to be highest, although some single and couple households need or want 1-bedroom homes and there is some demand from family households for larger properties.

The needs of specific groups

44. This LHNA has also identified housing needs of specific groups within the population. There are two groups whose needs are on a substantial scale and likely to grow over the plan period, which will impact on the need and demand for housing in the borough, particular in terms of specialist accommodation:
 - Older people: significant growth in the older population is projected over the plan period within the Borough and, as a result, the need to expand provision of specialist forms of accommodation and mainstream housing which is suitable for or adapted to the needs of households as they age.
 - People with disabilities: a substantial proportion of households contain someone who has health or mobility problems and this is projected to grow over the plan period. Separate evidence from the housing register confirms that households needing larger

²¹ <https://new.enfield.gov.uk/services/housing/housing-allocations-scheme/> *Note that at the time of writing, the Council is consulting on the introduction of a new allocation scheme

(3 bed) wheelchair accessible homes can face long waits for appropriate housing because of the limited supply of these properties in the social housing stock.

45. The LHNA also reflects on the small scale but high priority need for specialist or adapted mainstream accommodation for vulnerable people including those with learning disabilities, mental health needs, care leavers and those experiencing domestic violence.
46. In conclusion, this LHNA presents evidence which demonstrates the substantial need for additional housing within Enfield, particularly to meet the needs of households who cannot afford to rent or buy. Affordability has worsened over time and presents a particular challenge for younger households, those on lower incomes and key workers. The Council will need to maximise the delivery of a range of affordable housing over the plan period to address these needs, as well as providing much needed market housing.