

Less than zero: The decline of Social Rent housing in Enfield

Introduction

Enfield builds less Social Rent housing than most other outer London boroughs. This paper sets-out the consequences associated with not building enough Social Rent housing and the reasons for this shortfall in the borough.

Background

Social Rent housing is more affordable than the private sector and tends to provide a more stable and secure tenancy. Families living in Social Rent housing have more control over their homes and can put down lasting roots in the community.

Data from the GLA's Planning Datahub shows far less Social Rent housing was built in Enfield than most other outer London boroughs over the last 10 years. ^[1]

Consequences of not building enough Social Rent homes

This shortfall of Social Rent homes has had serious consequences, for example:

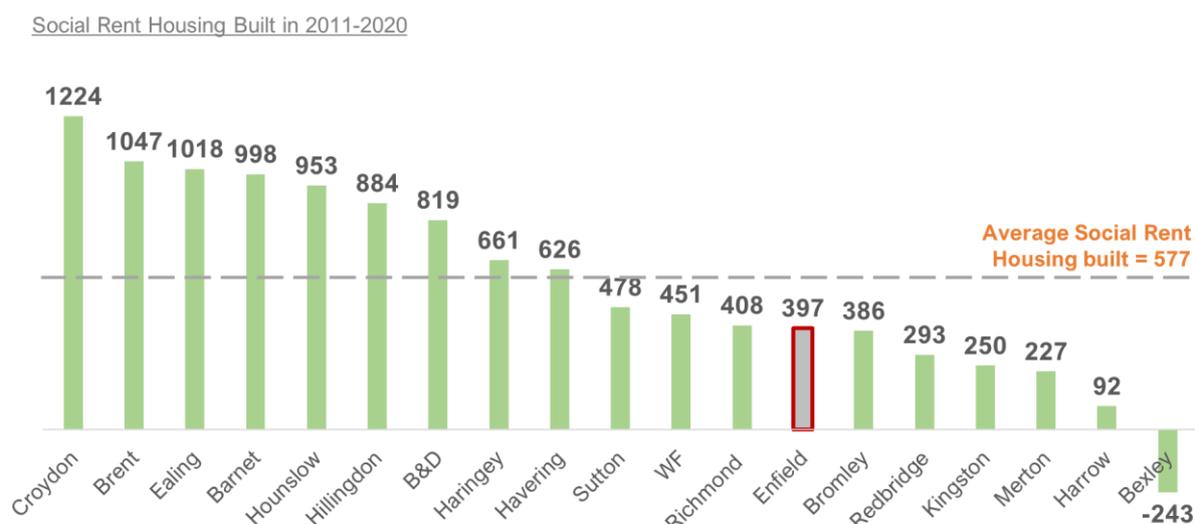
- A lack of Social Rent housing has left many families living in unaffordable, unsafe and overcrowded accommodation in the Private Rented Sector in Enfield. ^[2]
- Edmonton in particular has high levels of overcrowding which is linked to high rates of disease transmission and other serious health and social issues. ^[3]
- Many families cannot afford private sector rents, and as a result Enfield now has one of the highest rates of homelessness and Temporary Accommodation use in England. ^[4]
- Around 5,000 children are living in Temporary Accommodation in Enfield and there are serious health and wellbeing issues associated with this type of accommodation. ^[5]
- The average waiting time for council accommodation with 3+ bedrooms is now 5-6 years, with many families in Enfield waiting more than 10 years for a suitable home. ^[6]

There are also financial consequences associated with not building enough good quality Social Rent housing. For example, in 2018/19, Enfield spent over £66m on temporary accommodation, ^[7] and the cost of poor housing to the NHS nationally is estimated to be around £1.5bn per year. ^[8]

The shortfall of Social Rent homes in Enfield

According to data on the GLA website, 397 Social Rent homes have been built in Enfield over the last 10-years, which means Enfield is one of the lowest performing outer London boroughs for this type of affordable housing. ^[9]

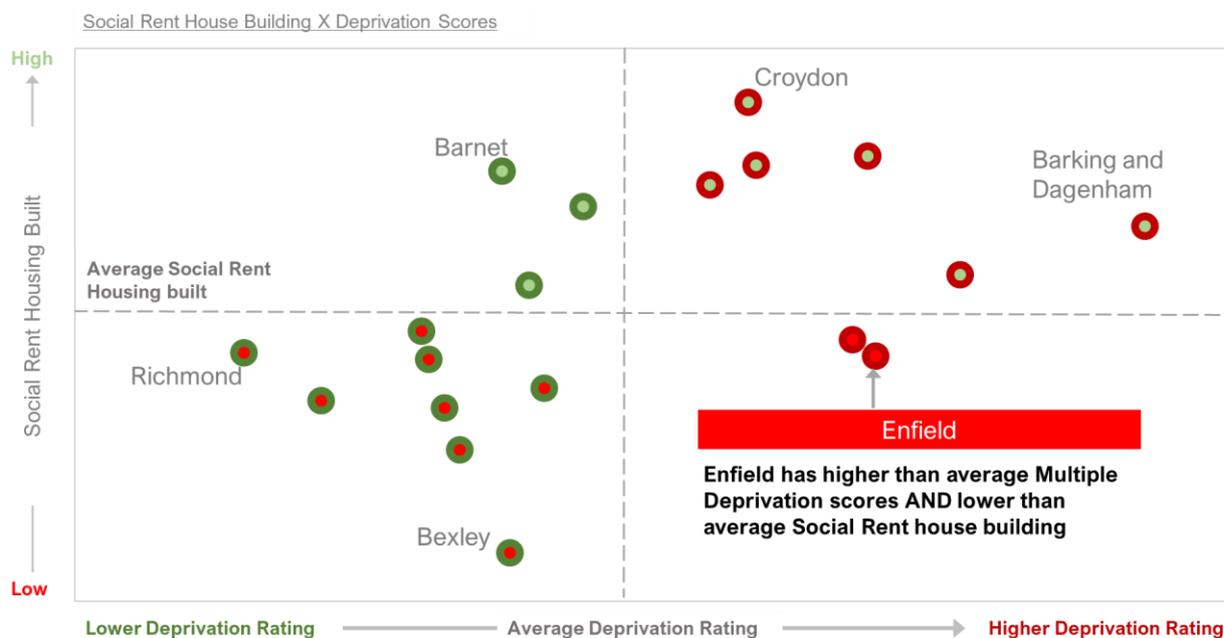
The chart below shows that the number of Social Rent homes built in Enfield over the last 10 years was below average for an Outer London Borough.



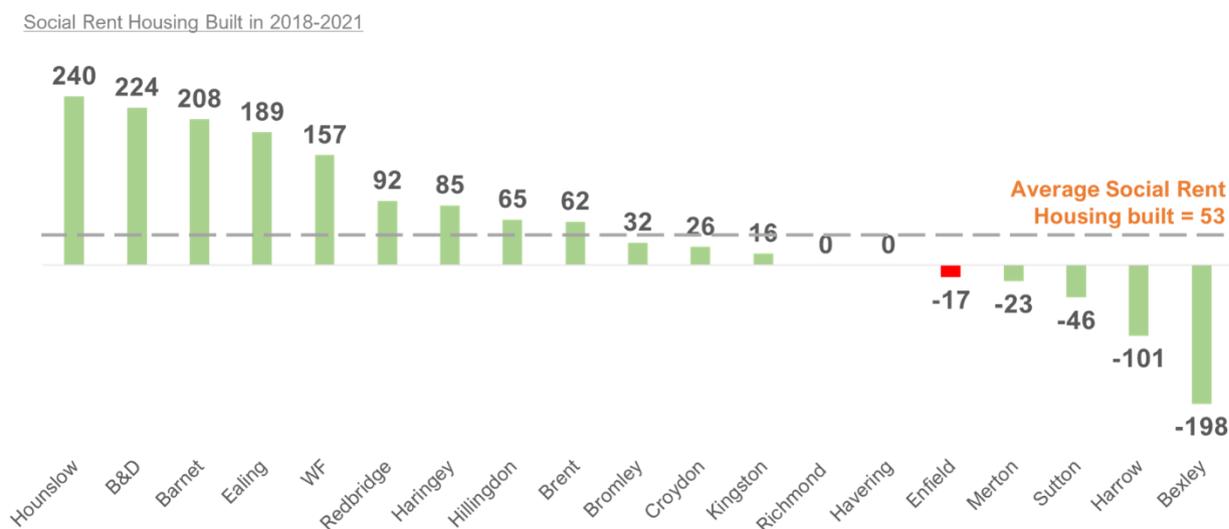
Source: <https://data.london.gov.uk/dataset/planning-london-datahub>

Enfield has relatively high levels of poverty compared to most outer London boroughs, so arguably **Enfield needs to build more Social Rent housing than other boroughs, not less.** ^[10]

Need: The chart below shows that Enfield is classed as one of only two boroughs to have an above average need for Social Rent homes, but a below average rate of building these types of homes. On this metric, Enfield is the worst performing outer London borough.



Recent delivery: Despite the evidence of increased need for this type of housing the delivery of Social Rent housing in Enfield has declined recently. ^[11] The chart below shows that since 2018 more Social Rent housing was demolished/lost in Enfield than built.



Source: <https://data.london.gov.uk/dataset/planning-london-datahub>

Outcome: The building of Social Rent homes in Enfield has not kept up with demand and Enfield is now approximately 1,600 homes short of its 2011-2020 housing target for Social Rent homes. ^[12] To redress this issue, thousands of Social Rent homes now need to be built; Enfield's latest Local Housing Needs Assessment (LHNA) estimates that between 1,415 and 2,797 new Social Rent homes per year need to be built in Enfield to make up for previous shortfalls and to respond to the increasing demand for this type of housing. ^[13]

Reasons for the shortfall of Social Rent homes

There are national and regional issues that affect a council's ability to build Social Rent housing. For example, a lack of grant funding or, until relatively recently, the ability for a council to borrow the money needed to build Social Rent housing. However, it is important to understand why Enfield has performed poorly in comparison to others similar boroughs.

Estate Regeneration Losses

Enfield has been losing Social Rent housing at a significant rate over the last 10 years. Enfield Council has demolished Social Rent housing when regenerating its estates but not replaced it. For example:

- The 2015 plans for the redevelopment of the Alma Estate in Ponders End show that 556 Social Rent homes would eventually be demolished with only 200 built, giving a **net loss of 356** Social Rent homes. ^[14]
- The 2012 plans for the redevelopment of the Ladderswood Estate in Southgate Green shows a **net loss of 24** Social Rent homes. ^[15]
- The 2016 plans for the redevelopment of the New Avenue Estate in Cockfosters show there will be a **net loss of at least 32** Social Rent homes. ^[16]

These regeneration schemes have increased the overall number of homes on the site, particularly the number available for private sale, but this has been achieved by losing much needed Social Rent homes. Some of the schemes have delivered other types of 'affordable' housing such as Shared Ownership, but families who need Social Rent homes cannot afford other types of 'affordable' housing.

Permitted Development Losses

London Councils were warned about the problems associated with the Permitted Development conversion of office buildings into flats, and most reacted accordingly to the strategic threat. ^[17] However, Enfield Council is one of the few councils in London not to have put the measures in place to control this type of office conversion. This has enabled offices across Enfield to be converted into flats, without the developer including any affordable homes. It has also meant that important town centre sites have been poorly developed, and opportunities have been missed to use these sites more effectively to build good quality high density affordable housing in sustainable and viable locations.

Estimating the loss of affordable housing due to this type of Permitted Development is not straightforward but to give some idea of scale, a 2019 council report estimated that between 2014 and 2018, up to 263 affordable units may have been lost (of which around 200 would be Social Rent), a figure which will have increased substantially since 2018. ^[18] This means Enfield has potentially been missing out on hundreds of new Social Rent homes as a result of not responding to warnings about permitted development office conversions.

Policy Targets Not Met

Enfield's Core Strategy 2010-2025 indicates that 28% of new homes built should be Social Rent ^[19], however, between 2011 and 2020, just 8% met this criterion. ^[20] Since 2018 the proportion of Social Rent homes built in Enfield has been below zero, i.e. -1.7%, meaning that more were demolished/lost than built. ^[21]

Overall Housing Targets Not Met

Since 2018, Enfield Council has not hit its overall annual house building targets. ^[22] Given the current dominant developer-led funding model for affordable housing, ^[23] this makes it almost impossible for Enfield to meet targets for Social Rent housing.

Meridian Water Delays

The redevelopment of Meridian Water started over 10 years ago and could eventually deliver up to 2,800 Social Rent homes. However, the project has run into problems, and is still some years away from delivering its first home, and around 30 years away from completion.

The council has committed significant investment to the project, for example council borrowings are approaching £400 million, with interest payments of around £8 million per year,^[24] and there are now 45 council officers dedicated to working on the project with annual salary costs increasing from £1.2m to £3.1m in 2017/18.^[25]

Looking to the future

Nationally, there is pressure building on the Government to increase the funding needed for Social Rent housing and to make a number of reforms that will encourage more of this housing to be built. For example, in July 2020 the cross-party House of Commons, Housing, Communities and Local Government Committee released a report called 'Building more social housing' which made a number of recommendations to Government and said that:

- A social housebuilding programme, of around 90,000 Social Rent homes per year, **should be top of the Government's agenda** and that the evidence showed that such a **scheme will pay itself back in full over the long term** to the Exchequer.
- The Government should amend the Land Compensation Act 1961 so that local authorities and development corporations can compulsorily purchase land at a fairer price, **which could reduce the cost of a social housebuilding programme by up to 40 per cent.**
- Local authorities should receive **100 per cent of Right to Buy receipts** and have longer to spend them.^[26]

The Government is best placed to drive the change that is required, but there are things that Enfield Council could do to improve its record on Social Rent house building, for example:

- **Set a realistic and unambiguous annual target for additional Social Rent housing.** This should be separate to targets for other types of 'affordable' housing in order to avoid the confusion created by the broad 'affordable' classification, and to focus attention and action specifically on Social Rent housing for those in acute housing need.
- **Give support to developers whose schemes help deliver Social Rent housing.**
- **Take a longer-term financial view.** Council schemes such as Meridian Water are likely to deliver more Social Rent housing if a longer-term view is taken.
- **Take a broader view of financial assessments.** Financial assessments for council schemes should consider cost savings, such as savings in temporary accommodation and health care costs, as well as societal benefits.
- **Increase the number of larger family sized homes.** This will help to reduce the children in Temporary Accommodation, deliver a more efficient land use (i.e. more people housed per sqm) and can improve a schemes financial viability.
- **Refuse estate regeneration schemes that reduce the number of Social Rent homes.**
- **Respond quickly to strategic threats to Social Rent house building** e.g. Permitted Development rights.

The reality is that thousands of families and children will be living in unsuitable and unaffordable accommodation for the foreseeable future in Enfield unless there is urgent action taken by the Government and by the council to increase the number of Social Rent homes built in Enfield.

References and Notes

Note: London Affordable Rent is included within the definition of Social Rent.

1. Data was taken from the GLA's Planning Datahub in May 2021 for the years 2011-2020 (10 years) <https://data.london.gov.uk/dataset/planning-london-datahub>
2. Enfield Poverty Inequality Commission Report (smith-institute.org.uk), p8, 11
<https://www.smith-institute.org.uk/wp-content/uploads/2020/01/Enfield-Poverty-Inequality-Commission-Report.pdf>

London Borough of Enfield Selective and Additional Licensing Appendix 3 Evidence Pack, p25
<https://governance.enfield.gov.uk/documents/s79575/Appendix%203%20-%20Evidence%20Report%20002.pdf>

3. Enfield Poverty Inequality Commission Report (smith-institute.org.uk), p11
<https://www.smith-institute.org.uk/wp-content/uploads/2020/01/Enfield-Poverty-Inequality-Commission-Report.pdf>

The Cost of Unhealthy Housing to the National Health Service

<https://commonslibrary.parliament.uk/research-briefings/cdp-2019-0046/>

Public Health England - Mental health: environmental factors

<https://www.gov.uk/government/publications/better-mental-health-jsna-toolkit/2-understanding-place#fn:12>

House of Commons Library, Number 1013, 31 March 2020, Overcrowded housing

<https://commonslibrary.parliament.uk/research-briefings/sn01013/>

Putting Health into Place Introducing NHS England's Healthy New Towns programme

<https://www.england.nhs.uk/wp-content/uploads/2018/09/putting-health-into-place-v4.pdf>

See also:

The Health Foundation: Overcrowding is highest for those with low incomes / COVID-19 chart series

<https://www.health.org.uk/news-and-comment/charts-and-infographics/overcrowding-is-highest-for-those-with-low-incomes>

Why are people from BAME groups dying disproportionately of Covid-19?

<https://www.theguardian.com/world/2020/apr/22/why-are-people-from-bame-groups-dying-disproportionately-of-covid-19>

We need a better understanding of the links between homelessness and ethnicity

<https://www.betterhomes-enfield.org/2020/06/19/we-need-a-better-understanding-of-the-links-between-homelessness-and-ethnicity/>

4. Enfield Council; Housing and Growth Strategy 2020-2030, p8 graphic
<https://new.enfield.gov.uk/services/housing/housing-and-growth-strategy-2020-2030-housing.pdf>

Enfield Poverty Inequality Commission Report (smith-institute.org.uk), p25
<https://www.smith-institute.org.uk/wp-content/uploads/2020/01/Enfield-Poverty-Inequality-Commission-Report.pdf>
5. Agenda Document for Cabinet, 16/10/2019 (enfield.gov.uk), page 11
<https://governance.enfield.gov.uk/documents/g12940/Public%20reports%20pack%2016th-Oct-2019%2019.15%20Cabinet.pdf?T=10>
6. FOI Response from Enfield Council April 2021
7. Enfield Council; Housing and Growth Strategy 2020-2030, p8 graphic
<https://new.enfield.gov.uk/services/housing/housing-and-growth-strategy-2020-2030-housing.pdf>
8. Cost of Poor Housing Briefing Paper (bre.co.uk)
<https://www.bre.co.uk/filelibrary/pdf/87741-Cost-of-Poor-Housing-Briefing-Paper-v3.pdf>
9. Data was taken from the GLA's Planning Datahub in May 2021 for the years 2011-2020 (10 years) <https://data.london.gov.uk/dataset/planning-london-datahub>
10. Indices of Deprivation - London Datastore
<https://data.london.gov.uk/dataset/indices-of-deprivation>
11. Evidence of need can be seen on 2015 SHMA and 2020 Local Housing Needs Assessment
<https://new.enfield.gov.uk/services/planning/enfield-strategic-housing-market-assessment-planning.pdf> / <https://new.enfield.gov.uk/services/planning/evidence-base/>
12. Shortfall is the difference between the GLA reported figures for Social Rent Housing and the targets for Social Rent housebuilding set by Enfield in its Core Strategy 2010-2025.
13. 2020 Local Housing Needs Assessment
<https://new.enfield.gov.uk/services/planning/enfield-strategic-housing-market-assessment-planning.pdf> / <https://new.enfield.gov.uk/services/planning/evidence-base/>
14. See plans for Alma Estate 15/02039/OUT
<https://new.enfield.gov.uk/services/planning/the-planning-register/>

15. See plans for Ladderswood Estate P12-02202PLA
<https://new.enfield.gov.uk/services/planning/the-planning-register/>
 16. See plans for New Avenue Estate 16/01578/FUL
<https://new.enfield.gov.uk/services/planning/the-planning-register/>
 17. Example of Permitted Development Warnings: RICS; assessing the impacts of extending permitted development rights to office to residential change of use in England.
<https://www.rics.org/globalassets/rics-website/media/knowledge/research/research-reports/assessing-the-impacts-of-extending-permitted-development-rights-to-office-to-residential-change-of-use-in-england-rics.pdf>
- Most Councils across London responded to the threat posed by Permitted Development by implementing something called an Article 4 direction, which gives control over office conversions back to councils in particular areas (e.g. town centres). Enfield was specifically advised to do this in 2017 (in its Employment Land Review) but did not act on this recommendation.
18. Office to Residential Conversions Research Study 2019-11-12 (enfield.gov.uk)
<https://new.enfield.gov.uk/services/planning/enfield-pdr-conversions-research-study-planning.pdf>
 19. Enfield's Local Plan (Core Strategy and DMD) says that 40% of units of developments building 0 or more units should be affordable of which 70% should be Social Rent (28% overall)
<https://new.enfield.gov.uk/services/planning/adopted-plans/planning-policy-information-the-enfield-plan-core-strategy-november-2010.pdf>
 20. Data was taken from the GLA's Planning Datahub in May 2021 for the years 2011-2020 (10 years) <https://data.london.gov.uk/dataset/planning-london-datahub>
 21. Data was taken from the GLA's Planning Datahub in May 2021 for the years 2018-2021
<https://data.london.gov.uk/dataset/planning-london-datahub>
 22. Enfield Council's response to failing the Government's Housing Delivery Test:
<https://new.enfield.gov.uk/services/planning/enfield-housing-delivery-action-plan-2020-planning.pdf>
 23. The developer contribution model works by requiring a percentage of any new homes to be "affordable". For example, in Enfield planning policy sets a target of 40% affordable housing units in new developments that are building ten or more dwellings and of 20% for developments of less than ten dwellings.

24. General Purposes Committee, Thursday, 14th January, 2021 7.00 pm

<https://governance.enfield.gov.uk/mgChooseDocPack.aspx?ID=13488>

25. FOI request April 2021

26. House of Commons Housing, Communities and Local Government Committee Building more social housing (July 2020)

<https://committees.parliament.uk/publications/2102/documents/19835/default/>