

**Q2.15: Is the evidence on the need for different groups in the community, including the types of housing delivered, based on robust and proportionate evidence? Does the Local Housing Need Assessment (2020) represent an up-to-date assessment of need?**

My representation (**01904-1-1**) identified issues with the Local Housing Needs Assessment 2020 (the LHNA), pertinent to Q2.15.

**In short, multiple issues with the LHNA mean the housing needs of different groups in the community are not sufficiently understood or evidenced.**

The LHNA is a core evidence document; its findings underpin the Plan's spatial vision and key objectives, site allocations, the IIA (i.e. the Sustainability Assessment of site allocations), and numerous policy decisions, as well as the Council's claims regarding Exceptional Circumstances.

However, the Council appears to have misunderstood, or misrepresented, fundamental parts of the LHNA, and the LHNA itself has a number of substantive limitations, particularly in terms of the age of the data used and in understanding the size of homes needed over the plan period.

In terms of the size of homes needed, the Council maintains that **61% of new homes built in the plan period need to have 3 or more bedrooms**, and this figure underpins its spatial strategy, objectives, and exceptional circumstances case; the problem is that it is not based on robust and proportionate evidence.

The 61% figure comes from the 'Baseline demographic scenario' in the LHNA (HNE2, the LHNA, Table 8.2) and can be summarised as follows:

- (a) Market tenures (50% of additional homes over the plan period), of which 71.5% need homes with 3+ bedrooms.
- (b) Social Rented (25% of additional homes over the plan period), of which 50% need a home with 3+ bedrooms.
- (c) Intermediate Affordable tenure (25% of additional homes over the plan period), of which 50% need a home with 3+ bedrooms.

$$[(50\% \times 71.5\%) + (25\% \times 50\%) + (25\% \times 50\%)] = \text{Total } 61\% \text{ } 3+ \text{ bedroom homes}$$

However, there are significant issues with the Baseline demographic scenario.

Firstly, the underlying calculations are based on the years 2018-2036, not the Plan period 2019-2041 (HNE2, the LHNA, pages 151-154, Tables C1, C2A, C2B, C3), and these calculations are based on household population data which is out-of-date i.e. MHCLG 2014-

based household projections (e.g. see, HNE2, the LHNA, pages Tables C2B, C3, C4). Notably, the consultancy responsible for the LHNA (Arc4) has, since late 2020, used ONS 2018-based household projections (released June 2020), as its analysis base for other authorities' housing needs assessments e.g. Tonbridge and Malling Borough Council, Preston, Trafford and Leeds. Using this relatively more recent data and the correct plan period has a major impact on the Baseline demographic figures due to declining birth-rates and the ageing population curve i.e. using these figures would reduce both the number and proportion of family-sized homes required over the plan period.

Secondly, the Baseline demographic scenario is based on national data that 'assumes the relationship between households and the dwellings they occupy remains the same over the plan period' (HNE2, the LHNA, point 8.3). In other words, it bluntly presumes the current type and distribution of housing nationally is acceptable, and should be reflected in Enfield, ignoring national issues, as well as local characteristics and issues such as overcrowding, under occupancy and affordability, and the aspirations and expectations of local households. The LHNA itself shows that implementing this scenario in Enfield would lead to unwelcome planning outcomes e.g. Table C.4 of the LHNA shows that implementing the Baseline demographic scenario would lead to less than 5% of the new family-sized homes delivered to 2036 being occupied by a Household Reference Person aged under 44, with the large majority rented or acquired by those aged 60+. This is poor planning, as it is setting out a strategy that will at best replicate, and more likely exacerbate, some of Enfield's existing challenges e.g. under occupancy and a lack of smaller properties to purchase or rent. Ultimately, using the Baseline demographic scenario to inform the vision and strategy will, as the LHNA Table C.4 shows, result in a poor and inefficient use of land/sites.

There are other issues with the Baseline demographic scenario, and the LHNA repeatedly caveats its outputs e.g. Point 8.21 says, '*Whilst new households may need larger homes, according to their demographic needs, this does not mean they can afford to buy or rent new homes in the size they need. The largest proportion of properties in the existing stock of dwellings in the borough have 3 bedrooms. This suggests that the existing stock will provide a reasonable supply of homes to buy or rent for larger households that form*' i.e. the Baseline demographic does not consider either affordability or account for the existing stock.

Immediately under Table 8.1 in the LHNA its notes (in bold) that, '**Note: demographic baseline relates to anticipated new households over the plan period and not the household population as a whole.**' i.e. it does not account for the needs of Enfield's Existing households, which is a problem as 'in migration/newly forming households' could account for only around 59% of housing demand in the market tenure in Enfield (according to Enfield's 2015 Strategic Housing Market Assessment, Tables 11-11 and 11-10).

Point 8.22 of the LHNA says, 'It is not possible to translate the demographic needs of new households into a requirement for new dwellings in terms of type and size.' i.e. the Baseline demographic does not set quotas for new house building, yet this is precisely how they have been deployed in the Plan and supporting Topic papers, viability testing, and the IIA.

These are all major limitations, which the LPA appears to have ignored in both the Plan and its Housing and Exceptional Circumstances Topic papers.

However, the authors of the LHNA recognise that there are issues with the Baseline demographic scenario, and accordingly propose two alternative Dwelling Mix scenarios (the Aspiration and Expectations Scenarios). These attempt to factor in a broader range of needs and try to create a more grounded estimate in terms of affordability and needs. The need for homes with 3+ bedrooms using these scenarios, shifts from 61% overall to 44% i.e. the highest need is for 1-2-bedroom properties (particularly 2-bedroom). This is due to the forecast age of Enfield's population and the desire/need for older households to move from larger homes to more manageable accommodation. However, the LPA has also completely ignored these two scenarios.

Notably, the Aspiration and Expectation scenarios do not factor in the needs of Concealed households, because these scenarios are based on national surveys with a Household Reference Person, which, by definition, excludes Concealed households. This is another significant limitation; Census 2021 shows that Enfield has a remarkably high and increasing number of Concealed households. Neither the LHNA, or the Plan, or the supporting Housing Topic Papers address the needs of Concealed households directly (NB: the Social Rent calculations may *indirectly* include some Concealed households i.e. if they are on the Housing Register, but the needs of Concealed households in the Market and Intermediate affordable tenures and not on the Housing Register are not addressed either directly or indirectly, despite their significant number).

This is unusual. For example, Enfield's 2015 Strategic Housing Market Assessment *did* consider Concealed Households in detail and found that 97% in the Market tenure required a 1- or 2-bedroom home, as did 94% of Concealed households needing Affordable housing (Enfield's 2015 Strategic Housing Market Assessment, Table 11-7 and point 12.3.5).

This suggests that if the LHNA's Aspiration and Expectation scenarios accounted for Concealed households, then the proportion of new homes needing to have 3+ bedrooms is likely to be considerable below 44%.

Furthermore, the LHNA dwelling mix scenarios do not appear to account for Build to Rent models, which tends to deliver 1–2-bedroom homes, and which are likely to play an increasingly important role in new housing delivery. The LHNA says this is addressed in a separate report, but this is not provided (see HNE2, the LHNA, 7.43). The LHNA, should have properly addressed the needs for Build to Rent homes and incorporated in its dwelling mix modelling as part of taking account of the range of housing types and tenures needed (see Guidance ID: 60-001-20180913).

A figure below 44% for homes with 3+ bedrooms would not be surprising or unusual, as it would bring the need for family-sized homes into closer alignment with the GLA's 2017 Strategic Housing market Assessment, which found that overall 29% of new homes across the Capital to 2041 needed 3 or more bedrooms (see the GLA SHMA Table 1: Net annualised requirement for new homes in London, 2016 to 2041). Comparable overall

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figures from other boroughs are Waltham Forest (34%) and Barking and Dagenham (40%). I picked these two boroughs as examples as they are similar north London boroughs to Enfield, who have either recently adopted their Plan or are in EiP. The GLA and the example boroughs figures for homes with 3+ bedrooms are lower than Enfield's because they take account of the local/regional needs of existing households and concealed households, as well as considering affordability and the impact of existing market tenure stock.

The disconnect between the figures in Baseline demographic scenario and reality of what households need, expect, and aspire to in Enfield over the plan period will be most pronounced in the Market and Intermediate affordable tenures. This is because the Social Rent figures are based on Housing Register data and were therefore relatively robust (although now out-of-date).

The Intermediate affordable tenure would certainly change, because the LHNA sets the need for homes with 3+ bedrooms at 50% without evidence to back this up; it appears to have simply taken the Social Rent figure and applied it bluntly to the Intermediate tenure. I assume this is a mistake, as the LHNA recognises that there is little demand for Intermediate homes with 3+ bedrooms (see HNE2, the LHNA, point 6.46). Enfield's SHMA 2015 (point 5.11.3) suggested a property size target of 10% one, 75% two bedrooms and 15% three-bedroom properties.

Given the above, it is then possible to estimate the need for Market tenure homes with 3+ bedrooms which could be around 40% - which, whilst still considerably higher than Waltham Forest (30%) and Barking and Dagenham (35%) forecasts for Market tenure, would be far more realistic than the 71.5% the Plan is based on.

In conclusion, the evidence on the need for different groups in the community, including the types of housing delivered, is NOT based on robust and proportionate evidence. Notably, the evidence – and/or the LPA's interpretation of it - does not properly account for the needs of Concealed households or Existing households (including, but not limited to, older households looking to downsize to a more manageable property). This is further exacerbated by uncertainties linked to using a different plan period (2018-2036) and very out-of-date population and Census data. Simply put, the Council claims that most new homes in the plan period require 3+ bedrooms and has set out a vision and objectives to achieve this, whereas the evidence shows that the majority need is actually for smaller apartments, particularly those with 2-bedrooms. Accordingly, the LPA has not demonstrated that it has a clear understanding of housing the Borough's housing needs.

This is not merely a theoretical exercise; the pursual of the housing mix claimed as needed by the LPA will create multiple ongoing issues in terms of deliverability and viability, as has already been witnessed in Enfield at the Bury Street West development, where family sized homes have been slow to sell, creating, according to the Council, knock-on issues with the funding of affordable homes.

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I have personal experience of this. I have older relatives living in Enfield who cannot find a property to downsize to that would be more manageable for their needs, despite their considerable effort over several years. Likewise, I have younger adult relatives who are unable to move out of the family home, or who are living in HMOs, due to a lack of smaller affordable apartments. The data suggests neither of these issues are uncommon in Enfield, yet the housing strategy proposed by the Council does not attempt to understand them, let alone address them.

In terms of policies - problems with the evidence summarised above means the Plan has not yet adequately complied with NPPF paragraphs 31, 55, 60 and 63 and is therefore unsound. Furthermore, guidance has not been sufficiently adhered to, including ID: 61-038-20190315, ID: 2a-023-20190220, ID: 67-001-20190722, ID: 63-001-20190626, ID: 61-039-20190315 and ID: 60-001-20180913.

In terms of modifications, the LHNA needs to be updated as soon as possible, to include more recent data (e.g. Census 2021 data, ONS 2018-based household projections, and up-to-date housing register and benefit claimant data), and updated to address genuine localised needs, including - but not limited to - the needs of existing households, older households and concealed households, needs related to the Build to Rent market, and take into account market signals (affordability), as well as the profile of the Borough's existing housing stock. The findings of the updated assessment will then need to be reflected in modifications to the Plan, which is likely to include major modifications to the strategic vision and key objectives, updates to the IIA/SA testing to reflect the genuine local housing needs for smaller properties, changes to 'Housing for all'; planning policies, and changes to the Exceptional Circumstances and Housing Topic papers, amongst others.

I think it is likely the updated LHNA could impact the proposed strategic Green Belt sites PL10 and PI11 (Chase Park and Crews Hill) in particular in one of two ways (1) the exceptional circumstances may no longer exist as the need for homes for 3+ bedrooms is far lower than claimed; (2) if these sites still need to be released for other reasons then the housing requirements for these sites will need to be changed, to reflect genuine needs and to ensure effective and optimised land use and to improve viability.

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