

Mr. Sean Newton
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Please reply to: **Paul White**
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Date: **6th December 2017**

Dear Sean

Re: Redevelopment at New Avenue, Southgate – Section 106 Agreement Affordable Housing Tenures

I understand that the GLA are requesting confirmation of our proposed affordable housing tenure mix in relation to the terms of the Section 106 Agreement.

I also understand that the GLA are suggesting that they would ideally prefer to see the following mix percentages:

- 30% low cost rent (social rent or affordable rent);
- 30% as intermediate (with London Living Rent and/or shared ownership as preferred tenure);
- 40% to be determined by the LPA (taken from Homes for Londoners SPG).

Our proposal is to allocate the 40% 'to be determined by the LPA' for low cost rent accommodation along with the 30% already suggested for low cost rent thereby making the total percentage of 70% for this rented tenure and the amount of low cost rent homes on the new estate will therefore be 98. Of these 98 units - according to our Head of Vacant Possession (who has been involved with the 5 year resident consultation process) - we will need to allocate 60 of them for existing displaced residents who will be returning to the estate (please see Appendix 1 for the returning resident need figures) and we will be obliged to charge social rents for these which are 40 – 45% of LHA. Therefore these 60 units are much more affordable.

We propose the balance of 38 units will be for affordable rent, the need for which is supported by the fact that the borough has over 3000 households in temporary accommodation and over 3000 households on the housing register.

Gary Barnes
Interim Executive Director
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Website: www.enfield.gov.uk

In order to be in line with the GLA's preference we also propose 30% as intermediate tenure which equates to 42 units 'for low cost sale (with London Living Rent and/or shared ownership as preferred tenure)'. Of these 42 units we propose to allocate 11 units for shared equity sale to those leaseholders displaced by the development (as shown in Appendix 2 - confirmed by our Leasehold Buyback Manager) and the rest will be for shared ownership sale. The Southgate area is a high value area and there is no doubt that there will be demand for shared ownership in this particular locality.

To summarise we are proposing:

70% of homes to be let at low cost rents (either social or affordable rents)
30% of homes to be for low cost home ownership (either shared equity or shared ownership).

We are currently working with local residents on finalising the 'Local Lettings Plan' for the estate.

For any additional units generated from the viability review process will be let at affordable rents on the same percentage levels of the LHA as for the base units. Affordable rent levels compared the LHA in the area are determined at Cabinet level by the Council and are dependent on the year the properties are being let. Rent levels are currently illustrated below but they will be decreasing year on year by 1% starting from next April 2018.

Beds	LHA Rate	% of LHA Rate	Amount
1	£200	80	£160
2	£255	76	£194
3	£315	67	£211
4	£389	58	£226

I trust I have provided sufficient explanation of our proposed tenures for this project.

Yours sincerely



Paul White
Housing Development Manager – Enfield Council

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Appendix 1 – Illustration of need for Social Rented Homes amongst displaced residents (Note: Head of Vacant Possession advises that there may be a few drops outs from these figures)

1 Bed Needs

Phase	Amount	Percentage
1 (Beardow)	0	0.00%
2 (Shepcot)	5	100.00%
3 (Coverack)	0	0.00%
Total	5	100.00%

2 Bed Needs

Phase	Amount	Percentage
1 (Beardow)	3	7.69%
2 (Shepcot)	18	46.15%
3 (Coverack)	18	46.15%
Total	39	100.00%

3 Bed Needs

Phase	Amount	Percentage
1 (Beardow)	0	0.00%
2 (Shepcot)	1	5.26%
3 (Coverack)	18	94.74%
Total	19	100.00%

Appendix 2 – Illustration of need for Shared Equity Leasehold Purchase by displaced residents (Note: Figures confirmed by the Leasehold Buyback Manager)

	Phase	Flat Number	Block/Street	No of Beds	Floor Entry Level	Lhr Status
1	1	14	BEARDOW GROVE	2	2nd	RLH
2	2	130	SHEPCOT HOUSE	2	1st	RLH
3	2	135	SHEPCOT HOUSE	2	2nd	RLH
4	2	136	SHEPCOT HOUSE	2	2nd	RLH
5	2	139	SHEPCOT HOUSE	2	2nd	RLH
6	2	150	SHEPCOT HOUSE	2	4th	RLH
7	2	165	SHEPCOT HOUSE	1	5th	RLH
8	2	179	SHEPCOT HOUSE	2	7th	RLH
9	2	187	SHEPCOT HOUSE	2	8th	RLH
10	3	1	COVERACK CLOSE	3	Ground	RLH
11	3	3	COVERACK CLOSE	3	Ground	RLH

RLH = resident leaseholder