



Quod

R22 Local Plan

Matter 1: Legal, Procedural and Other General Matters

Hearing Statement

St William Homes LLP

NOVEMBER 2025

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- 1.1 On behalf of St William Homes LLP ('St William'), Quod submits this hearing statement in respect of Matter 1 - Legal, procedural and other general matters.
- 1.2 This hearing statement responds to the Inspector's matters, issues and questions, written statements; and hearings programme (IN3) issued by the Inspector on 9th October 2025.
- 1.3 St William have submitted representations to the Regulation 18 ('R18') Issues and Options stage in February 2023, and further representations at the Regulation 19 ('R19'¹) Draft Local Plan consultation stage in September 2024.
- 1.4 St William continues to be engaged at the Regulation 22 ('R22'²) Examination in Public and will expand on the matters raised in their previous representations within hearing statements where necessary.

General conformity with the London Plan

Q1.4: Will the Council's proposed main modification be effective in ensuring compliance with regulation 8?

- 1.5 Section 24 of the 2004 Act requires the Plan to be in general conformity with the Mayor of London's spatial development strategy (i.e. The London Plan 2021). As set out in our representations, we do not consider the Plan to be in general conformity with the London Plan for the reasons as cited in the GLA's letter to the R19 Local Plan of 30th August 2024.

Strategic priorities and strategic and non-strategic policies

Q1.5 Do all of the strategic policies in the Plan, including those in part 2 relating to neighbourhoods and allocations, meet the relevant criteria in the NPPF and PPG?

- 1.6 Page 18 of the R22 Plan states that all policies in the Plan are considered strategic with the exception of policies BFN3, D5, HS6 and T4. Paragraph 37 of the Framework states that the tests of soundness will be applied to non-strategic policies in a proportionate way, taking into account the extent to which they are consistent with relevant strategic policies for the area.
- 1.7 In respect of whether a policy is strategic, the Framework is explicit that such policies "*should be limited to those necessary to address the strategic priorities of the area*" and "*should not extend to detailed matters that are more appropriately dealt with through neighbourhood plans or other non-strategic policies*".

¹ SD002a & SD002b

² SD005b

- 1.8 Strategic policies should be prepared to guide development for a minimum of 15 years, and must be tested for soundness in accordance with Paragraph 36. The 'Plan-making' PPG also provide guidance on whether a policy is considered to be strategic.
- 1.9 By contrast, Paragraph 29 of the Framework establishes non-strategic policies as those that *“set out more detailed policies for specific areas, neighbourhoods or types of development. This can include allocating sites, the provision of infrastructure and community facilities at a local level, establishing design principles, conserving and enhancing the natural and historic environment and setting out other development management policies”*.
- 1.10 Based on the above, we consider there to be a number of policies within the Local Plan which are non-strategic including:
- Policy D1 Design Standards
 - Policy D2 Public Realm Net Gain
 - Policy D5 Shopfronts and advertising
 - Policy D6 Neighbourliness
 - Policy HS4 Markets and events/pop-up spaces
 - Policy HS6 Health and well-being on the high street
 - Policy HS7 Delivery-led businesses
 - Policy SI5 Burial space and related facilities
 - Policy J4 Delivering Community Wealth Building and Inclusive Growth
- 1.11 As the Council has allocated the above policies as strategic, we would expect these policies to be subject to a higher threshold and soundness test in line with the Framework³.

The Plan's policies, reasoned justification and other parts

Q1.6(a) Does the Plan need to be modified to clarify (i) which parts are policies for the purposes of section 17 of the 2004 Act, and/or (ii) the purpose / status of the site allocation maps?

- 1.12 To ensure the Plan is sound and in accordance with Section 17 of the 2004 Act, further clarification is needed as to which components are to be treated as planning policies, and what is their supporting text. In particular for the neighbourhoods and site allocations, the purpose and status of the site allocation maps should be clarified.
- 1.13 The Local Plan should be updated in line with the Council's response (ED001) to the Inspector's Preliminary Questions 12 and 14 (IN2) to distinguish between content that is prescriptive and enforceable.
- 1.14 To avoid ambiguity in interpretation, site allocation maps should be updated to note that they are illustrative and/or advisory in nature.

³ Framework paragraph 37

b) Are the site allocation boxes in Part 2 of the Plan setting out factual information (site address, site area, PTAL, flood risk, etc) “policy”?

- 1.15 Factual information that relates to specific sites should not form part of site allocation policies.

Information requirements for planning applications

Q1.7 Is the approach of specifying in the Plan’s policies particular information requirements for applicants consistent with national policy and will it be effective and up to date over the lifetime of the Plan?

- 1.16 The Council’s response (ED002) to FPQ1 (IN2.1) confirms that approximately 60 different information requirements are embedded within the Plan’s policies to support a planning application. This approach is not effective nor sound in the context of paragraph 45 of the NPPF which states that local authorities *“should only request supporting information that is relevant, necessary and material to the application”* and *“should be kept to a minimum”*.
- 1.17 Inclusion of these requirements within a Local Plan inhibits the Council’s ability to update information requirements over time.
- 1.18 In line with our representations, the prescriptive information requirements should be removed from the Plan and dealt with via a separate validation checklist. Over 60 different information requirements is unmanageable, delays determination and delivery and places unreasonable burdens on the LPA and applicants.

Financial Viability

Matter Context

- 1.19 National policy confirms that viability assessments should be undertaken at the plan-making stage to ensure that emerging policies are realistic and based on proportionate evidence. The total cumulative cost of all relevant policies must not undermine the *deliverability* of the plan⁴. In this context, “deliverability” refers to achieving the plan’s key objectives, most importantly, the delivery of sufficient housing to meet objectively assessed needs
- 1.20 The Council’s Local Plan Viability Assessment, April 2024 (‘EB099’) tests the individual and cumulative impact of draft policies *‘with cost implications for development’*. The table at **Appendix 1** of this statement summarises the key policy requirements and provides our commentary on their impact and proportionality.
- 1.21 As set out in that commentary, the cumulative cost of the draft policy requirements significantly exceeds those of the London Plan (2021) and other recently adopted London Borough plans, particularly with regard to affordable housing and unit mix.
- 1.22 While St William supports the overall intent of these policies, their simultaneous and rigid nature raise substantial concerns in light of recent structural changes in the economics of

⁴ PPG ID10-002-20190509

residential development across London, as recognised by the Homes for London Note. The following points are relevant:

- i. **Past Delivery:** The Council has persistently under-delivered housing. The previous Local Plan failed to achieve the minimum 75% threshold of the Housing Delivery Test. EB058⁵ acknowledges these ongoing challenges. This evidences that the policies of the previous plan, many of which have been replicated in the draft plan, were not deliverable.
- ii. **Identified Supply:** The Council cannot demonstrate a five-year housing land supply (5YHLS) of deliverable sites⁶.
- iii. **Viability Challenges:** The development sector faces acute financial pressures resulting from sustained construction cost inflation and elevated interest rates—conditions described by the Secretary of State for Housing as a “*perfect storm*” for housing delivery⁷.
- iv. **Implications:** More than 6,000 developments across London are currently stalled, many with consented affordable housing levels at or below 35%. Housing starts are at their lowest level since the 2008 financial crisis.
- v. **Accelerating Delivery Practice Note**⁸: In recognition of these challenges, the GLA issued guidance to local authorities in December 2024 warning that increasing policy burdens would further suppress housing delivery.
- vi. **Homes for London Note:** MHCLG and the Mayor of London are introducing interventions to address widespread delivery and viability issues, following unsuccessful efforts in December 2024 to stimulate development activity. While these measures are referred to as ‘emergency’ the associated paper also refers to recovery extending into the ‘next decade’. It is likely that the measures set out will be required longer term and will, as a consequence, influence the emerging London Plan. This will create significant inconsistencies within the Newham Development Plan.
- vii. **Newham Evidence Base:** The council’s own evidence, set out in EB099, demonstrates that the majority of sites and typologies tested are not deliverable with the cumulative cost of the policies in the draft plan.

1.23 St William is therefore concerned that, without sufficient flexibility in the drafting of policies, the cumulative cost burden will inevitably undermine the *deliverability* of the plan and its core policy objective, to secure a sufficient supply of both market and affordable homes to meet local needs.

⁵ Site Allocation and Housing Trajectory Note (2025)

⁶ 2.22 year supply (EB058 – Table 12)

⁷ Written Ministerial Statement UIN HCWS991 23rd October 2025

⁸ Greater London Authority Planning and Housing Practice Note (December 2024) – *Accelerating Housing Delivery*

- 1.24 The draft plan, as currently worded, does not achieve an appropriate balance between ambition and deliverability. It therefore risks being found *ineffective and undeliverable* under Paragraph 35 of the Framework unless modified to incorporate greater flexibility
- 1.25 These concerns were recognised by Council officers in the draft Local Plan Cabinet Report, which stated that: *“The affordable housing policy changes made following the Full Council motion in December 2023 may cause deliverability challenges for the Local Plan due to the impact on plan viability”*⁹.
- 1.26 The wording of the key policies must therefore be amended to make clear that the requirements will be applied *flexibly*, taking account of factors including financial viability considerations.
- 1.27 St William’s proposed modifications to achieve this flexibility will be presented at the examination hearing sessions and should be read in conjunction with this statement.

Q1.9 Does the viability evidence make reasonable assumptions, including about:

- a) The cost of meeting all of the policy requirements included in the Plan along with any other relevant national standards.*
- b) The value of development*
- c) Benchmark land values (the price a willing landowner would be likely to sell their land for)*

- 1.28 St William considers that EB099 significantly overstates development viability—and therefore the feasibility of achieving 60% affordable housing—for the following reasons:

Reason 1 – Cost and value inputs are outdated and unrealistic in the current market

- 1.29 The inputs and assumptions adopted by EB099 are unrealistic, particularly in respect of the cost of construction taking account of new regulatory requirements. They are also over 18 months old and do not reflect current market conditions, which have deteriorated considerably since its preparation and are unlikely to materially improve due to structural changes in the fundamental economics of residential led development in London.
- 1.30 A summary of St William’s comments on the key inputs adopted by EB099 is provided at **Appendix 2**. These unrealistic assumptions materially distort the outcomes and undermine the robustness of its conclusions. The assessment represents an overly optimistic scenario. National policy¹⁰ is clear that plans should not be set at the margins of viability. Doing so risks stalling development, —exactly as is now being observed across London.

Reason 2 – Strategic sites have not been tested

- 1.31 EB099 fails to test strategic sites that are fundamental to the Plan’s housing trajectory, contrary to PPG requirements. These sites typically require significant remediation, infrastructure, and

⁹ Paragraph 3.5 - ‘A New Local Plan for Newham - Building a Fairer Newham’: Cabinet Report (4th June 2024)

¹⁰ PPG ID: 25-019-20190901

long lead-in times, all of which materially affect viability. The five strategic sites promoted by Berkeley Group alone represent around one-third of the draft Local Plan's 10-year housing target. All of these schemes are subject to abnormal costs which failure to account for this shall render the draft Local Plan's housing target as undeliverable, and thus inconsistent with national policy.

Reason 3 – No allowance has been included for abnormal costs.

1.32 Paragraph 4.39 of EB099 confirms that abnormal costs are excluded. This approach is unrealistic given the complex brownfield nature of almost all development land in Newham.

1.33 Former gasworks and other utilities sites typically incur substantial remediation and enabling costs which is explicitly recognised in Footnote 59 of the London Plan and by BNPPRE themselves in numerous site-specific assessments. Failure to account for this renders the draft Local Plan approach to viability to be unsound. This information has been provided to the council and to the authors of the EB099 but has not been used.

1.34 Table 1 below illustrates the scale of abnormal cost increases agreed with the Council on recently reviewed schemes.

Table 1 – LB Newham Sites - Abnormal Cost Evidence

Site (Application Ref)	Decision Date	Verified Costs Without Abnormals	Verified Costs with Abnormals	Increase
Royal Wharf (Ref 24/02083/OUT)	Awaiting Decision	£577,863,574	£626,797,142	+£48,933,568 +8.5%
Silvertown Quays (22/02855/OUT)	Awaiting Decision (Committee on 11/11/2025)	£2,591,413,115	£2,987,357,615	+£395,944,500 +15.3%
Bromley-by-Bow Gasworks (Ref 23/02033/OUT)	28/02/2025 (Approved)	£814,111,972	£914,502,315	+£100,390,343 +12.3%
Beckton Riverside (Ref 24/00989/OUT)	23/10/2025 (Approved)	£864,345,956	£934,503,956	+£70,158,000 +8.2%

1.35 Inclusion of abnormal costs would materially reduce viability outcomes, and better reflect the actual development viability for tested sites.

Reason 4 – The results are incompatible with recently agreed application stage viability assessments.

1.36 As shown in Table 2, the results presented by EB099 are incompatible with recently agreed application-stage viability assessments, which provide more detailed and up-to-date evidence.

Table 2 – LB Newham Sites – Viability Tested Schemes

Site (Application Ref)	Decision Date	Affordable Housing (Measured by Unit) (Viability Tested)	Affordable Housing (Measured by Habitable Room) (Viability Tested)
Silvertown Quays (22/02855/OUT)	Awaiting	26%	30%
Bromley-by-Bow Gasworks (Ref 23/02033/OUT)	28/02/2025 (Resolution)	13%	10%
Beckton Riverside (Ref 24/00989/OUT)	23/10/2025 (Resolution)	6%	8%
Stratford Gasworks (Ref:23/00457/FUL)	26/11/2025 (Resolution)	14%	21%

1.37 These results confirm that schemes are struggling to achieve even 20% affordable housing, before accounting for all of additional burdens proposed by the draft Plan.

Reason 5 – Results are incompatible with market indicators.

1.38 EB099 outcomes also contradict market evidence. Housing delivery across London is at its lowest level since 2008, with many consented schemes stalled despite lower policy burdens. It is therefore implausible that developments could viably deliver 60% affordable housing in this context.

1.39 The emergency measures with the GLA’s ‘Homes for London’ consultation note include reducing the affordable housing requirement for individual sites to 20% on private land for qualifying C3 schemes. This further demonstrates that the assumptions within EB099 are unrealistic.

Summary

1.40 Overall, EB099 substantially overstates the capacity of schemes to absorb the cumulative cost of draft Local Plan policy requirements.

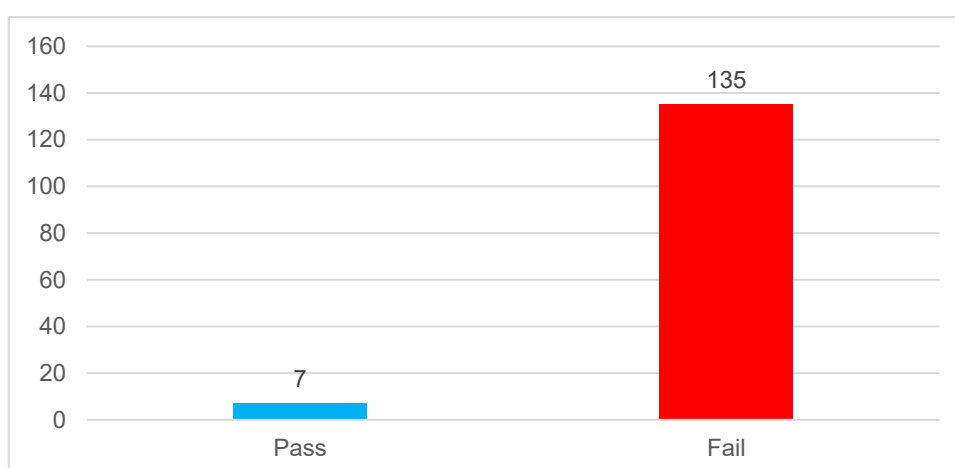
1.41 Accordingly, the wording of key policies must be amended to confirm that requirements will be applied flexibly, taking account of factors including financial viability considerations.

- 1.42 St William’s proposed modifications to achieve this flexibility will be presented at the examination hearing sessions and should be read in conjunction with this statement

Q1.10 Does the viability evidence indicate that the total cumulative cost of all relevant policies will not undermine the viability of the development that the Plan assumes will take place during the plan period, including on each of the site allocations?

- 1.43 As shown in Figure 1, only 7 of 142 typologies (4.9%) tested were viable and deliverable with 60% affordable housing and the cumulative cost of other policy requirements, on developed land, rising to just 13 of 142 (9.2%) on cleared land (Tables 6.60.4–6.60.6). This includes all large site typologies, which are expected to deliver the majority of the borough’s housing trajectory.
- 1.44 The Council’s own evidence therefore confirms that, without flexibility, cumulative policy costs will render most schemes unviable, undermining overall deliverability against the key policy objectives of the plan. This is before any adjustment is made to make allowances for abnormal costs and/or more realistic market-based inputs.

Figure 1 - BNPPRE Cumulative Policy Viability Results (EB099 Table 6.60.4 / 60.60.5)



- 1.45 While it is acknowledged that the draft plan allows for reductions in affordable housing at application stage (subject to viability evidence), policies should nevertheless be set at a level that enables key objectives—including meeting objectively assessed housing need (OAHN)—to be achieved in most cases. This is why national policy emphasises robust testing at the plan-making stage.
- 1.46 EB099’s own analysis (Tables 6.60.1–6.60.3) shows that when affordable housing is reduced to 35%, viability outcomes improve materially, despite this, many of the tested typologies remain unviable with 35% affordable housing. Again, this is before any adjustment is made to make allowances for abnormal costs and/or more realistic market-based inputs.
- 1.47 While EB099 is not clear on the viable level of Affordable Housing when accounting for other cumulative policies’ costs, our analysis suggests that once these additional costs are factored,

the realistic deliverable level of affordable housing is likely to be only 10–20% on average, representing less than one-third of the strategic target (60%).

- 1.48 EB099 appears to justify this position on the basis that viability could improve through “*growth in sales values in excess of cost inflation*”¹¹. It has however been established through several recent appeal decisions¹² that planning policy and decisions should not be predicated on this highly uncertain assumption.
- 1.49 Notwithstanding the above, the need to substantially reduce affordable housing levels to achieve viable schemes could be mitigated if policies were applied with a degree of flexibility, for example, through alternative tenure mixes or reduced family housing, which may be effective alongside reductions in overall affordable housing quantum.
- 1.50 The wording of key policies must therefore be amended to make clear that the requirements will be applied flexibly, taking account of factors including financial viability considerations.
- 1.51 St William’s detailed proposals will be provided at the hearing sessions and should be read alongside this statement. Furthermore, if policies are applied rigidly, the need to reduce affordable housing due to cumulative policy costs increases the risk of refusals by elected members, based on perceived deviation from adopted policy and/or insufficient planning benefits.
- 1.52 Increased refusals or reduced investor confidence would further depress both affordable and market housing delivery, a critical issue given the borough’s unmet need for private housing and the wider linkages between private supply and affordability.
- 1.53 To mitigate this, policies should confirm substantial weight should be afforded to the delivery of all tenures (including private housing), at decision making stage, with additional weight applied to the delivery of any affordable housing with such weight enhanced where this exceeds an assessed viable level.
- 1.54 The further benefits of setting a realistic fast track route threshold will be addressed in the hearing session on the affordable housing policies.

¹¹ EB099 - Paragraph 6.60

¹² Stag Brewery - APP/L5810/W/24/3339060
Cuba Street - APP/E5900/W/24/3356375

Appendix 1 - LPVA (EB009) Cumulative Policy Tests

Policy/ Topic	Requirement Tested	Respondent Commentary
Policy H3 Affordable Housing	60% Affordable Housing	Far exceeds both the London Plan's 35% ¹³ requirement for individual sites in private ownership in Policy H5 and the strategic target of 50% set in Policy H4A.
Policy H3 Tenure Mix	83% Social Rent	Substantially above London Policy H6 range of 30-70% and the typical split required in other boroughs (c.50–60%). The Accelerating Delivery Practice ¹⁴ Note is clear that higher proportions of Social Rent can only be requested (or proposed by Applicants) where there is an equivalent reduction in the overall quantum.
Policy H4 Housing Mix	40% Family Homes	The requirement is needs based only. No consideration has been given to feasibility. It significantly exceeds other boroughs' requirements despite lower relative values for larger units. For this reason, the majority of schemes in the borough have been unable to meet this requirement.
S14 Education & Childcare	On-Site or Off-Site Education & Childcare Provision	The cost of meeting this requirement is not ' <i>neutral</i> ' and is very substantial due to the sums sought for off-site delivery (i.e. where on-site delivery is not deliverable or viable due to the displacement of higher value uses).
Policy BFN4 Employment and Training Contributions	35% construction phase (all floorspace) 50% end phase (employment floorspace)	Although the individual costs may appear relatively small, cumulatively they can add significant cost for larger schemes and are typically required upfront.

¹³ Reduced to 20% for qualifying C3 development to reflect deliverability and viability challenges facing London: Paragraph 8c – Homes for London – *a package of support for housebuilding in the capital*

¹⁴ Greater London Authority Planning and Housing Practice Note (December 2024) – *Accelerating Housing Delivery*

Policy CE2 Climate Change Policy	Net Zero Carbon	
Policy D2 Public Realm Management	15% of capital works	
Policy J2 Affordable Class E Workspace	10% of floorspace at 50% of Market Rent	
Policy W3 Waste Management	Envac System	

Appendix 2 – LPVA (EB009) Input Commentary

LPVA Input	Respondent Commentary
Revenues	Private sales values are overstated due to reduced demand from international buyers and investors. Affordable housing values have also fallen due to challenges within the Registered Provider sector.
Build Costs	<p>The build costs are now out of date and understated due to sustained inflation in materials, labour, and energy, as well as new building regulations, which have increased costs significantly.</p> <p>Reliance on BCIS data (which lags behind real-world costs and omits recent regulatory changes) leads to this understatement.</p> <p>NB: BNPPRE no longer rely solely on BCIS for application-stage viability assessments in the borough.</p>
S106 Costs / Building Safety Levy	No allowance has been made for the Building Safety Levy (£23.61-47.23/sqm) or for Section 106 contributions consistently adopted by the Council when determining planning applications.
Finance Costs	<p>The assumed finance rate of 6.5% is unrealistic with development finance costs over the plan period estimated at 8–9.5%+.</p> <p>Current 30-year gilt rate is at c.5.2%, and base rates expected to stabilise around 3–3.5%.</p>
Profit	The 17.5% on GDV adopted is conservative. National guidance allows up to 20%, and higher risk-adjusted returns are now standard. The Mayor's Viability SPG (2017) also supports the use of IRR benchmarks (typically 17.5–20%) for large-scale development.
Other Allowances	Marketing and agent fees at 2.5% are understated; 3.5–4% is typical, reflecting current market weakness.