

Newham Local Plan: Matter 5: Housing Land Supply

Q5.1 Does the Plan need to be modified to clarify the contributions from different sources of land supply that are expected to meet the housing requirement (irrespective of what the figures for each of the sources are)?

This would be helpful. The Council, in effect, is operating two allowances in its housing land supply assumptions that involve non-identified sites – one for small sites (5,700) and one for ‘windfall’ (3,270). Because neither element of this supply is certain, it is probably helpful to draw attention to this as a potential weakness in the Plan.

Q5.4 Are the assumptions in the Plan about small site and other windfalls justified and consistent with national policy?

The Framework at paragraph 73 encourages plan-makers to ensure that ten per cent of the overall housing supply consists of small sites. These sites should be identified in the local plan and within brownfield registers.

The Council has provided information on delivery on small sites and windfalls since 2014/15 and has delivered, on average, 581 homes per year between 2014 and 2024. The Council’s requirement from both sources would be 598 per year (8,970 divided by the 15 years of the Plan). The allowance, therefore, seems reasonable.

Q5.5 If the plan period were to be extended to 2042, how, if at all, should the small site and windfall allowances be modified?

In keeping with the London Plan at paragraph 4.1.11, the small site allowance can be rolled-over to apply for every year post 2029. This would be an annual average of 380 dwellings. Table 4.2 of the London Plan establishes a ten-year small sites target for Newham of 3,800. This is 8,970 homes in total – a figure approaching 17 per cent of the overall housing supply.

If the Local Plan is to run from 2023 to 2038 this would suggest the need for 5,700 dwellings which is the figure that the Council has cited in its response to PQ23. The requirement would be the same if the Local Plan period is changed to 2027 to 2042.

Q5.6 Are the assumptions in the Plan about the contribution from sites with planning permission. Or a resolution to grant permission, to meeting the housing requirement over the plan period justified? In particular, should a lapse rate be applied?

In July 2024 the GLA reported that there were unimplemented planning consents for 300,000 homes. Savills has commented that the primary reasons for stalled developments include viability challenges due to rising costs and interest rates, difficulties discharging complex pre-commencement conditions, and delays in regulatory approvals such as those related to the Building Safety Regulator. There is also an issue with the reduced appetite among registered providers to acquire S106 affordable homes. However, these factors could affect any scheme, and may not reflect the real appetite to build – i.e. site controlled by a developer with the experience and commitment to build out the consent. The challenge is identifying a figure for a ‘lapse rate’ to reflect those schemes that are more ‘speculative: where the applicant may be motivated chiefly by securing a permission for the use of land for residential development, or where, through no fault of their own, their circumstances change and they can no longer implement the scheme to the timetable expected previously. A lapse rate of ten per cent has sometimes been used.

At the HBF's national planning conference in 2015, the Department for Communities and Local Government has identified a 30–40% gap between planning permissions granted for housing and housing starts on site. It suggested that 10–20% of permissions do not materialise into a start on site at all and, in addition, an estimated 15–20% of permissions are re-engineered with a permission re-sought, which would have the effect of delaying completions and increasing the overall lead in time of the scheme and potentially altering the total number of dwellings delivered.

It would be appropriate in the circumstances to add a lapse rate, but this could be done through the buffer. We understand this to be 20 per cent for the five-year land supply. See paragraph 2.13 of the Council's response to Main Matter 2.

Five-year requirement following adoption

Q5.8 (a) Is the relevant period for considering five year supply the intended date of adoption 1 April 2027 to 31 March 2032?

Yes, this would be logical.

(b) Based on housing requirement in the Plan (51,425 homes) and stepped trajectory, is the requirement for that five-year period (including an appropriate buffer) 21,982 homes?

Yes, if the figures are:

2027/28	2,974
2028/29	3,836
2029/30	3,836
2030/31	3,836
2031/32	3,836
+ 20% buffer (3,663)	

This would not account for any backlog accumulated against the London Plan targets commencing in 2019/20 unless the intention is to rebase the housing requirement to commence in 2027. The Council's note in its response to Main Matter 2, paragraph 3.5 indicates that the London Plan target of 47,600 homes will be delivered up to 2042.