

Newham Local Plan: Matter 6: Housing development management policies

H3 Affordable housing

Q6.2 Is policy H3 justified, consistent with the London Plan and will it be effective in helping to meet the identified need for affordable homes? In particular:

a) The requirement for proposals for ten or more homes to provide 50% of the total as social rent housing and 10% affordable ownership housing (unless a financial viability assessment demonstrates that the maximum viable mix will be delivered).

The planning practice guidance observes:

The role for viability assessment is primarily at the plan making stage. Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan.

Paragraph: 002 Reference ID: 10-002-20190509

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It continues, in the paragraph after next:

Policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable, without the need for further viability assessment at the decision making stage.

The Council's viability report demonstrates the difficulties of this policy position. Tables 6.60.4 (secondary offices), 6.60.5 (secondary industrial) and 6.60.6 (cleared / undeveloped land) seem to be the relevant ones to consider as these test the 60 per cent affordable housing requirement. The results are not encouraging.

6.60.4 – out of 142 typologies, only seven are viable.

6.60.5 – out of 142 typologies, only seven are viable

6.60.6 – out of 142 typologies, 36 are viable, but not against the full suite of the Local Plan policies being proposed. Needless to say, cleared / undeveloped land is not going to be a common development scenario.

Like many local authorities, the Council's defence is that viability will be considered on a case-by-case basis, but this ignores the principle articulated by the PPG which is that policy requirements, particularly for affordable housing, should be set at a level that avoids the need for further viability assessment at the decision making stage. Otherwise, local authority staff time will be consumed in having to resolve complex matters related to development viability,

adding the delays in decision-making. This is a major issue for small housebuilders in particular. In a recent survey of small and medium sized enterprises (SME) housebuilders, commissioned by HBF, published in November 2025, 94% of respondents cited delays in securing planning permission as the top barrier to growth. The second greatest barrier (89% of respondents) cited lack of resources in local planning authorities as the next greatest barrier.

Ultimately, the aim should be to reduce the volume of time that is spent on detailed development management. A critical part of that is to establish policies in the Local Plan that are viable in most cases, rather than the situation here, where they are unviable in most, forcing every applicant into time consuming negotiations. This is one of the major factors contributing to the collapse in approvals and completions in London. It is why the Greater London Authority has been forced to act in the last year, by reasserting the importance of London boroughs observing policy H5 of the London Plan (threshold approach to applications) and the 35% threshold figure to benefit from the 'fast-track route' to planning permission (See GLA Housing and Planning Practice Note, December 2024) and more recently still, why the Government and the GLA have been forced to announce a package of interventions to improve housing delivery in London, consultation on which is about to commence in late November.

We recommend that the Council amends its policy to reflect London Plan policy H5 and any change in policy that may be introduced by the Government and the Mayor in the next few months.