



# **Newham Local Plan Examination**

## **Matter 11: Climate change**

**Hearing Statement**

**November 2025**

## **1. Introduction**

- 1.1 This Hearing Statement has been prepared by the London Legacy Development Corporation (LLDC) to respond to matters identified by the Planning Inspector in their Matters, Issues and Questions (MIQs) report concerning the draft Newham Local Plan.
- 1.2 LLDC is a Mayoral Development Corporation that was formed to regenerate the area in and around the Queen Elizabeth Olympic Park (QEOP) following the legacy of the Olympic Games in 2012. Through its urban regeneration projects, the organisation is working on delivering sustainable and thriving neighbourhoods with a focus on housing delivery and good growth. LLDC has a number of strategic sites within the Borough of Newham.
- 1.3 throughout the Regulation 18 and 19 public consultations of the draft Newham Local Plan and has also entered into two Statement of Common Grounds (SoCG) with Newham, referred to as Parts 1 and 2. SOCG Part 1 was between Newham and LLDC both as local planning authority and landowner prior to the transition of planning powers from the LLDC back to the neighbouring boroughs at the end of November 2024, with a focus on strategic cross-boundary matters (reference SD058). SOCG Part 2 was between Newham and LLDC as landowner only with a focus on strategic development sites owned and/or managed by LLDC that will be impacted by the proposed policies (reference SOCG004).
- 1.4 The questions under Matter 11 Climate change that the LLDC wishes to provide comments on are as follows:
- Q11.2(c) – Policy CE2 Zero carbon development

## **2. CE2 Zero carbon development**

Q11.2 Is policy CE2 justified and consistent with national policy and the London Plan? In particular:

c) The requirement in part 2 for development to not use fossil fuels.

- 2.1 LLDC would like to make one specific comment regarding the decarbonisation of heat networks required by part 2 of Policy CE2. This relates to the “Implementation” section, and specifically the third paragraph of section CE2.2. This states that:

*Decarbonisation of existing fossil fuel powered heat networks is strongly encouraged. A development may connect to a heat network powered by gas only where there is a fully funded decarbonisation plan that will be implemented within the lifetime of the plan. The Council will not support development that will use fossil fuels in a heat network beyond the lifetime of the Plan, nor will the Council support the installation of new fossil fuel powered heat networks.*

- 2.2 LLDC is the Concession Co-Employer (along with Unibail-Rodamco-Westfield) of a large district heat network (DHN) covering QEOP and the surrounding area. The network was constructed pre-Games and is operated under a concession agreement by East London Energy up to 2053. It is a 93MW network, and uses heat from Combined Cooling, Heat and Power units, gas boilers and biomass. It currently serves over 7,500 residential units and multiple commercial, leisure and retail connections.
- 2.3 In order to meet anticipated changes to building regulations and as part of its corporate Climate Action Strategy, LLDC is committed to decarbonising the Park's DHN and is working closely with Unibail-Rodamco-Westfield and East London Energy to achieve this. We would, however, resist the requirement that any decarbonisation strategy plan be “fully funded” (i.e. with all capital funding necessary for full decarbonisation of a network being approved for expenditure) at the point of any new connections. In practice decarbonisation of large networks is very likely to be achieved incrementally, as a series of individual projects rather than a single up-front investment.
- 2.4 This position is informed by two important considerations. First, proposed changes to building regulations (as set out in *The Future Homes and Buildings Standards: 2023 consultation*) anticipates the incremental decarbonisation of networks through the use of “sleeving” – the ability to allocate the specific benefits of using low carbon heat to new developments even where this forms part of a higher-carbon network. It should also be noted that, from a planning perspective, the GLA have stated that sleeving is an allowable method of reducing the CO<sub>2</sub> emission factor for new developments (see Appendix A for the GLA Sleeving Approach note).
- 2.5 Second, there are current budgetary uncertainties that are likely to impact critical heat network funding pots such as the Green Heat Network Fund, which many heat network projects are reliant on for decarbonisation. Additionally, the proposal to have fully funded decarbonisation strategies does not align with the potential passporting arrangements for heat network decarbonisation (under the Future Homes Standard) that are currently under discussion between industry and Government. The current passporting arrangements only propose having “robust decarbonisation roadmaps” and don't go as far as calling for these to be fully funded.
- 2.6 The decarbonisation roadmap has been developed as a viable solution to achieve a net zero ready system, however the aim is that it remains an agile plan whereby if more economic solutions to decarbonise arise over time then other less efficient / more expensive technologies could be displaced from the current roadmap.
- 2.7 It is therefore possible for heat network operators to have a public decarbonisation strategy in place, and which delivers low carbon heat to new development (in accordance with future building regulations) but which is not “fully funded” to decarbonise all existing customers. As such flexibility in the wording of the policy implementation is requested by removing the words “fully funded” in order to allow for decarbonisation to be delivered incrementally.

## **Appendix A – GLA Sleeving Approach 2025**

**GLA London Plan Policy SI 3, district heat network connections and sleeving approach**

The GLA recognises that the growth of London's low carbon heat networks will play an important part in its journey to be net zero by 2030, and new build development provides an important opportunity to support this. Through the London Plan, the GLA supports the expansion of existing heat networks through the heating hierarchy detailed in London Plan Policy SI3. This policy prioritises the connection of new developments to networks where they have a decarbonisation plan and can demonstrate that they are actively decarbonising their network.

Where existing heat networks use gas-engine or low emission CHP, they will be required to develop a decarbonisation strategy for their network. This must incorporate bringing on new, low carbon heat sources to provide additional capacity that allows expansion of the network for new connections, as well as their overall gradual decarbonisation through the replacement of the network's existing higher carbon heat sources as they come to end of life. In such cases, it is possible for the network to connect one or more new developments using an approach known as 'sleeving' to compete with building level heat pumps, the GLA fully supports this and it is an approach that was included in the Future Homes & Building Standards consultation.

The GLA is currently working with the operators of existing district heat networks in London to secure information on their network decarbonisation plans and the new low carbon heat sources they have identified and/or installed. This will allow new developments to use a CO<sub>2</sub> emission factor that reflects the carbon intensity of the heat that is being sleeved to them from the network and to compete with a building level heat pump.

While we recognise that there have been changes in industry since the adoption of the London Plan in 2021, and that there is some uncertainty around the details of national building and zoning regulations, the GLA continues to support the adoption and expansion of heat networks in London where they have clear decarbonisation plans and provide benefit to the wider energy system.

If further information is required regarding any of the above, please contact the GLA via [ZeroCarbonPlanning@london.gov.uk](mailto:ZeroCarbonPlanning@london.gov.uk)