

**LONDON BOROUGH OF NEWHAM**

**LOCAL PLAN INDEPENDENT EXAMINATION IN PUBLIC**

**WRITTEN STATEMENT**

**MAIN MATTER 8:**

**ECONOMY**

**WE ARE NEWHAM.**

**Note:** Where modifications are proposed as part of the responses below, text to be removed is set out in ~~strike through~~ font and new text is set out in **bold** font.

## **J1 Employment and growth and J2 New employment floorspace**

Q8.1 Is the locational approach to the different types of employment uses set out in policy J1 parts 2(a) to 2(f) and J2 part 3 justified and consistent with the London Plan and will it be effective in helping to meet the identified needs for different types of employment floorspace?

### **Council Response:**

- 1.1 The Local Plan's spatial strategy establishes a hierarchy of employment designations and non-designated sites to deliver a range of employment uses at appropriate scales and locations. This approach is led by evidence and policy recommendations outlined in the Employment Land Review 2022 (the ELR) (EB048), consistent with the London Plan and national policy.

### Needs and supply

- 1.2 The ELR identifies a need for 335,000 sqm of industrial floorspace and 90,000 sqm of office floorspace for 2021 – 2038 and Appendix 1 Employment Land Requirements – covering the 2021 – 2042 period (this supersedes the version appended to LBN Written Statement Matter 2 (EWS004a)) updated the requirement for 418,000 sqm of industrial floorspace and 118,000 sqm of office floorspace for 2021 – 2042.
- 1.3 The industrial target should be met by both intensification on Strategic Industrial Locations (SILs) and Local Industrial Locations (LILs), and through secondary stocks provision in form of employment-led or mixed use. The industrial pipeline supply is limited (8,851 sqm), so meeting demand relies on SILs and LILs intensification. While forecast anticipated a surplus of 39,000 sqm by 2042 through intensification, uncertainty around timing and quantum means secondary stock remains critical.
- 1.4 For office, Stratford or the Royal Docks provide significant pipeline supply, but provision elsewhere is limited. Therefore, redirecting office development to town centres and mixed-use areas is necessary to meet the needs.

### Locational approach

- 1.5 SILs is an important industrial reserve in the borough and the LILs alleviate the pressure on SILs. The ELR indicated a diverse occupier profile in form of Class B and E within industrial premises. Policy J1 part 2(a) seeks to protect and intensify heavier industrial uses, warehouses and utilities concentrated on the SILs which support London economy, and smaller and locally significant industrial uses in the LILs. This is consistent with the positioning for SILs and LSISs (equivalent to LILs in the Submission Local Plan) in London Plan Policies E5 and E6, and range of industrial uses allowed in London Plan Policies E4A. With limited retail needs as identified in the Retail and Leisure Study 2022 (EB029) and strong industrial demand indicated in the Employment Land Review (EB048), existing retail parks with considerable size and excellent access to strategic road network are recognised as prioritised locations to deliver additional industrial capacity similar to SILs/LILs in consistent with London Plan Policy E4D.

- 1.6 Policy J1 parts 2(c), (d) and (f) seek to deliver secondary stocks of lighter industrial, small-scale office and workspace on LMUAs, MBOAs and site allocations in form of employment-led or mixed-use. This can support the Council's well-connected neighbourhood concept and the provision of cost-effective workspaces for Class E and B8 uses. These range of uses are considered compatible in a mixed-use format while heavy industrial B2 uses are excluded given the more urban context. This is consistent with the London Plan Policy E7C.
- 1.7 Policy J1 part 2(e) allow office floorspace in town centres in line with Policy E1 and definition underlined in footnote 95. In specific, Stratford is expected to deliver major offices in consistent with its position underpinned the London Plan as a potential CAZ reserve. Secondary office stocks are directed to MBOAs as edge of centre locations and specific site allocations complementing town centres to provide smaller scale and low-cost employment opportunities which should deliver a diverse range of Class E workspaces. Office provision should follow a town centre first sequential approach in consistent with London Plan Policy E1 and the NPPF paragraphs 90 and 91.
- 1.8 Policy J2 part 3 introduces flexibility by allowing new employment floorspace outside the above areas where criteria are met to contribute to Council's wider objective in well-connected neighbourhood and inclusive economy ensure responsiveness to market changes in line with the NPPF paragraphs 85 and 86.
- 1.9 The Greater London Authority indicates acceptance to our approach to relevant types of employment uses as outlined in the Statement of Common Ground (ED007).

#### Effectiveness of the policy

- 1.10 The locational approach mentioned above is effective as is supported by site-specific review by detail land audit (EB050 – 053), Town Centre Network Review Methodology Papers (EB033 – 034) and the methodology underlined in the Site Allocation and Housing Trajectory Methodology Note 2025 (EB058).
- 1.11 The net change of all types of Class E and Class B employment floorspace approved and completed will be monitored under Key Performance Indicator 22 of the Monitoring Framework in the Submission Local Plan. To ensure the policy is effective and positively prepared, we proposed modification (MO117) to Indicator 22 to monitor each employment use class approved and completed on SILs, LILs, non-designated sites and site allocations.
- 1.12 Overall, the locational strategy is robust, evidence-based and consistent with the London Plan and the NPPF. It balances the strategic and local employment need with flexibility to accommodate changing economic needs. Its effectiveness can be reviewed through an established monitoring mechanism.

## Intensification of SIL and LIL

Q8.2 Is the requirement for all industrial development on SIL and LIL to intensify the site use to deliver a net increase in industrial floorspace justified, consistent with the London Plan and will it be effective in allowing all businesses to grow and allow for new and flexible working practices and spaces to enable a rapid response to changes in economic circumstances?

### Council Response:

2.1 The requirement in Policy J2 part 1 for all industrial development on SILs and LILs to deliver a net increase in industrial floorspace is justified, consistent with the NPPF and the London Plan, and effective in supporting business growth and adaptability to changing economic conditions.

### Policy justification and responsiveness

2.2 London Plan Policies E4 and E7 encourages boroughs to proactively intensify industrial land to meet strategic and local needs and identified possibility for plan-led release of LSIS for co-location subject to local evidence. Newham's up-to-date and robust Employment Land Review 2022 (the ELR) (EB048) identifies a strong industrial demand with vacancy rates below the equilibrium level (4.4% vs the widely accepted 7.5%). This indicates a constrained supply and justifies the need for intensification with no further release to maintain a healthy vacancy rate and ensure space for new and expanding businesses.

2.3 Looking into the detail supply and demand analysis in the ELR and the updated analysis under Appendix 1 Employment Land Requirements – covering the 2021 – 2042 period, the pipeline supply of industrial floorspace can only meet less than 10% of the identified demand of 418,000 sqm over the period of 2021 - 2042. Within the SILs and LILs, the ELR identified 2 sites under planning and 10 sites having potential for intensification within the plan period. With the above, a surplus of 66,000 sqm over the target is anticipated by 2042. The detail on how Newham will meet this target is set out below:

	Gross Supply (sqm)
<b>Planning permissions*</b>	<b>36,351</b>
<b>Sites with industrial potential in planning</b>	<b>95,500</b>
<b>Albert Island</b>	55,500
<b>G-park</b>	40,000
<b>Sites with potential for intensification (Assuming existing coverage @65% and potential coverage @120%)</b>	<b>351,945</b>
<b>SIL:</b>	175,945
<b>Bidder Street (LMUA to SIL)</b>	12,815
<b>London Industrial Park</b>	66,000
<b>Thameside East</b>	27,500
<b>Thameside West (Pinchins Wharf – Nuplex/Allnex)</b>	25,630
<b>Bow Goods Yard</b>	44,000
<b>LIL:</b>	176,000
<b>Stephenson Street (West Ham garage site)</b>	22,000
<b>Land East of City Airport</b>	38,500
<b>Folkestone Road Depot</b>	55,000
<b>Beckton Gateway (Jenkins Lane depot)</b>	55,000

<b>Grantham Road</b>	5,500
<b>Total</b>	<b>483,796</b>

**\*GLA PLD data until FY2023**

2.4 However, given the uncertainty around the delivery of pipeline supply caused by factors such as delay in implementation and funding challenges, combined with the potential land takes up by data centres on G Park site and of the limited market willingness to deliver intensification format at the 10 intensification sites, the Local Plan therefore require intensification on all SILs and LILs. This proactive approach is in line with the London Plan Policy E7.

2.5 Implementation Text J2.1 introduces flexibility by requiring applicants to demonstrate that they have optimised their proposals, referencing GLA's best practice guidance: Industrial Intensification Practice Note (2018), Intensification and Co-Location Study (2018) and the emerging Industrial Land and Uses London Plan Guidance. This applies where a net increase or the preferred multi-storey format is not feasible due to significant viability and site constraints. As the industrial floorspace target is based on historic job trends assuming industrial growth, the policy must remain responsive to market change in line with NPPF Paragraph 86. Policy J3 part 1 provide flexibility for SILs and LILs, allowing release in capacity only in very limited circumstance where the net loss of employment floorspace is outweighed by other material consideration and does not adversely impact industrial supply. In such case, the Council will secure financial contributions towards skills, training and local employment, and require a Relocation Strategy for any displaced businesses.

Allowing all businesses to grow and support new form of working

2.6 The intensification requirement ensures industrial land continues to support a diverse range of occupiers within SILs and LILs, which allow all businesses to grow. As informed in the Employment Land Review 2022, the industrial premises in the borough accommodate a wide variety of industrial occupier profiles including general industrial, logistics, SMEs and emerging sectors. To reflect this diversity, the Plan applies an aggregated categorisation of Class B and Class E industrial floorspace in establishing the identified needs, as well as allowing flexible use class classification in the SILs and LILs, in consistent with the range of uses set out in London Plan Policy E4A.

2.7 Priority uses for each SILs and LILs are set out in Tables 6 and 7 of the Submission Local Plan (SD005) to support existing industrial uses and direct emerging industries to suitable sites as informed by the ELR. Flexibility to deviate from the priority uses is introduced with the requirement to submit economic evidence to justify market demand at the proposed location as set out in Implementation Text J1.2. Smaller scale flexible workspaces in forms of E(g)(iii) units are also supported on SILs and LILs which support new working practice. However, low-cost and flexible workspace are primarily directed to LMUAs, MBOAs, town centres and site allocations as discussed in MIQ 8.1.

2.8 Overall, the policy applies a proactive approach and support rapid response to the economic changes in line with NPPF and the London Plan by maintaining supply for a range of industrial occupiers and encouraging modern formats that support flexible

working practices. The Greater London Authority welcomes LBNs efforts to promote the intensification of industrial sites in line with Policy E7 of the London Plan as outlined in the Statement of Common Ground (ED007).

### **Co-location of employment and residential uses**

Q8.3 Is the restriction on the co-location of employment and residential uses outside the specified areas and site allocations justified, consistent with the London Plan and will it be effective in helping to meet the identified needs for housing and employment developments?

#### **Council Response:**

- 3.1 The policy does not restrict but supports co-location of employment and residential uses to specific areas including MBOAs, LMUAs (apart from the two discussed above) and specific site allocations as listed in Implementation Text J2.2 in the Submission Local Plan (SD005) by meeting certain criteria. This applies to all employment uses including both offices and industrial uses.
- 3.2 However, we would like to clarify that the scope of this policy is bounded to designated employment sites listed in Policy J1 Tables 6-9 and site allocations. In other words, the restriction of co-location is only applicable on all SILs and LILs, two LMUAs (Forest Gate Arches and Silvertown Arches) and specific site allocations where employment uses (neither office nor industrial uses) are not identified as suitable land uses in the development principle.
- 3.3 The justification for restricting co-location on SILs and LILs is to maintain its critical industrial functioning and in line with the London Plan Policy E4-E7. This is discussed in our response to MIQ8.2 above. Two LMUAs with no residential floorspace permitted are arch based, where there is limited scope for incorporating residential uses and great potential for accommodating small businesses as recommended in the land audit (EB052). Land use on site allocations are identified through consistent methodology underpinned in the Site Allocation and Housing Trajectory Methodology Note 2025 (EB058). By restricting co-location to specific areas and site allocations, industrial land continues to service its economic role while enabling mixed use development where appropriate. This approach is justified, consistent with the London Plan and effective in meeting the borough's needs for housing and employment developments.
- 3.4 Policy J2 part 2 set out criteria that co-location proposals have to meet to ensure employment function of locations and existing businesses are protected. It also ensures co-location occurs in areas where it can be effectively managed by sensitive design and where employment uses are compatible with residential development. This approach is consistent with London Plan Policy E7, which supports plan-led co-location of industrial and residential uses, provided that it does not compromise the function and viability of industrial land.
- 3.5 Policy J2 part 3 provide flexibility for employment space outside employment designations and town centres, and any co-location proposals outside designated

employment sites listed in Policy J1 Tables 6-9 and site allocations will be subject to policy requirements in relevant part of the Plan.

- 3.6 To ensure the policy is clear that restriction is only applying on employment sites, we propose the following new modification in Policy J2 part 2:

**Within the employment sites listed in Policy J1 Tables 6-9 and site allocations,**  
cCo-location with residential development is only supported in the specific Local Mixed Use Areas (LMUAs) and Micro Business Opportunity Areas (MBOAs) identified in Tables 8 and 9 in Local Plan Policy J1 and specific site allocations and where:

- a. the development remains employment-led in LMUAs, MBOAs and site allocations identified for employment-led development; and
- b. a suitable co-location design can be accommodated which maintains the function and viability of the priority uses on site and the amenity of the residential accommodation; and
- c. a suitable and robust Relocation Strategy for any existing businesses that cannot be incorporated within the redevelopment is provided in accordance with Local Plan Policies J3.2 ad J3.3.

### **Micro Business Opportunity Areas**

Q8.4 Is the requirement in policy J2 part 5 for office, research and development, and light industrial developments in Micro Business Opportunity Areas to support workspaces for no more than ten employees justified and consistent with the London Plan?

#### **Council Response:**

- 4.1 The requirement in Policy J2 part 5 for Micro Business Opportunity Areas (MBOAs) to support workspaces for no more than 10 employees is justified, positively prepared, effective and consistent with the London Plan.
- 4.2 The objective of this requirement is to create opportunity for micro businesses to start and grow, reflecting Newham's strong micro-business base. Over the past 15 years, Newham has consistently recorded higher business formation rates than London and the UK. This is elaborated in paragraphs 3.28 to 3.32 in the Employment Land Review 2022 (the ELR) (EB048) and the Authority Monitoring Report. According to Nomis (2025), micro businesses account for over 94% of businesses in Newham (2021 – 2024), compared to a declining share in London (91% to 90%) and the UK (90% to 89%). This demonstrates the need for Newham to continue to dedicate accelerator spaces for micro businesses, start-up and incubator to support local businesses.
- 4.3 MBOAs are considered the best in meeting the need as they are edge of town centre areas in areas of high population which is suitable to provide small scale low cost workspace offering opportunities for local businesses and employment opportunities for residents.
- 4.4 This requirement is carried from Policy J2 part 2d of the Local Plan 2018 and proved effective with the evidenced basis of micro businesses in the borough. Paragraph 6.32 in the ELR (EB048) concluded that continue to control the opportunity to maximum 10 employees is critical in supporting existing and continue delivery of such opportunity space.

- 4.5 This approach is consistent with paragraph 85 of the NPPF which requires planning policies to allow local businesses to invest, expand and adapt. It is also in line with London Plan Policy E8C which require boroughs to provide suitable workspaces for start-up, incubation and accelerator space for micro, small and medium-sized enterprises.

### **Economic Strategies to support development proposals**

Q8.5 Is the requirement in policy J1 part 3 for all major developments incorporating employment floorspace to submit an Economic Strategy justified and consistent with the London Plan?

#### **Council Response:**

- 5.1 Yes, the requirement in Policy J1 part 3 for all major developments incorporating employment floorspace to submit an Economic Strategy is justified and consistent with the London Plan and national policy. The objective of the Policy is to ensure major developments maximise economic potential and respond effectively to identified needs, particularly in prioritised sectors as identified in the Employment Land Review 2022 (the ELR) (EB054).
- 5.2 The Submission Local Plan's economic objectives aim to build a diverse, inclusive and green economy. This is informed by the ELR and the Council's wider strategy such as the Community Wealth Building Agenda. The ELR identifies strong demand for employment floorspace and highlights priority sectors including warehousing and logistics, green technology, cultural and creative production, manufacturing and construction (Appendix G of the ELR). Newham is also attractive to start ups and micro businesses as discussed in our response to MIQ 8.4. Policy J1 provides a locational framework for these uses, consistent with London Plan Policies E1, E2, E4 and E6 which require boroughs to plan for employment floorspace based on robust demand evidence. This is discussed in our response to MIQ8.1 above.
- 5.3 The requirement for an Economic Strategy ensures that the proposals respond to demand evidence and economic objectives. Major development typically involves large quantum of floorspace and significant investment which can bring great economic impact on employment while involving complex uses and delivery phasing. Undertaking market testing for type, scale and tenure is necessary to confirm viability and reduce vacancy risk. In specific, typology and format of new workspace should support the needs of occupiers and this should be demonstrated in the submission. It also supports inclusive growth and the provision of cost-effective workspace with appropriate rent to support smaller scale local business to start and expand. Including a phasing strategy that will optimise site potential and maintain vibrancy through exploring the opportunity for meanwhile uses and coordinate infrastructure and land use delivery. This is critical for large regeneration schemes to avoid underuse employment floorspace ahead of residential delivery and ensure timely provision of infrastructure to support operation of the employment floorspace. This approach is consistent with London Plan Policy E2 which requires borough to support suitable business space with consideration on the type, use and size at appropriate range of rents and NPPF paragraph 85 and 86 require planning policies to set out an economic vision and address sector specific needs.



- 5.4 The policy introduces flexibility, allowing applicants to justify deviations from priority uses supported by market evidence, and to manage viability or site constraints. For schemes on SILs or LILs that not able to deliver a net increase in floorspace, the Economic Strategy offer flexibility for applicants to demonstrate that the best alternative option has been adopted. This is being discussed in MIQ 8.2. This approach aligns with NPPF paragraph 86, which promotes adaptability to changing economic circumstances.
- 5.5 Therefore, Policy J1 part 3 is justified by up-to-date evidence and effective in ensuring employment floorspace respond to the market needs as identified in the evidence. It is also consistent with the London Plan and the NPPF.

### **J3 Protecting employment floorspace:**

Q8.6 Are the requirements relating to no net loss on employment floorspace and relocation in policy J3 justified, consistent with the London Plan and will they be effective in supporting economic development?

#### **Council Response:**

- 6.1 Yes, the requirements in Policy J3 requiring for no net loss on employment floorspace and relocation is justified, positively prepared and consistent with the London Plan and national policy. They are effective in safeguarding employment capacity while introducing flexibility to respond to changing economic circumstances.
- 6.2 The Employment Land Review 2022 (the ELR) (EB048) demonstrates strong demand for industrial floorspace and highlights historic losses across London. It concluded that Newham need to protect all existing industrial capacity. Existing office supply also needs to be protected to respond to economic changes given the uncertainty around delivery of the pipeline supply. There is a wide range of employment floorspace across the borough and protecting all the existing businesses can enable a mix of physical capacity to support and maintain a diverse economic base as well as an accessible economic network. This is critical to support London's economic needs, the sub-region and within Newham.
- 6.3 The requirement of no net loss of existing industrial floorspace (including yard space) on SILs and LILs in Policy J3 part 1 is justified by the strong industrial demand and their importance to London and Newham's economy as industrial reserve. Parts 2-4 extend the protection of employment floorspace to LMUAs, MBOAs and site allocations as non-designated employment locations, which provide secondary industrial floorspace stocks and lower-cost workspaces critical for SMEs and local businesses. These areas are essential to Newham's economic network and inclusive growth objectives.
- 6.4 The requirement for a relocation strategy in Policy J3 parts 1-4 introduces flexibility where proposal cannot incorporate existing businesses on site, applicants must justify any loss and demonstrate how displaced business will be relocated, ensuring continuity if economic activity while enabling regeneration. This enables more efficient use of land where appropriate while still safeguarding existing capacity. It is effective to support economic development as it provides a practical mechanism to balance competing land demands without undermining economic objectives subject to robust evidence on why relocation is needed and how its economic role can be retained after relocation, ensuring

that a wider scheme can come forward while safeguarding jobs and businesses continuity.

6.5 However, recognising the fact that employment land in some locations may no longer be viable and these are outside the designated employment locations or site allocations identified as having critical economic function, Part 5 of the policy offer flexibility for proposals to submit market testing before any loss can be accepted.

6.6 This approach is consistent with the London Plan Policies E1 seeking to protect existing office capacity unless evidence justifies release and Policies E4 – E7 seeking to promotes intensification and resists loss of industrial capacity unless it is plan-led and justified. It also promotes adaptability to changing economic circumstances in line with paragraph 86 of the NPPF.

6.7 The net change of all types of Class E and Class B employment floorspace approved and completed will be monitored under Key Performance Indicator 22 of the Monitoring Framework in the Submission Local Plan. To ensure the policy is effective and positively prepared, we proposed modification (MO117) to Indicator 22 to monitor each employment use class approved and completed on SILs, LILs, non-designated sites and site allocations.

#### **J4 Delivering Community Wealth Building and Inclusive Growth**

Q8.7 Are the requirements of policy J4 justified and consistent with the London Plan and national policy and legislation relating to planning conditions and obligations? In particular:

- a) The requirement in part 1(b) for all developers proposing employment floorspace to work with the Council's recognised employment and training broker and/or education providers to maximise economic and training opportunities and improve skills.
- b) The requirement in part 1(c) for all major developments to provide a tariff-based contribution and an Employment Strategy which secures 35 per cent construction phase (all major developments) and 50 per cent end-user phase jobs (for all developments delivering employment floorspace) for Newham residents.
- c) The requirement in part 3 for all developers to "commit to supporting" certain specified outcomes.
- d) Whether part 4 is intended to require the provision of affordable workspace (rather than support proposals if the three stated criteria are met).

#### **Council Response:**

7.1 The requirements of Policy J4 are justified and consistent with the London Plan and national policy. The Policy is to support diverse, inclusive and green economic growth, which align with the wider council objective set out in the Newham Growth Plan, Just Transition Plan and the Community Wealth Building Strategy. It is in line with the London Plan Policy GG1 and GG5 which requires Local Plan policies to enable inclusive growth by generating a wide range of economic opportunities for everyone.

7.2 (a) & (b) The requirements under parts 1(b) and (c) seek to address Newham's socio-economic challenges including the historic low rates of resident economic activity, high rates of youth (18-24 years) unemployment and a generally low wage economy linked to

comparatively low skill levels as outlined in paragraphs 3.15 – 3.25 of the Employment Land Review 2022 (the ELR) (EB048). Newham faces disproportionate levels of poverty and low pay, particularly among certain vulnerable groups. The Employment and Health Needs Assessment 2022 and the Joint Strategic Need Assessment 2025 (p.243) identified young people (18-24 years), ethnically diverse communities, women and residents with long-term physical or mental health conditions are most likely to be unemployed in Newham.

Policy J4 part 1(b) – work with Council’s employment and training broker and/or education providers

7.3 The requirement in Part 1 (b) for developers proposing employment floorspace to work with the Council’s recognised employment and training broker and/or education providers is justified to address the disproportionate poverty and low pay which evidence a linkage to low skills level. It is consistent with the London Plan Policies GG1 and GG5 promoting inclusive economic growth and improved skills.

7.4 The requirement is facilitative rather than prescriptive. It does not impose a fixed outcome but ensures collaboration with the Council’s recognised employment and training broker and/or education providers to maximise economic and training opportunities, making it both deliverable and effective in supporting inclusive growth.

Policy J4 part 1(c) – planning contributions for employment and training

7.5 Part 1(c) of Policy J4 is justified to secure high quality economic opportunities for local residents and addressing the inequality in employment. The tariff-based contribution and Employment Strategy work together to ensure that major developments deliver local jobs and training opportunities during both construction and end-user phases. This is directly related to the development’s economic impact and necessary to achieve inclusive growth. This is in line with London Plan Policies GG1 and E11 which require boroughs to support local employment and training opportunities in both construction and end-use phases including the use of planning obligations.

7.6 The requirement is meeting the three necessary criteria for planning obligations listed in paragraph 57 of the NPPF:

- Necessary to make the development acceptable in planning terms: all developments must contribute to the Plan’s objective in building an inclusive economy. The requirement is therefore necessary to make the development acceptable.
- Directly related to the development: the scheme itself generates direct employment opportunities on construction and operational jobs and creating a need for associated skills and training. The need of on-site jobs and tariff-based contribution mitigate the development generated impact by ensuring the local workforce can access the jobs the development creates.
- Fairly and reasonably related in scale and kind: the tariff is proportionate to the scale of development, calculated based on the number of jobs and construction investment. The level and nature of the contribution will be determined at the pre-application stage through working with Newham’s Community Wealth Building Team.

7.7 The requirement is deliverable with flexibility introduced in Policy BFN4 part 2 where applicants are required to explore available options to maximise the level of contributions

and submit a financial viability assessment if not proposing to meet the contribution requirement on viability grounds. To make sure the Submission Local Plan is clear on this, we proposed modification to J4.1 Implementation Text (MO56):

The level and nature of the contribution will be determined at the preapplication stage and prior to the determination of the planning application. **Proposals that are not proposing to meet the contribution requirement on viability grounds must meet the requirements of Policy BFN4.**

7.8 This proposed modification is agreed with developers through the Statement of Common Ground (SOCG002 & SOCG003) who indicated objections during Regulation 19 consultation.

7.9 The requirement on both an Employment Strategy to secure on-site jobs and the tariff-based contribution including the level of contributions is found sound in the Local Plan 2018. This is deliverable as it has been effectively implemented and monitored through the Infrastructure Funding Statement and Annual Monitoring Report, ensuring transparency and accountability. The financial contributions as of today funded local employment and skills initiatives, including Our Newham Work, which provides job brokerage, employer-led training, apprenticeships, and support for disadvantaged groups. The requirement is tested through viability assessment and concluded to be appropriate under paragraph 7.2 of the viability report (EB009).

7.10 (c) Part 3 of Policy J4 is intended to support the transition to a green and circular economy, consistent with Newham's ambition to build a greener economy and respond to climate emergency as outlined in the Just Transition Plan, the Newham Growth Plan and the Community Wealth Building Strategy. This objective also in line with London Plan Policies GG5, GG6 and SI7, which promote the principle of circular economy. The requirement ensures that developments incorporating employment floorspace contribute to greener construction and operational practices and enable growth in green industries through training and employment opportunities.

7.11 The wording "must commit to supporting" reflects the policy's facilitative nature rather than imposing rigid planning obligations. It requires developers to explore opportunities for green transition while recognising that delivery may vary by scale and viability. For businesses that are unable to meet the full requirements, reasonable endeavour in meeting these requirements should be demonstrated in the planning submission on how the business contributing to a greener economy.

7.12 (d) Policy J4 part 4 is not intended to require the provision of affordable workspace in the borough. Affordable workspace is not a strategic priority within Newham's spatial approach to economic growth. Paragraph 6.72 of the Employment Land Review 2022 (EB048) confirms that Newham has a wide range of low cost space and concludes there is no pressing need for an affordable workspace mechanism. Existing secondary stock provides cost efficient options for SMEs and micro businesses, and Policies J1 - J3 protects and direct new provision of these floorspaces in LMUAs, MBOAs, town centres and non-designated employment sites.

7.13 However, the Employment Land Review indicates that if limited employment land becomes constrained, rents may rise. Policy J4 part 4 therefore enable affordable workspace proposal to come forward where justified, subject to demonstrating need, appropriate type, size and location, and alignment with growing sectors as identified in the Employment Land Review.

7.14 This approach is consistent with London Plan Policy E3 which require boroughs to set affordable workspace policy based on local evidence of need and viability. The policy is deliverable which provides flexibility without imposing a blanket requirement, promoting adaptiveness to the economic changes in line with the NPPF paragraph 86.

#### **Office and industrial floorspace supply**

#### **Council Response:**

Q8.8 Will policies J1 to J3 be effective in helping to meet the identified need for additional industrial floorspace over the plan period (335,000 sqm) primarily through the intensification of existing uses?

#### **Council Response:**

8.1 Our response to MIQ 8.1 – 8.6 above outlined Newham’s employment floorspace need identified in the Employment Land Review 2022 (the ELR) (EB048), our spatial approach in the Submission Local Plan and how this approach is justified and consistent with the London Plan and national policy. The following response will focus on the effectiveness in meeting the identified industrial needs.

#### Effectiveness of the intensification agenda

8.2 The ELR identifies a need for 335,000 sqm of industrial floorspace to 2038, achievable through intensification of SILs and LILs and a pipeline of planning permissions. The updated assessment for the period to 2042 shows a need for 418,000 sqm, which remains deliverable via the same strategies, as detailed in the responses to Inspector’s Preliminary Questions (PQ40) and MIQ 8.2.

8.3 Industrial intensification on SILs and LILs is the primary strategy in the Submission Local Plan to meet the identified floorspace needs, aligning with the London Plan Policies E4-E7. Newham has limited new land for industrial use and therefore intensification is essential. The 2023 GLA Industrial Land Supply Study revealed that industrial land losses were seven times higher than originally anticipated, making the protection and intensification for existing industrial land crucial. The ELR also mirror this lost in Newham and highlights a growing need for industrial land. It therefore recommending intensified capacity as a key part of the employment land strategy.

8.4 Policy J1 aims to protect existing industrial land, prioritise industrial uses on SILs and LILs, and secure additional floorspace through redevelopment. It limits residential development on these sites, requires employment-led proposals for LMUAs, MBOAs, and specific site allocations, and restricts office development within industrial areas, redirecting demand for office space to other locations given its limited demand.

8.5 To ensure effective delivery, Policy J2.1 requires applicants to demonstrate how their proposals optimise employment capacity, considering GLA intensification evidence and multi-deck industrial options. This is particularly important as intensified industrial formats are not yet widely considered as viable due to cost challenges and a lack of precedent

projects in London. The policy supports intensification in line with London Plan Policies E4-E7, but acknowledges the need for ongoing testing of these formats, with expectations for commercial viability later in the plan period. Although Policy J3 restricts the loss of capacity on employment sites, it allows flexibility for existing businesses to relocate based on robust evidence to facilitate efficient land use. The Council will monitor floorspace changes through Key Performance Indicator 22 in the Submission Local Plan.

#### Effectiveness in achieving intensification on individual sites

8.6 The Council has identified 2 sites under planning and 10 sites with potential for intensification under SIL/LIL designation. These sites were selected based on their potential for intensification, their location where additional floorspace is feasible, and their size, which can accommodate intensified formats similar to the GLA style intensified scheme (G Park) (as discussed in the ELR). The assessment is based on an existing plot ratio of 65% (standard London industrial density) and a potential intensified plot ratio of 120% (as seen in the G Park scheme under planning application 19/01776/FUL). The list of sites for intensification is drawn from the ELR (EB048), which was informed by a detailed audit of the borough's land portfolio (EB050-051). If these sites are developed using GLA style intensified schemes, could meet the identified industrial floorspace need. This assumes no further losses of industrial land and that the sites are brought forward within the plan period.

8.7 Since the ELR in 2022, there have been updates regarding activities on these sites, and the analysis on intensification potential has been updated accordingly.

Intensification Site/ Site with planning potential	Designation in Submission Local Plan	Potential gross supply in ELR (sqm)	Updated analysis on potential for intensification
Folkestone Road Depot	LIL6	55,000	Currently under Council-led depot regeneration framework where Folkestone Road Depot is one of the focus sites for intensification.
Bidder Street	SIL2	12,815	Currently under Council-led industrial area regeneration framework in Canning Town for more efficient use of land. Including a waste site safeguarded under the emerging East London Joint Waste Plan (Reg 19 JWP) subject to permission (23/00760/FUL) granted in Nov 2024 for uplift of 1,131sqm B2 floorspace. This is a land swap site and the GLA indicate acceptance on this swap (ED007).
Jenkins Lane Depot	SIL5	55,000	Inefficient use of land where largely open storage, low density buildings and car park. Including a waste site safeguarded under the Reg 19 JWP, and the lease will be expiring in 2027. We see opportunity for changes within few years' time and any redevelopment would need to accommodate or re-provide waste use.
Land East of City Airport	LIL 5	38,500	London City Airport indicated support on the allocation and the flexibility to accommodate training facilities. Policy

			(Table 7) requires Class F1 use to be ancillary in function and scale therefore not undermining intensification opportunity.
Stephenson Street (West Ham garage site)	LIL1	22,000	Latest proposal received for this site was promoted by TfL during Call for Site 2022 to redevelop the site as co-location scheme but was not accepted by the Council due to evidenced industrial need. The proposal indicated the intension for a more efficient use of the land. Redevelopment of the bus garage is likely to be at the end of the plan period.
Thameside East	SIL4	27,500	Land within Standard Industrial Estate. Including waste site safeguarded under the Reg 19 JWP so any redevelopment would need to accommodate or re-provide waste use.
London Industrial Park	SIL1	66,000	Largest site to the west of Britvic with great intensification potential given its size and proximity to the A13. South of Roding Road is considered having potential for uplift on top of 66,000sqm.
Grantham Road	LIL10	5,500	The site is underuse. Southern part is 14,000 sqm of B8 use with permission granted (19/03343/OUT) in Feb 2021. Northern portion include a gym, car rental/B8. Location with strong industrial demand as adjacent to the North Circular.
Albert Island	LIL12	55,500	GLA site with permission for intensification. This site is not yet implemented. Industrial intensification is likely as there is limited scope for residential given its location close to the airport runway.
Bow Goods Yard	SIL6	44,000	Pending permission for an outline employment-led mixed use masterplan scheme (24/00122/OUT). Network Rail indicates support to the SIL designation during Regulation 19 (Reg18-E-019). ELR estimated a possible uplift of 44,000 sqm. Keep monitoring its status.
Thameside West (Nuplex/Allnex)	SIL3	25,630	Permission granted for a data centre scheme (23/01697/OUT) in Dec 2024. Once implemented, 25,630sqm will be lost from the gross supply figure. Keep monitoring its status.
G Park	SIL3	40,000	Planning application for a GLA intensification pilot (19/01776/FUL) was withdrawn and permission granted for a data centre scheme (23/01697/OUT) in Dec 2024. Once implemented, 40,000sqm will be lost from the gross supply figure. Keep monitoring its status.

### Summary on effectiveness

- 8.8 The Plan seeks to meet its industrial needs by relying on the redevelopment of a proportion of its stock as identified by the ELR and largely focusing on larger SIL sites that. Due to their location and nature, the identified sites are likely to be promoted for redevelopment over the plan period.
- 8.9 However, acknowledging the permissions on the identified sites once implemented will result in loss of existing capacity and the uncertainty in delivering the preferred intensification format within the plan period, Policies J1 and J2 secure additional supply by applying the intensification requirement outside the 12 sites to all SILs and LILs. Additional capacity is also expected to be delivered on LMUAs, MBOAs and non-designated sites as employment-led development. The overall approach is considered effective to meet the demand.
- 8.10 The effectiveness of Policies J1 – J3 will be monitored by tracking on approvals and completions figures on all designated and non-designated sites, including the sites with permission for loss in industrial floorspace. To ensure the plan is effective during monitoring, we proposed modification (MO51.1) to cross reference Table 12 to the ELR Table 4.5 and make it clear the gross supply is based on potential additional capacity on the 10 sites for intensification.
- 8.11 The Greater London Authority welcomes LBNs efforts to promote the intensification of industrial sites in line with Policy E7 of the London Plan and considers that Newham are adequately planning for industrial land across the borough as outlined in the Statement of Common Ground (ED007).