

# Authority Monitoring Report

**Economy Monitoring Bulletin:  
(2013-2018)**

January 2019

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## **Introduction**

This Authority Monitoring Report (AMR) bulletin reports against indicators set out in the Local Plan Monitoring Framework for the financial years 2013/14, 2015/16, 2016/17 and 2017/18.

The majority of the figures contained in this bulletin are reflective of development within the London Borough of Newham (LBN) excluding (unless stated otherwise) the area which falls within the London Legacy Development Corporation (LLDC) boundary. This reflects the adoption of the LLDC's own Local Plan in 2015, after which point all development proposals within the LLDC boundary were determined in accordance with this plan.

The socio-demographic statistics in the outputs section are reported on outside of planning boundaries and as such include the LLDC area. Where outputs are monitored against Growth Borough averages, this includes all Boroughs signatories of the Convergence Framework associated with the Olympic Games. These are LB Newham, LB Barking and Dagenham, LB Hackney, LB Tower Hamlets, LB Waltham Forest and RB Greenwich.

The figures are best available as of January 2019 reflecting the adopted Core Strategy (2012) and the Detailed Sites and Policies Development Plan Document (DSPDPD) (2016). At the time of publication these were superseded by a reviewed Local Plan (adopted in December 2018) which will be monitored in future AMRs.

## **Summary**

### **Offices**

Newham have approved applications that if implemented would provide a significant amount of new employment floorspace: as at 31/03/2018 a total of c.188,613 sq. m (net B Uses), mainly B1 (offices) could come forward. This would largely be delivered on Strategic Sites S31 (Royal Albert North) and S21 (Silvertown Quays).

Whilst the Borough has not seen a significant impact of Class O (formerly J) office to residential Permitted Development Rights (PDR), the figures reflect smaller scale PD changes of use between 2013-2018. Over these monitoring periods 5,308 sq. m of Office (B1a Use Class) floorspace was lost delivering 124 residential units (C3 Use Class).

### **Industrial, storage and distribution**

Over the monitoring periods there has been increasing pressure on industrial land particularly from higher value land uses including housing. The last five years has seen a gradual decline in industrial floorspace, particularly completions resulting in the net loss of B2 and B8 Uses. However, Newham has also seen improvements some of its existing stock particularly at the BritVic Drinks company (London Industrial Park) and via redevelopment of Canning Town Business Park (E04), highlighting the continued demand for

modern industrial development in Newham. With an increasing tightening of industrial land supply LBN's vacancy rate remains low.

### **Leisure**

There were a total of 837 hotel rooms completed over the monitoring periods, with approval for 1,626 hotel bedrooms (some of which started and completed in the monitoring periods) mainly in the Royal Docks and Canning Town, as directed by policy. However, the Borough has also seen a number of smaller scale hotels develop in town centres, reflecting growth in this sector across the Borough and the support for tourism/leisure outside of Central London.

LBN has continued to see a loss of pubs in Urban Newham (9 within the monitoring periods), notably lost to higher value land uses such as housing with some changing use to community facilities.

### **Enterprises, skills and education**

LBN has seen significant growth in start-ups which is double the number of business closures. Over the monitoring periods LBN has increasingly become a location for businesses to thrive. Educational attainment and employment rates remain key challenges for Newham. However LBN has seen gradual improvements year on year over the monitoring periods reflecting increased investment and development in education over the monitoring periods.

## JP-OP1 Promoting Investment in the New Economy

i) LBN Additional employment floorspace (No specific target: maintain trend in line with ongoing development of strategic sites)

Table 1: Additional employment floorspace (approvals)

2013/2014 (approvals)	Loss (sq m)	Gain (sq m)	Net (sq m)
A1-A5	-2,457	2,965	508
B1-B8	-25,167	6,045	-19,122
D1-D2	-16,401	23,292	6,891
<b>2014/15</b>			
A1-A5	-4,335	11,405	7,070
B1-B8	-6,064	1,537	-4,527
D1-D2	-2,427	7,953	5,226
<b>2015/2016</b>			
A1-A5	-6,937	19,414	12,477
B1-B8	-24,075	317,482	293,407
D1-D2	-11,805	20,572	8,767
<b>2016/2017</b>			
A1-A5	-6,634	82,474	75,840
B1-B8	-12,525	209,704	197,179
D1-D2	-51,045	35,223	-15,822
<b>2017/2018</b>			
A1-A5	-4,219	5,933	1,714
B1-B8	-26,502	16,192	-10,310
D1-D2	-2,074	12,577	10,503

LDD, 2018

**Table 2: Additional employment floorspace (completions)**

<b>2013/2014 (completions)</b>	<b>Loss (sq m)</b>	<b>Gain (sq m)</b>	<b>Net (sq m)</b>
A1-A5	-2,371	3,068	697
B1-B8	-20,173	3,511	-16,662
D1-D2	-4,756	33,863	28,607
<b>2014/15</b>			
A1-A5	-2,660	16,952	14,292
B1-B8	-18,851	12,419	-6,432
D1-D2	-1316	6,909	5,593
<b>2015/2016</b>			
A1-A5	-1,150	2,271	1,121
B1-B8	-7, 912	6,579	-1,333
D1-D2	-11,967	23,363	11,396
<b>2016/2017</b>			
A1-A5	-2,918	3,656	738
B1-B8	-28,443	16,145	-12,298
D1-D2	-2,399	4,745	2,346
<b>2017/2018</b>			
A1-A5	-3330	6699	3369
B1-B8	-3770	4258	488
D1-D2	-2891	1206	-1685

*LDD, 2018*

Most of the growth over the monitoring periods (excluding LLDC area) is from commercial floorspace completions for leisure, retail and education uses, with notable schemes including a new shopping centre at Green St District Centre (former bus depot) and Areas 7 and 1C Canning Town District Centre. Further completions supporting these figures outside of these locations included the redevelopment of Atherton Leisure Centre and the expansion of a number of the Borough's education establishments at UEL, Stratford School Academy and Newham Sixth Form Centre.

There has been a continued overall loss in industrial floorspace over the monitoring periods. Whilst approvals saw significant growth in B1-B8 uses (largely down to the approval of ABP providing B1a floorspace) this is counteracted by significant losses from redevelopment from 2015-2017. This highlights the increasing pressures on employment land particularly in the industrial sector on SIL. More positive industrial land signals saw the completion of Canning Town Business Park (delivering B1c/B2/B8 uses) and the expansion of Britvic Soft Drinks factory on SIL in Beckton in FY14/15. 2017/18 saw the first net increase in recent years in B Class Uses through the completion of B1c/B2/B8 floorspace at Jenkins Lane on at a LIL designation, highlighting the continued demand for industrial floorspace.

Key schemes approved resulting in a net increase in floorspace supporting economic growth in the Borough over the monitoring period included, ABP on Strategic Site S31 (256,757 sq. m of B1 a floorspace), expansion of Newham Sixth Form College (2,040 sq. m of D1 floorspace) and Stratford School Academy (10,068 sq. m of D1 floorspace) and redevelopment of Atherton Leisure Centre (707 sq m of net additional D2 floorspace).

### Permitted Development Rights

Effective from 30<sup>th</sup> May 2013, new Permitted Development Rights (PDRs) came into force allowing change of use from B1(a) office to C3 residential (with an exemption in the Royal Docks Enterprise Zone). Overall the figures below reflect the cumulative impact of smaller scale Permitted Development changes of use rather than large scale office to residential conversions. The largest completion was for 72 units at Channelsea House (14/02907/PRECUJ) resulting the loss of 2,512 sq. m of office floorspace on LMUA9. This was a secondary office location not in a town centre with better located offices mostly already lost to residential in Stratford prior to these PDRs being introduced.

**Table 3: Permitted Development Rights (Class O)**

2013-2018	Floorspace	Units
Approvals	11,862 sq m	243
Completions	5,308 sq m	159

LDD, 2018

**ii) Tourism and leisure development in Stratford and the Royal Docks (no specific target – monitor for ongoing development as per Strategic Site aspirations)**

**Table 4: Hotel bed provision**

	<b>Approved no of beds (Gross)</b>	<b>Under Construction no of beds (Gross)</b>	<b>Completed no of beds (Gross)</b>	<b>Completions sites /areas</b>
FY13/14	522	220	0	0
FY14/15	227	802	0	0
FY15/16	31	598	204	E10 (S31)
FY16/17	45	66	402	E10 (S31) / E09
FY17/18	771	183	231	E08 (S14) / East Beckton TC

LDD, 2018

The Core Strategy (policy J1) seeks to promote tourism and leisure development in Stratford and the Royal Docks. Following the Olympics in 2012 Newham has seen increases in hotel development. This is partly down to growth in leisure development as part of wider regeneration objectives alongside Newham’s increasingly good public transport connectivity to central London attractions.

Most hotel completions over the monitoring periods were in the Royal Docks as directed by policy J1 with additional hotel provision completing in town centres at Canning Town (Strategic Site S14) and in Beckton District Centre. The majority of these completions were consented and completed within the monitoring periods, reflecting significant growth in visitor accommodation and build out between 2013 and 2018.

Whilst the ExCel and London City Airport remain as key drivers for demand for hotel accommodation in the Royal Docks, approvals saw a number of smaller scale town centre hotels granted outside of Stratford and the Royal Docks, demonstrating increasing growth generally across the Borough in this sector, as well as Newham’s role in supporting the tourism economy across London. One approval in 2017/18 formed part of an industrial-led development providing accommodation for contractors and ancillary provision for meeting and hospitality space considered to be justified to meet such needs arising from the industrial and logistics operators.



## Changes in Leisure Uses

**Table 5 - Leisure Use Completions 2013-18**

<b>2013/2014 (completion)</b>	<b>Loss (sq m)</b>	<b>Gain (sq m)</b>	<b>Net (sq m)</b>
A3	0	987	987
A4	-1423	277	-966
D2	-192	2344	2152
<b>2014/15 (completion)</b>	<b>Loss (sq m)</b>	<b>Gain (sq m)</b>	<b>Net (sq m)</b>
A3	0	2789	2789
A4	-261	332	71
D2	0	1490	1490
<b>2015/2016 (completion)</b>	<b>Loss (sq m)</b>	<b>Gain (sq m)</b>	<b>Net (sq m)</b>
A3	0	244	244
A4	-60	130	70
D2	-4,720	6,825	2,106
<b>2016/2017 (completion)</b>	<b>Loss (sq m)</b>	<b>Gain (sq m)</b>	<b>Net (sq m)</b>
A3	0	930	930
A4	-1,017	818	-199
D2	-1,705	208	-1,497
<b>2017/2018 (completion)</b>	<b>Loss (sq m)</b>	<b>Gain (sq m)</b>	<b>Net (sq m)</b>
A3	-704	1,143	439
A4	-405	860	455
D2	-120	0	-120

LDD, 2018

Over the monitoring periods, the Borough has seen completions in new food and leisure uses across the Borough including new gym facilities (e.g. the redevelopment of the Council's Atherton Leisure Centre) and restaurant

development alongside some ancillary café uses in Urban Newham. Leisure floorspace as part of mixed use schemes completed as part of wider redevelopment at both Canning Town (Phase 2) and Minoco Wharf (Strategic Site S22), supported the growth of these uses across the Borough.

## Public Houses

There was a noticeable decline in public house floorspace (A4 Use Class) particularly from change of use to residential, including the Foresters Arms in Plaistow, Duke of Edinburgh on Green Street and the former ‘Forever’ social club on High Street North. In 2017, GLA economics<sup>1</sup> reported that between 2001-2016 Newham lost 52% of its pubs, the second highest in London, which is particularly significant due to the relatively limited number of public houses across the Borough. Over the monitoring periods LBN has lost 9 public houses from completions to redevelopment/change of use particularly for residential and community facilities. It should be noted most of these pubs lay vacant over time prior to planning approval reflecting the challenges around the viability of pub uses in Urban Newham. Gains in A4 uses have however formed part of larger mixed use schemes including Canning Town (Rathbone Market) and Gallions Quarter (refurbishment of the former Gallions Hotel) as part of the commercial and evening economic offer.

### iii) Investment in employment hubs (no specific target but ongoing investment should be evident)

**Table 6: Employment Hub Activity**

Employment Hub	Activity 2013-2018
E01 – East Beckton	<ul style="list-style-type: none"> <li>• Completion of enhanced Sludge digestion facility at Beckton STW (FY14/15)</li> <li>• Completion of Britvic soft drinks redevelopment (FY16/17)</li> </ul>
E02 – Thameside West	<ul style="list-style-type: none"> <li>• No significant activity other than regularisation/improvement of environmental performance however performs well as a core industrial location for the Borough.</li> <li>• Land impacted by safeguarding for Silvertown Tunnel (consented May 18).</li> </ul>
E03 – Thameside East	<ul style="list-style-type: none"> <li>• Approval (FY17/18) of engineering shed (B8 Use Class) at the London Teleport Site at Pier Rd</li> </ul>

<sup>1</sup> [Closing Time: London’s Public Houses \(GLA Economic\), 2017](#)

E4 –Cody Road/Prologis	<ul style="list-style-type: none"> <li>• First floor mezzanine of Unit A Prologis Park COU to a training facility</li> </ul>
E05-Stratford Metropolitan	<ul style="list-style-type: none"> <li>• Completion of UEL Stratford campus (FY13/14)</li> </ul>
E06 – Green Street	<ul style="list-style-type: none"> <li>• Completion of redevelopment of bus garage for East Shopping Centre at Green Street District Centre (FY14/15)</li> </ul>
E07 – East Ham	<ul style="list-style-type: none"> <li>• Completion of Old Technical College to Newham College Sixth Form Centre (FY14/15)</li> <li>• Completion of new Council business, library and café at East Ham Civic Campus (FY13/14)</li> </ul>
E08- Canning Town	<ul style="list-style-type: none"> <li>• Completion of modern redevelopment Canning Town Business Park (FY/14/15)</li> <li>• Completion of Ph 2, Plot 2 Rathbone Market (FY15/16)</li> <li>• Completion of a mixed use redevelopment of former Goswell Bakeries, however awaiting occupiers for B1c units (S17) (FY16/17)</li> <li>• Approval of Canning Town Area 8 for Town Centre Uses inc Hotel, Nursery and large food store (FY17/18)</li> </ul>
E09 – ExCel Royal Victoria West	<ul style="list-style-type: none"> <li>• Approval of Site We5b Western Gateway for Mixed use (FY16/17)</li> </ul>
E10 – Royal Albert North	<ul style="list-style-type: none"> <li>• Completion of 204 bed hotel development in Royal Docks (FY14/15)</li> <li>• Approval of ABP business development (S31) (FY16/17)</li> <li>• Approval of extension to Newham Technical College (FY17/18)</li> <li>• Completion of 4 hotels (606 rooms) at Dockside Rd West on S31 (2015-18)</li> </ul>
E11 – London City Airport	<ul style="list-style-type: none"> <li>• Approval of major works to LCY to increase capacity through major works to include terminal expansion and extension of the taxiway (FY16/17) – <i>commencing works 2018</i></li> </ul>
E12 – Newham University Hospital	<ul style="list-style-type: none"> <li>• Approval of refurbishment and extension of Rainbow Paediatric ward (FY15/16)</li> </ul>

Table 6 above provides a summary of planning activity (approvals and completions) which highlights investment in employment hubs. Policy J1's objective is to attract investment in growth sectors in quality employment locations as recognised by the Employment Hubs. All but E02 and E03 had significant development activity over this period, but these hubs continued to perform strongly with low vacancy rates other than those plots affected by development consents (and in one case, hope value) and safeguarding for infrastructure projects. Engagement in 2017-18 also identified that a number of key industrial operators are looking to expand and further invest in both these employment hubs, notably with a multi-storey warehouse proposal being progressed at Thameside West on a site previously being pushed by developers for residential redevelopment.

**iv) Small business space (No specific target – continue to add to provision)**

**a) Live/Work Units**

See LBN's AMR: Housing Monitoring Bulletins.

**b) Small Business Space (<1000 sqm) recorded as part of larger schemes**

Small businesses makes an important contribution to the local economy. The [Employment Land Review Part 2: Demand Study](#) (Nov 2017) (ELR2) notes the rate of business start up is more than business closure and has risen dramatically since 2010, and it is likely that many of these are either micro and small businesses, potentially operating from people's homes.

Small business as part of mixed use schemes can support the clustering of employment uses and growth sectors across the Borough. In relation to completions there has been limited provision of small business space as part of larger mixed use schemes over the monitoring periods. A notable exception in FY16/17 at Caxton Street works (Strategic Site S13) saw the delivery of 13 individual B1c units delivered as part of this mixed use scheme. However, by the end of the monitoring period only one unit was occupied (by a bike manufacturing business) though it is understood these are being actively marketed with positive responses. In 2018 consent was given for a change of use of part to a D2 use (gym). Reflecting this, going forward the policy has been strengthened to better secure occupancy of units through demand/market testing of commercial units through employment strategies and careful phasing to maximise occupancy.

Outside of major mixed use schemes, there have been completions of smaller units of B1c, B2, B8 uses on employment only schemes improving the Borough's industrial stock, notably at Canning Town Business Park delivering 10,621 sq m of B1c/B2/B8 (including 8973 sq m of B8) uses comprising of 12 individual units.

### c) Affordable Workspace Provision

No explicit affordable workspace provision was recorded as part of S106 Agreements over the monitoring periods as it hasn't been a priority amid competing viability 'asks' (notably support for local employment and training as well as affordable housing). However, this policy objective continues to be pursued through protection of LILs (Local Industrial Locations) and LMUAs (Local Mixed Use Areas) and promotion of MBOAs (Micro Business Opportunity Areas) all of which should be able to sustain more affordable business space.

### d) Business Support Through Planning (No specific target, monitor in line with Regeneration plan and for evidence of ongoing S106 negotiations of local procurement)

There were a total of 56 local labour clauses as part of S106 negotiations agreed in the monitoring period.

There were a total of 33 skills and training clauses as part of S106 negotiations agreed in the monitoring period.

For further details see Planning Obligations Annual Monitoring Reports [here](#)

## JP-OP2 Securing Effective Use of Employment Land

### i) Employment Land Available (No specific target: maintain in line with ongoing development of employment hubs)

**Table 7 - Employment Land Designations 2012-2018**

	Core Strat (2012)	DSPDPD (2016)	LPR (2018)
Plan-led SIL release (Ha)	-32.72		-53.88
Protected SIL (Ha)	288.95		254.66
Other Emp Land De-designated (Ha)	-46.23		
Other Emp Land Added (LMUA/LIL) (Ha)		86.09	+6.6 (92.69)
<b>Net Employment Land Total (Ha)</b>	288.95	375.04	347.35

LBN Employment Land Monitoring /LBN GIS, 2018

## Employment Designations

Newham is strategically located between two industrial property market areas, the Lee Valley and Thames Gateway. Policies J1 and J2 of the Core Strategy direct industrial development towards Strategic Industrial Locations (SIL) and Local Industrial Locations (as per the DSPDPD). The release of any employment land will be managed over the plan period as part of identified Strategic Sites in a plan-led and managed way. The employment land designations and figures for plan-led release are set out in Table 7.

Employment sites not classified as strategic were reviewed as part of the DSPDPD in 2016, which on its adoption identified LILs and LMUAs, promoting local scale employment-led/only development to support economic growth to meet demand. Over the monitoring periods Employment Hubs, including sizeable employment designations (which have been increased since 2012) have continued to provide robust 'areas of search' to which to direct employment uses to support growth sectors and promote a diverse economy across the Borough.

## Industrial demand and supply balance

In relation to industrial demand the ELR2 highlighted that c.26ha (including 16 ha for warehousing/logistics and 9ha for industry) of additional land for industrial and warehousing in the Borough was required as a minimum to meet demand. **29.37** ha of capacity has been identified on existing sites to accommodate positive demand for industrial (and warehousing) uses. In addition, **13.15ha** of SIL/LIL could be supported on Strategic Sites, thus contributing around **42.5ha** to meet need industrial demand over the plan period factoring in the Managed Release of 53.88 ha of SIL to meet wider strategic objectives for mixed use. A further detailed assessment of this is set out in the ELR2.

## Vacancies

Vacancy levels on industrial land were lower than the 20% reported in the GLA's London Industrial Land Demand Study (LILDS) (June 2017)<sup>2</sup>. The Borough's assessment, when factoring in losses of employment land through completions and consents since 2015, areas of land subject for release to mixed use or residential (via an allocation/proposed allocation of strategic site) and areas of land that do not form part of the employment land reservoir identified Newham's (excluding the LLDC) **vacancy level as 6%**. The ELR2 identified that the Borough's strategic sites with retained SIL at Silvertown Landing, Central Thameside West, Beckton Riverside, Canning Town Riverside and North Woolwich Gateway all have potential to support capacity for industrial uses with further industrial capacity on a number of LILs.

Evidence in 2017 highlighted increasing pressures for industrial stock at a strategic level across London. This reflects pan-London levels of industrial

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<sup>2</sup> [London Industrial Land Demand Study \(2017\), pg. 34](#)

land release well above benchmark levels set by the London Plan. In Newham these trends have promoted a certain amount of excess vacancy rather than excessive release per se, whereby sites are withheld from the industrial market, despite increasing pressure from displaced firms and increasing demand for warehousing/logistics and 'last mile' uses

In 2017/18 as part of the Local Plan Review the Borough has sought to continue to protect **254.66** ha of SIL with **53.88** ha set for Managed Release in a plan-led and managed way as part of policy J2 criteria, continuing to recognise some surpluses but tightening policy provisions to ensure development appropriately meets demand. This will need to be monitored over time.

### **Planning Activity**

The previous section details B class approvals and completions mostly on identified employment land. Since 2016 this has importantly included local designations - LILs and LMUAs which provide an additional reservoir of land which development interest shows is welcomed by the market, albeit one which requires careful management. In 2017/18 there was an approval for the redevelopment of East Ham Industrial Estate (LMUA4) for high quality, market led and modern workspace as part of a mixed use scheme, upholding the employment-led approach set out in J4 to counteract increasing pressures from residential land values and promote different types of mixed use development. The approach was also supported in an appeal (16/04014/FUL) where a proposal for a residential development at LMUA9 was dismissed on the basis that it would 'undermine the balance of jobs and homes' by failing to provide any employment floorspace.

### **ii) Loss of employment land a) identified for release b) not identified for release**

#### **a) Planning activity on sites identified for release**

Of the 32.72 ha of designated SIL identified for Release in 2012 on former employment land, the Borough saw approvals at S22 (Minoco Wharf alongside the land at 1 Knights Road), S17 (Silvertown Way West) at Brunel Works and S16 (Silvertown Way East) at Caxton Street North. Over the monitoring period the Borough has seen development progress on these schemes, particularly on S22, for around 21.42 ha. Over the monitoring periods there has been little activity on the SIL release (11.30ha site) at S08 (Thames Wharf), largely due to decisions being awaited on the Silvertown Tunnel DCO.

In 2018 the S106 Agreement was signed for development on the Parcellforce site (S11) as identified for release (from 'other employment land') by the plan. This results in the loss of 8.42ha of employment land re-allocated for an employment-led mixed use strategic site. Details of the Borough's plan-led and managed reservoir of employment land over the monitoring periods are set out in Table 7.

Following the review of the Borough's employment land in 2017, an additional **53.88ha** of SIL has been identified for release through 5 additional strategic sites. Going forward, careful monitoring of both how the Borough's existing economic platform is protected and how proposals meet identified demands will be key to ensuring support for identified growth sectors as per J1 and J2.

#### **b) Planning activity on sites not identified for release**

Following adoption of the DSPDPD in 2016, the Borough introduced Local LMUAs and LILs. LMUAs were identified to support transitional employment sites i.e. those moving to lighter industrial use more compatible with residential. Over the monitoring periods a number of small scale residential developments have come forward at Sprowston Mews (LMUA) recognising the context of this LMUA divided between residential and employment generating uses to the east. One residential scheme was permitted in (FY14/15) under Class O Prior Approval, on LMUA9 of the DSPDPD, resulting in the loss of 2,512 of B1a floorspace at this location. Other than this the Borough has not seen any losses of designated employment sites in the Borough.

#### **c) Planning applications on non-designated employment sites, that resulted in the loss of employment land.**

Whilst there have inevitably been losses of non-designated employment sites within the Borough that were neither identified for retention or release, many of these sites would be below the Managed Transition (MT)/Managed Release (MR) threshold set out in Policy J4 of sites of 0.1ha or 1,000 sqm of employment generating floorspace i.e. particularly small scale and not part of the overall employment strategy set out in the plan.

Where permissions were approved outside of designated Town Centres and employment sites, this release was part of the strategy. In 2016/17 following DSPDPD adoption there were two permissions above the threshold which saw the loss of non-designated employment space in vacant B1a use in Urban Newham to community uses reflecting other identified needs and acknowledging the spatial strategy that directs offices to town centres especially Stratford, and the Royals.

However, going forward policy should monitor proposals which result in the loss of B Class uses just below the MT/MR release threshold as well as those over the threshold to effectively create a clearer picture of the losses and gains of significant employment sites, particularly given the identified pressures on this land to other uses.



### iii) Up to date (up to 5 years old) masterplanning/SPDs in place for release sites

Masterplans are a formal planning tool designed to ensure that the development of key sites (notably strategic sites) is well integrated and ensures the best use of land.

Minoco Wharf (S21) release site has been masterplanned as part of the hybrid consent (2012) and over the monitoring period has seen significant development progress on phases 1 and 2 and completions over this site.

Progress with an application for the Parcelforce site (S11) commenced in 2016 including masterplanning to deliver employment-led mixed use at this Strategic Site.

## JP-OP3 Enhancing Skills and Access to Work

### i) Employability outputs linked to planning (Target: trend commensurate with major development progress)

Planning seeks to maximise the economic benefits of development including local jobs and employment via Section 106 Agreements. Newham's employment brokerage service 'Workplace' continues to secure employment for Newham's residents,

**Table 8: Workplace jobs secured**

FY	Workplace Jobs Secured
2012/13	5,163
2013/14	4,492
2014/15	4,508
2015/16	4,116
2016/17	3,349
2017/18	3,319
<b>Totals</b>	<b>24,947</b>

LBN Economic Regeneration, 2018

**Table 9: S106 Contributions negotiated supporting economic regeneration (annual year)**

Year (Annual)	Permissions with local labour clauses	Total monies negotiated towards local labour	Permissions with skills and training clauses	Total monies negotiated for skills, training and employment
2013	14	£261,990	11	£319,758
2014	6	£0	1	£40,920
2015	4	£0	1	£4,500,000
2016	6	£7,500,000	8	£8,828,112
2017	12	£0	4	£2,758,622
2018*	13	£0	7	£316,760.25
<b>Total</b>	<b>55</b>	<b>£7,761,990</b>	<b>32</b>	<b>£16,764,172</b>

LBN Investment Team, 2018

\*S106 Agreements up until 13<sup>th</sup> Nov 18

Table 9 is a summary of S106 contributions towards economic regeneration in the Borough. From 2013-2018 (annual not financial year) key contributing schemes included ABP, Royal Wharf, Ivax Quays and LCY expansion. The funds highlight that Newham continues to secure community benefits through the planning process, however the introduction of Newham's CIL has limited the types of planning obligations for economic and employment purposes that can be secured to focus more on site specific mitigation and non-infrastructure provisions. Figures may not align with S106 monitoring reporting which is by financial year.

Going forward, the policy has been revised to better set out the expectations for employability initiatives in relation to both local labour and end user clauses

**ii) Education and training facility developments (Target: in line with infrastructure needs – refer to Infrastructure Delivery Plan)**

**Table 10: Education and training S106 contributions**

Type	Contributions received (£) – including LLDC area			
	FY13/14	FY14/15	FY15/16	FY16/17
<b>Education</b>	£482,127	£629,322	£31, 862	£516,806

LBN Investment Team, 2018

As a result of an increasing school age population, there is a growing need for school places and other education and training facilities in the Borough. Over the monitoring periods some of the projects set out in the IDP (Infrastructure Delivery Plan) have been met, with a number of school expansions going forward to reflect the increases in population and provide additional school places across the Borough. The Borough has continued to secure S106 monies for improvements to schools services and additional school capacity from development. Key education and training facilities completing over the monitoring periods included:

- Redevelopment of Keir Hardie Primary school (FY16/17)
- COU of B1a to D1 training facility at Prologis Park (FY16/17)
- Expansion of Stratford School Academy (FY15/16)
- Expansion of Newham Sixth Form College (FY15/16)
- Expansion of Plashet School (FY15/16)
- COU of forward planning office and library to Newham Sixth Form College, (FY14/15)
- Erection of five storey campus in Stratford for UEL (FY13/14)
- Extension to Langdon Comprehensive (FY13/14)

With further anticipated growth in the Borough’s population the provision of new and expanded facilities and securing of funds for education and training will need to be monitored (particularly through provision on Strategic Sites in the ‘Arc’) in line with the IDP; site allocations should facilitate these.

**iii) New childcare provision (Target: in line with infrastructure needs – Annual Childcare sufficiency statement)**

Core Strategy policies J3 and INF8 (and INF10 of the DSPDPD) seek to ensure that the provision of community facilities (including childcare facilities) meets local needs and that residents and businesses have local infrastructure and services, offering greater choices as to how they access facilities. As such, it is recognised where growth is expected, that major permissions seek to secure community facilities to meet identified local need and the objectives in INF8.

LBN's childcare sufficiency statement 2016/17<sup>3</sup> notes that there has been an improvement in overall quality of provision in the Borough. The statement identifies there is a particular location gap (places per resident) in supply for under fives around the centre of the Borough particularly in Boleyn, East Ham South, Green Street East/West and Plaistow North. For over fives Forest Gate South, Green Street East/West and Wall End are identified locational gaps, with factors such as unregistered after school clubs are meeting childcare needs.

Over the monitoring periods the Borough saw approvals for nursery space included those as part of school expansions supporting the requirements set out in INF8 and INF10. In particular childcare provision formed part of approvals at Sandringham School (Green St East), St Joachim's (Canning Town) and New City Primary Schools (Plaistow) supporting location gaps in both Plaistow and Green Street East wards. Further policy monitoring is required to ensure childcare sufficiency meets local needs as identified by the locational gaps from LBN's sufficiency statements and to be directed by employment hubs to support people in employment.

#### **JP-OP4 Use and Robustness of J policies**

**(No specific target; should be using regularly if effective, and supported at appeal the majority of the times used)**

J policies have been used well, largely seeking to secure existing employment and promoting new investment on major permissions as directed by J1. Following adoption of the DSPDPD one scheme (16/04014/FUL) tested J4 at appeal, largely around 'employment-led' development on a LMUA and the Council's ambition to balance the delivery of jobs and homes, which was subsequently dismissed in 2018. This appeal supported the Council's position and policy.

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<sup>3</sup> [LBN Childcare Sufficiency Statement, \(16/17\)](#)

## J-OUT1 – Economic Development Business Domain

### i) Business by sector

The ELR2 provides an update on businesses by sector between 2013-15. Between 2013-2016 the Borough has seen a 14% increase in overall job numbers reflecting strong policies supporting economic growth across the Borough, with retail (partly down to the opening of Westfield shopping centre) remaining the dominant sector and steadily growing year on year. The Borough has seen significant growth in business administration and support services, with education and health remaining strong sectors of employment for the Borough. This shows that the policies supporting growth sectors are yielding results.

### ii) New Business formation and survival rate

#### a) Rate of business formation per 10,000

The ELR2 provides an update on business formation between 2013-2015. Newham remains consistently at a higher rate of business formation compared to London and the UK. Whilst business closure rates have declined in recent years they remain high relative to the rest of London and the UK.

#### b) 3 year business survival rate

**Table 11 – Business survival rate**

% of businesses in year still trading after 3 years	2011	2012	2013	2014	2015	2017	2018
Newham	52.5	52.1	52.6	DNA	DNA	DNA	DNA
Growth Borough average	55.8	55.2	56.8	DNA	DNA	DNA	DNA

ONS Business Demography 2016

The rate of business rate survival within the Borough is measured in terms of the proportion of businesses that remained active after a number (one to three) of years. Newham's survival rate remained steady in 2011-2013. It is promising that the two year business survival rate is at 71% of all businesses which is higher than the previous two year survival rates, indicating business growth from 2014 onwards. There is currently no statistical release from 2013 onwards.

Further details on business starts and closures between 2010-15 are set out in Figures 2.8 of the ELR2, which highlights that start ups in 2015 (the last

year in which data is currently available) were more than double for those closing, suggesting that despite the lack of new affordable workspace that LBN is increasingly becoming a location where new businesses can thrive. This seems to support the approach of protecting a range of employment sites across the Borough.

### iii) Vacancy rates on Employment Land (should be steady)

As part of the Employment Land Review 2017 the qualitative land audit (Part 1) and Demand Study (Part 2) identified that vacancy rates on employment land are low, and in particular vacancy rates on designated industrial land are lower than reported in GLA studies. LBN's assessment identified the industrial floorspace vacancy in 2017/18 was below the 8% frictional vacancy figure set out in the Land for Industry and Transport SPG (2012) reflecting a managed approach to employment land thus allowing for efficient operation of the market. However factors such as industrial land held for the 'hope value' on cleared sites and vacant units now let are factors that may have had implications for vacancy rates.

Vacancy rates on SIL have risen by 1% since 2011<sup>4</sup> to 7% and remains below the frictional vacancy figure<sup>5</sup>. Given the increasing demands for industrial space across London, particularly for the logistics and warehousing sectors it is expected this will be managed as part of the draft local plan policies, whilst allowing sufficient flexibility to allow the market to operate. This illustrates that in relation to the Borough's Newham's employment policies are working well in protecting employment land, whilst encouraging new development partly through Managed Release. The below tables highlight the levels of vacant floorspace across each of the Borough's categories of designated employment land.

**Table 12: Vacancy levels LBN Employment Land**

<b>Employment Area (SIL)</b>	<b>2017 Vacant Units (Ha)</b>	<b>2017 Vacancy percentage</b>
London Industrial Park	7	6%
Beckton Riverside	0	0%
British Gas / Cody Rd	2	11%
Thameside West	5	18%
Thameside East	0	0%
<b>Average Vacancy Rate</b>		<b>7%</b>

LBN ELR, 2017

<sup>4</sup> [Paragraph 7.3 of LBNs ELR \(2011\)](#)

<sup>5</sup> [Land for Industry and Transport SPG \(2012\)](#)

Employment Area (LMUA)	2017 Units	Vacant	2017 % of floorspace	Vacancy of
Silvertown Arches	0		0%	
Aldersbrook	0		0%	
Nursery Lane (LMUA)	5		29%	
East Ham Ind Est	2		16%	
Forest Gate Arches	0		0%	
Ashburton Tce	0		0%	
Dulcia Mills	1		4%	
Sprowston Mews	0		0%	
Atherton Mews	3		10%	
Canning Rd West	0		0%	
Grove Crescent	0		0%	
St Marys Ind Est	1		36%	
Bidder Street	3		8%	
Esk Rd (new)	2		50%	
Kudhail Ind Est	0		0%	
Beeby Rd (new)	0		0%	
<b>Average Vacancy Rate</b>			<b>7%</b>	

Employment Area (LIL)	2017 Units	Vacant	2017 Vacancy percentage
Stephenson St	3		3%
Jubilee Line Depot	0		0%
East Ham Depot	0		0%
Land east of LCY	1		4%
Folkestone Rd Depot	0		0%
Beckton Gateway (Jenkins Lane)	0		0%
Canning Rd East	0		0%
Nursery Lane (LIL)	0		0%
Grantham Rd	0		0%
Bridge Rd Depot	0		0%
Albert Island	0		0%
Butchers Rd	0		0%
<b>Average Vacancy Rate</b>			<b>0.5%</b>

**J-OUT2 – Economic Development – employee domain (to be monitored against Host Borough Averages and London average where possible to assess Convergence; otherwise monitor for appropriate trends in line with SEA objectives)**

Information on the socio-demographic characteristics of employment across the monitoring periods is set out in chapter 2 of the ELR2.

**i) Jobs employment and activity rates**

**Table 13: Economic Activity Rate**

<b>Economic Activity Rate aged 16-64</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
<b>LBN (%)</b>	70.5	74.2	73.0	73.7
<b>Growth Borough Average (%)</b>	75.0	75.7	75.8	75.5
<b>London (%)</b>	77.0	77.8	78.4	78.2

NOMIS, 2018

**Table 14: Employment Rate**

<b>Employment Rate aged 16-64</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
<b>LBN (%)</b>	62.9	68.0	68.7	69.4
<b>Growth Borough Average (%)</b>	67.8	70.1	70.2	70.9
<b>London (%)</b>	71.8	73.1	73.8	74.2

NOMIS, 2018

Over the monitoring periods, Newham’s employment rate<sup>6</sup> has increased year on year alongside Newham’s economically active<sup>7</sup> population. The Borough has seen economic activity rate improve by a third compared to 2010 and reflective of increases in an employment rate and decreases in claims for benefits for those out of work. Educational attainment improvement is also promising for the longer term economic growth across the Borough, particularly for young adult employment prospects.

<sup>6</sup> Employment rate – the percentage of all people in employment

<sup>7</sup> Economically active – the percentage of all people who are economically active



The significant increases in the Borough's economic activity is particularly promising highlighting that Newham's employment policies and associated interventions are effective. LBN's employment rates remains lower than the Growth Borough<sup>8</sup> and London average, however, suggesting it will be important to continue to push these policies.

**ii) Low earnings and deprivation (proxy)**

**Table 15 – Working Age Client Group – Main benefit claimants (Main out of work benefits)**

<b>DWP benefit claimants aged 16-64</b>	<b>Nov 13</b>	<b>Nov 14</b>	<b>Nov 15</b>	<b>Nov 16</b>
<b>LBN (%)*</b>	11.1	9.7	8.4	7.3
<b>Growth Borough Average (%)</b>	12.4	10.9	9.6	8.7
<b>London (%)</b>	10.1	9.0	8.1	7.2

NOMIS, 2018

**Table 16 – % of children in low income families**

<b>% of children in low-income families (all children)</b>	<b>Nov 13</b>	<b>Nov 14</b>	<b>Nov 15</b>	<b>Nov 16</b>
<b>LBN (%)</b>	25.3	29.2	DNA	DNA
<b>Growth Borough Average (%)</b>	27.4	30.3	DNA	DNA

HMRC, 2016

The above table notes the main out-of-work benefit claimants as a percentage of the working age population and consists of job seekers, ESA and incapacity benefits, lone parents and other on income related benefits.

LBN's situation has improved year on year (where data is available) and remains below the Growth Borough average. This suggests that development and employability/skill development through planning and associated outputs continues to be important.

<sup>8</sup> Includes LB Newham, LB Barking and Dagenham, LB Hackney, LB Tower Hamlets, LB Waltham Forest, RB Greenwich, - all signatories of the Convergence Framework associated with the Olympic Legacy plans

### iii) Proportion of working age population qualified to level 2 and above

**Table 17: Educational qualifications**





<b>NVQ Level 2+</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>LBN (%)</b>	64.8	67.4	69.4	66.3
<b>Growth Borough Average (%)</b>	69.9	70.0	71.6	71.6
<b>London (%)</b>	76.2	76.1	77.6	77.3
<b>% with no qualifications</b>				
<b>% with no qualifications</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>LBN No qualifications (%)</b>	11.1	11.2	8.9	12.4
<b>Growth Borough Average No Qualifications (%)</b>	11.6	9.4	9.1	10.5
<b>London Average No Qualifications (%)</b>	8.0	7.4	6.6	6.8


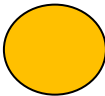
NOMIS, 2018

In terms of qualifications, the proportion of the population with qualifications from NVQ level 2 and above (GCSEs at A\* - C) has generally improved within the monitoring periods getting closer to the Growth Borough average, however this figures remains lower than the London average. However figures from NOMIS and set out in Table 17 above highlights that residents with no qualifications remains above the London and Growth Borough average for the monitoring periods, highlighting that educational attainment remains a key issue for the Borough, particularly in supporting the employment prospects of those aged between 16-24. Whilst this highlights that the policy is working reasonably well in supporting skill development, it also clearly continues to be relevant.

Further to this, prioritising education as a key component of infrastructure delivery (and subsequently recognising the role of education and its role in contributing to economic growth) is justified.

## Summary

Indicator	Traffic Light Assessment	Overall assessment for 2013- 2018 periods
<b>J-OP1 Promoting Investment in the New Economy</b>		<p>Employment hubs continue to direct growth sectors effectively, however some growth has been at the expense of others notably industrial floorspace.</p>
<b>J-OP2 Securing Effective Use of Employment Land</b>		<p>Sufficient policy coverage to meet key objectives in the plan, however scope for improvement to better manage employment land in a plan-led and managed way as part of the Local Plan Review in 2018. Policy tests as part of the Local Plan Review should see more positive protection of existing employment uses.</p>
<b>J-OP3 Enhancing skills and access to work</b>		<p>Policies are working well to secure economic benefits from development supporting the activities of Workplace, and there has been a good level of investment in education and training facilities</p>
<b>J-OP4 Use and Robustness of J policies</b>		<p>Well used on major permissions, however room for improvement in assessing economic development on smaller schemes. Policy has been tested and is robust at appeal</p>
<b>Poor = Little to no improvement achieved</b>		
<b>Medium = Some improvements, further monitoring required</b>		
<b>Good = Significant improvements demonstrated through policy interventions</b>		

Indicator	Traffic Light Assessment	Overall assessment for 2013- 2018 periods
<b>J-OUT1 Economic Development – Business Domain</b>		<p>Businesses and business formation growing year on year with LBN increasingly becoming a location where businesses can thrive. Vacancy rates low with sufficient land to meet economic demand.</p>
<b>J-OUT2 Economic Development – Employee Domain</b>		<p>LBN's employment rate and peoples economic activity has improved . However compared to Growth Borough and London averages educational attainment and skill development remain key challenges for Newham a key components of ensuring sustainable economic growth and personal resilience for Newham's residents.</p>
<b>Poor = Little to no improvement achieved</b>		
<b>Medium = Some improvements, further monitoring required</b>		
<b>Good = Significant improvements demonstrated through policy interventions</b>		