

James Scantlebury

From: James Stevens <[REDACTED]>
Sent: 09 September 2024 09:26
To: Local Plan
Subject: Newham Local Plan - Regulation 19
Attachments: HBF - Newham Local Plan Reg 19 - Aug 2024 - 2.docx

Dear Sir / Madam

Please find attached the HBF's representations on the Newham local Plan Regulation 19 consultation.

I would be most grateful if you could acknowledge receipt.

The HBF would like to register its wish to participate in the examination-in-public.

James



James Stevens MRTPI
Director for Cities

HOME BUILDERS FEDERATION

t: [REDACTED]
m: [REDACTED]
e: [REDACTED]
a: [REDACTED]



Planning Policy Team
London Borough of Newham
Newham Dockside
1000 Dockside Road
London
E16 2QU

Email: localplan@newham.gov.uk

9 September 2024

Dear Sir / Madam

Newham Local Plan: Regulation 19 consultation

Thank you for consulting on the Newham Local Plan, Regulation 19 consultation version. The following response is provided by James Stevens, Director for Cities, on behalf of the Home Builders Federation (HBF).

The Home Builders Federation (HBF) is the representative body of the home building industry in England and Wales. The HBF's member firms account for some 80% of all new homes built in England and Wales in any one year, and include companies of all sizes, ranging from multi-national, household names through regionally based businesses to small local companies. Private sector housebuilders are also significant providers of affordable homes, building 50% of all affordable homes built in the last five years, including all homes for social rent.

James Stevens contact details are:

[Redacted contact details]

Telephone: [Redacted]
Email: [Redacted]

The HBF would like to register its wish to participate in the examination of the local plan.



BFN1: Spatial strategy

HBF generally supports the aim of this policy which will see new housing supported in every part of the borough. It would be helpful, however, if the policy could indicate how many homes will be supported in the locations in part 1 a) iii) and part b).

The plan aims to provide 47,600 homes over the period of time that the plan is in operation. Part 1 a) indicates that 45,000 of these will be provided in the neighbourhoods specified in Part 1, a) i) and ii). This suggests that these two other others may be expected to provide the remaining 2,600 homes, although one would have thought that they had the capacity to provide more.

It would be helpful if the plan made clear its intention to support the approach in the London Plan whereby all areas in London within 800m of a train station or boundary of a town centre or within PTALs 3-6 will be considered appropriate locations for residential development. This is important to encourage the supply of more housing on small sites (of a quarter hectare in size and less).

Part 7 is unsound in part because it is contrary to national policy. It is also unlawful.

Part 7 of the policy expects developers, including housebuilders, to support improvements to the borough's strategic and utilities infrastructure while mitigating any negative impacts.

The aim of this is unclear but it is not the role of developers to rectify general shortcomings with strategic and utilities infrastructure in the borough. The supply of electricity and water services is dealt with under a separate, parallel, statutory regime. The providers of utilities are expected to support the needs of the planning system. It is not the responsibility, nor can it be, for housebuilders to rectify problems within the utilities sector. If Thames Water, for example, is unable to guarantee that it can provide the connections required, meaning that dwellings cannot be built, then this is an issue that goes to the heart of the deliverability of Newham's local plan.

Newham Council will need to be clear in its plan that the utilities sector is able to provide the services and connections needed to support the development aims of the plan. If it is unable to secure that assurance, then the plan is undeliverable. Housebuilders cannot rectify those shortcomings. On the question of water, housebuilders pay connection charges to water companies – five billion pounds in total since 1991 – to ensure that the necessary investments are made to support the aims of the plan-led system. Water companies, by contrast, are under a statutory duty to plan and invest to support the development needs of local plans. They must produce, by law, a Water Resources Management Plan every five-years to demonstrate this to government.

As part of this, water companies are required to engage with local authorities to ensure that they are able to provide the utilities connections necessary to enable development requirements in local plans to be met. The Government's advice is set out in Section 6.3 of the Water Resources Planning Guidance. The duty to prepare and maintain a Water Resources Management Plan (WRMP) is set out in sections 37A to 37D of the Water Industry Act 1991. Companies must prepare a plan at least every five years and review it annually. The Government guidance can be read here:

[Water resources planning guideline - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/water-resources-planning-guidance)

The Government guidance states at Section 1.1 that these plans must forecast water supply and demand over at least the statutory minimum period of 25 years (see Section 1.1). If companies forecast a deficit they should consider:

- supply-side options to increase the amount of water available to the water company
- demand-side options which reduce the amount of water customers require

Section I states:

I. Local authority plans

Local authority plans set out future development, such as housing. Your WRMP should reflect local growth ambitions and plan to meet the additional needs of new businesses and households. (See sub-section 6.3)

Section 6.3 states:

Your planned property and population forecasts, and resulting supply, must not constrain planned growth. For companies supplying customers in England you should base your forecast population and property figures on local plans published by the local council or unitary authority. Local authorities will be at different stages of publication of their local plans.

Part 7 should be deleted.

BFN2: Co-designed masterplanning

Part 2 f) is unsound because it is contrary to national policy.

Part 2 f) expects biodiversity net gain (BNG) to be provided on-site. National policy does allow the requirement to be provided off-site, if necessary. The Council should amend the policy to allow this. Providing BNG offsite can help contribute to more cohesive local nature recovery strategies.

Part 5 is unsound because it is unjustified.

Part 5 requires applicants on all allocations to undertake post-occupancy surveys. This is very difficult to achieve as most traditional housebuilders no longer retain any interest in a site once it has been constructed and dwellings sold. Also, it is unclear what would happen if the applicant was unable to secure a minimum 40 per cent response. Housebuilders cannot force residents to respond, and rightly so.

BFN3: Social Value and Health Impact Assessment - delivering social value, health and wellbeing

The policy is unsound because it is unjustified.

Part 2 of the policy requires:

Major development, and proposals where potential health or social value issues are likely to arise, must undertake a screening assessment as early as possible in the development process, to determine whether a Social Value and Health Impact Assessment (SV-HIA) is required.

The policy is unnecessary and ignores the valuable contribution that housebuilding already makes to public good and public health. Social and health outcomes in London would be so much worse if too few homes are built. Housebuilding, not only provides homes people need thereby assisting health outcomes as good housing is the most important determinant of good health, it contributes also specifically to the supply of affordable housing supply, it provides employment, it generates tax revenues to pay for public services, and it provides planning obligations to provide for schools, hospitals and libraries etc (e.g. draft policy S12), it aims to improve the access to green space, it aims to improve the public realm, it aims to improve access to public transport and encourage active travel, it provides a net improvement in biodiversity, it is required to provide water fountains, public toilets and baby changing / nursing facilities (e.g. draft Policy HS2) and cultural and sports facilities (e.g. draft policy S13).

The Council also has many specific policies including ones relating to design and improvements to green space and the public realm. It is unclear what else housebuilders can do.

The proposal that housebuilders should have to undertake an exercise to demonstrate to the Council its social and health value is unnecessary and a further planning obstacle to delivering the homes so desperately needed in London.

Housing delivery in London is falling short, by a significant degree, of the London Plan requirement. The government's recently concluded review of the London Plan – see the *London Plan Review: Report of Expert Advisers*, 15 January 2024 – identifies a major shortfall in housing delivery compared to the London Plan target, to the extent that, as a whole, London will now need to deliver 62,300 homes on average each year until 2028/29 rather than 52,300 if the full London Plan housing requirement is to be provided by the end of the plan period (see para. 3 of the Executive Summary and para. 2.16).

According to the government's 2022 Housing Delivery Test, 84 per cent of the housing requirement for Newham has been provided and the Council is now obliged to apply the 20 per cent buffer to help improve supply.

We advise that this policy is deleted to help improve supply.

BFN4: Developer contributions and infrastructure delivery

Part 4 is unsound because it is unjustified.

Part 4 requires that applications for developments at, or over, 250 units/hectare density or for major developments on site allocations should produce an Infrastructure Sufficiency Statement. This represents a shift in responsibility away from the plan maker to the applicant. It is the role of the local authority to demonstrate through the preparation of its Infrastructure Plan whether there is adequate infrastructure capacity to deliver the development requirements of the plan, or, at least, the prospect that these will be provided at the appropriate point during the life of the plan. If the Council is saying that it is uncertain that there is sufficient infrastructure, then this raises a question about the soundness of the local plan and its deliverability. This is a very important matter.

The Council should be clear what the infrastructure barriers are, and how this may affect the delivery of allocated sites, or those locations whether windfall is anticipated. If the infrastructure within the borough is inadequate to support the proposed level of residential building then this needs to be highlighted and resolved before the local plan is submitted for examination. Housebuilders are very limited in terms of what they can do to resolve any such deficiencies.

Part 5 is unsound because it is contrary to national policy.

Part 5 seeks to suspend the application of the Vacant Building Credit. The Vacant Building Credit was introduced by the government in 2014 to support the delivery of homes on previously developed land. In view of the serious shortfall in the supply of housing in London relative to the requirement this suspension is unjustified.

Housing delivery in London is falling short, by a significant degree, of the London Plan requirement. The government's recently concluded review of the London Plan – see the *London Plan Review: Report of Expert Advisers*, 15 January 2024 – identifies a major shortfall in housing delivery compared to the London Plan target, to the extent that, as a whole, London will now need to deliver 62,300 homes on average each year until 2028/29 rather than 52,300 if the full London Plan housing requirement is to be provided by the end of the plan period (see para. 3 of the Executive Summary and para. 2.16).

Delivery is also faltering to a degree in Newham. According to the government's 2022 Housing Delivery Test, 84 per cent of the housing requirement for Newham has been provided and the Council is now obliged to apply the 20 per cent buffer to help improve supply.

In this context, the suspension of the Vacant Building Credit is unjustified. Nor should its application be made conditional. This part of the policy should be deleted from the Plan.

HS1: Newham's Town Centres Network

Part 1 is unsound because it is contrary to the London Plan.

Part 1 states that all homes in Newham should be within a maximum 400 metre radius of at least one designated centre or parade or be within a 15-minute walking distance of at least two designated centres or parades.

This is a stricter, and more restrictive, policy than the London Plan. The London Plan specifies that residential development should be supported where it is within 800 metres of a train station or town centre boundary, or within PTAL areas 3-6. This principle is articulated by London Plan policy GG2: Making the best use of land, but especially Policy H1: Increasing Housing Supply, part 2. Part 2, a) specifically refers to the suitability of:

sites with existing or planned public transport access levels (PTALs) 3-6 or which are located within 800m distance of a station³⁹ or town centre boundary.

The rest of part 2 of policy H1 also refers to other circumstances where housing should be encouraged, and we quote in full:

a) sites with existing or planned public transport access levels (PTALs) 3-6 or which are located within 800m distance of a station³⁹ or town centre boundary⁴⁰

b) mixed-use redevelopment of car parks and low-density retail parks and supermarkets

c) housing intensification on other appropriate low-density sites in commercial, leisure and infrastructure uses

d) the redevelopment of surplus utilities and public sector owned sites

e) small sites (see Policy H2 Small sites)

f) industrial sites that have been identified through the processes set out in Policy E4 Land for industry, logistics and services to support London's economic function, Policy E5 Strategic Industrial Locations (SIL), Policy E6 Locally Significant Industrial Sites and Policy E7 Industrial intensification, co-location and substitution.

Paragraph 4.2.4 of the London Plan, in support of London Plan Policy H2: Small Sites refers to the role of incremental intensification of existing residential areas within PTALs 3-6 or within 800m distance of a station or town centre boundary. The Council's policy, as worded, would militate against the supply of small residential developments.

The proposed policy is unsound. It will restrict opportunities for residential development in the borough, especially the potential for small sites. Given the serious shortfall in housing supply across London as a whole, removing this restriction is necessary. The policy should be reworded to reflect the aims of the London Plan.

J1: Employment and growth

The policy is unsound because it is ineffective.

It is unclear from Part 1 if the Council is expecting applicants for residential schemes to provide employment space. This should be clarified.

Restricting residential development from Local Industrial Locations and in some Local Mixed-Use Areas is unsound because it is contrary to the London Plan.

We can appreciate the desire to protect Strategic Industrial Locations. However, preventing mixed-use development (employment and residential) in these other locations is too restricting and contrary to the London Plan.

Paragraph 6.4.8 of the London Plan, supporting Policy E4, encourages the London boroughs to consider the potential for the release of industrial land for alternative uses if demand cannot support industrial uses in these locations. London Plan Policy E7 – Industrial intensification, co-location and substitution – at Part B, does allow for intensification of uses, to accommodate, among other things, residential development, subject to the criteria in Part D of the policy being met. While we are sure that the Council has made the necessary assessments as part of preparing this plan to support restricting residential development in most of these locations (for example, paragraph 3.156), it is possible that circumstances could change over the lifetime of the plan, and opportunities for co-location made present themselves. Consequently, we consider it would be sensible to allow for the possibility of co-location of uses in the local plan policy, subject to justification. Table 7 rules against residential development. Table 8 rules against residential development in some cases. We recommend that this is changed from 'No residential floorspace is permitted' to 'employment-led co-location with residential development will be considered'.

J4: Delivering Community Wealth Building and Inclusive Growth

Part 1, C is unsound because it is ineffective.

Part 1, C requires all major development to provide employment to Newham residents. This is to be achieved, we think, by paying a tariff and providing direct employment (see page 202), although this is unclear from the policy. It is also unclear what is meant by the 'construction phase' and 'end user phase' although we think we can guess at this.

The chief problem with this approach is its narrowness. Employment in construction is never confined to the boundaries of a particular borough, and an employer (housebuilder) cannot guarantee enough work for Newham residents, if that is the Council's intention. If the Council is not seeking direct employment but is seeking the payment of a tariff towards the provision of general education in the borough then that might fail the tests for planning obligations (now reflected in law through Regulation 122 of the CIL Regulations) – something not directly related to the development, nor, arguably, is it necessary to make the development acceptable in planning terms. We can understand policies that seek applicants to take on X number of trainees, but this policy seems to be trying something else, namely the payment of levy for skills training more generally.

Looking at the formula for the levy (if it is indeed a formula to levy a payment from the applicant to the local authority), the figures seem quite high.

For example, if we use a really basic example of a £21 million construction build over three years - for ease this works out to £7M per year.

19.9 jobs per £1M are estimated so that equates to 139.3 jobs per year = 417.9 over 3 years.

Using the formula, 35% of 417.9 = @146 then multiply by £3867 = £564,582 financial contribution.

And end user phase will be based on a similar formula - but one assumes that the commercial landlord may pay that and that will depend on how many people occupy the buildings.

It would be helpful to know what the financial contributions are used for. We note that Newham Council is part of the Mayors Skills Academy and offers a training brokerage service so it is possible that the financial contributions may go towards funding that initiative (see [The Mayor's Construction Academy Hubs | London City Hall](#)).

We note also the size of the financial contributions. The Council's viability assessment observes this about the effect of the policy:

Employment and training contributions: the adopted Local Plan sets a target for financial contributions from developments to fund training initiatives which are equivalent to 35% of construction phase jobs in all types of development and 50% of end user jobs in developments of employment floorspace. At the examination in public, the Council agreed that these targets would be applied flexibly to not excessively affect viability, particularly on schemes with large amounts of commercial floorspace. This requirement is to be incorporated into the emerging Local Plan and we have tested this requirement and also an alternative (lower) contribution of 25% of construction phase jobs and 25% of end user jobs. The average reduction in residual land values resulting from the emerging Local Plan policy equates to 13.3%. However, it should be noted that in some development scenarios tested (where starting residual land values are low), the impact of this policy requirement can be as high as a 53% reduction for emerging policy contributions. Given the wide range of impacts, this policy should continue to be applied on a flexible and 'subject to viability' basis, in line with the current approach.

There are two things to observe from this.

First, the Council has tested lower percentages than those specified in the policy. The effect on viability, therefore, will be even greater than the report concludes. The Council is obliged to test its policies properly.

Second, these results are far from reassuring, especially when national policy requires that applicants should comply with up-to-date policies (paragraph 58). Only the decision-taker may agree to relaxing policy requirements, and the decision-taker may choose not to do so. This policy, in other words, could become a serious obstacle to residential schemes if the Council chooses not to budge.

Third, if the Council is unaware, housebuilders already pay a levy to the Construction Industry Training Board, to support construction training. The Council's proposed levy, consequently, represents an additional tax on development and the diversion of planning gain from other public policy objectives.

It would be better if the Council required applicants for major developments to commit to employing a certain number of apprentices from the local population, but allow these people to be drawn from an area that is wider than the borough of Newham. These workers must also be allowed to work on projects outside of the borough. The policy will be non-implementable and ineffective without this.

It would also be helpful if the Council would clarify if it would be prepared to offset any financial contribution against an Employment and Skills Plan? Employment and Skills Plans would require developers/contractors to develop and deliver employment and skills training that would include apprenticeships, but also provide other opportunities including employments and Information, Advice and Guidance (IAG) activities.

It is also necessary to challenge the Council as to whether this is a sensible and effective use of development gain compared to other policy goals. Training in construction skills is a sensitive area. HBF is doing considerable work in this field. One of the major problems is the ineffectiveness and poor quality of training provided by construction colleges. Generally speaking, the housebuilding industry is increasingly loathe to direct subsidy towards the FE sector when the dividends are so poor. The Council will no doubt dispute this, but housebuilders are speaking from experience. Even if large sums of money are raised from the development industry, it is far from certain that this will result in effective training and subsequent employment of people by training colleges. Support construction training, but not this way. As stated, it would be much better if the Council specified that applicants should employ a certain number of apprentices.

H1: Meeting housing needs

Part 1 and the housing requirement figure for the plan period is unsound because it needs a bit more explanation. However, on the basis of the figures provided, it is uncertain that the Local Plan deliver the housing requirement specified by the London Plan and it is not positively prepared.

Paragraph 3.169 and footnote 19 explain that the housing requirement for Newham for the period 2019/20 to 2028/29 (the London Plan period where housing land supply is more certain) is made up of 32,800 homes per year in Newham and 14,800 homes per year as Newham's share of the area administered by the London Legacy Development Corporation (LLDC). The powers of the LLDC are gradually being transferred to Newham. This equates to 47,600 net additional homes. This is the figure stated in paragraph 3.169.

HBF agrees with this, and this is the requirement that the Council must endeavour to deliver by 2028/29 in accordance with the London Plan. It would be unsound not to.

The Council states in Policy H1, Part 1, that the Local Plan will operate between 2023 and 2038. It states the requirement for this period is between 51,425 and 53,784 dwellings.

First, the Council needs to explain how many net additional homes have been delivered since the first year of the London Plan – 2019/20 – and the residual requirement for the rest of the period up to 2028/29.

Second, the Council will need to explain the calculation and the figures used for the requirement for the years from 2029/30 that post-date the last year of the London Plan (where the housing land supply is more certain – in effect a ten-year plan).

This is necessary to understand how many homes Newham is required to deliver to support the London Plan.

Completions measured against the start of the London Plan

32,800 homes, in total, are required over the ten years of the London Plan in Newham.

The GLA's Residential Completions Dashboard (<https://data.london.gov.uk/dataset/residential-completions-dashboard>) records the following for Newham and LLDC since 2019/20:

Newham

Year	Completions	Target	% of target
2023/24	3,550	3,280	108%
2022/23	539	3,280	16%
2021/22	2,324	3,280	71%
2020/21	1,467	1,994	74%
2019/20	1,932	1,994	97%

This indicates a total of 9,812 dwellings completed for Newham since 2019/20.

LLDC

Year	Completions	Target	% of target
2022/23	1,997	2,154	93%
2021/22	1,589	2,154	74%
2020/21	1,339	1,471	91%
2019/20	1,448	1,471	98%

This indicates a total of 6,373 dwellings in LLDC although we do not know how many completions can be attributed to the part of Newham that falls within the control of LLDC. This should be clarified.

In total this gives completions of 16,185 since 2019/20 although it is possible that not all of those registered for LLDC can be attributed to Newham. We will ignore the portion from the LLDC for Newham for the moment, to keep the calculation simple, but these figures may be added in by the Council.

The requirement based on the London Plan for Newham is 3,280 per year, or 32,800 in total. For the six years from 2019/20 to 2024/25 9,812 dwellings have been completed, leaving a deficit of 22,988 dwellings to be provided until the end of the London Plan in 2028/29. As there are four years remaining until the end of the London Plan that would mean a residual housing requirement of 5,747 dwellings per year.

Phased delivery

Paragraph 3.174 states that supply will be via a stepped trajectory, with a different target for every five-year phase. The table is reproduced below:

Delivery Period	Years	Annual Delivery Target
Short term	2023/24 – 2027/28	2,974
Medium term	2028/29 – 2032/33	3,836
Long term	2033/34 – 2037/38	3,475

In the first phase, 14,870 dwellings would be provided.

For one year – 2028/29 – it is proposed that another 3,836 homes will be provided. This would provide a total of 18,706 dwellings up to the end of the London Plan. This falls short of the residual requirement for Newham of 22,988. To this would need to be added the apportionment for LLDC (required number versus completions).

Consequently, we cannot conclude at this time that the draft Local Plan is sound in terms of supporting the London Plan and delivering the required number of homes by 2028/29. Certainly, the phasing would provide too few homes to support the London Plan. The annual average figure for the first phase is fewer than the annual average in the London Plan. Nor does this account for the backlog, and nor does this account for the application of a buffer, if one is needed, which we assume it does based on the HDT results for 2022.

Certainly, we are opposed to the use of a stepped trajectory to circumvent the need to deliver what is required by the London Plan by 2028/29.

Housing requirement post 2028/29

The Council has explained in paragraph 3.174 that it follows the advice in the London Plan for setting a housing requirement after 2028/29 which involves approved planning permission figures; design-led capacity testing of site allocations; capacity assumptions from the Greater London Authority's 2017 Strategic Housing Land Availability Assessment. The Council needs to specify what these figures are and what this means in terms of an annual average housing requirement. This clarity is necessary for the purposes of assessing the five-year housing land supply and measuring delivery.

Crudely, if the overall requirement for the period 2023 to 2038 – i.e. 15 years - is for a minimum of 51,425 dwellings, then the annual average requirement would be 3,428 dwellings per year (or 3,586 if it is 53,784). However, we would not support this approach, as the Council will need to deliver the London Plan requirement in full by 2028/29 including any deficit accrued since 2019/20. It will need to ensure its policies are conducive to this.

Consequently, we would advise that the Council sets out a separately a specific requirement for the period 2029/30 to 2037/38 based on the capacity it has identified.

A new London Plan

This capacity derived figure can only be regarded as a provisional figure because a) it is not based on an assessment of need, as advised by national policy; and b) because it is likely that a new London Plan will be adopted by circa 2027, which will establish new housing requirements for each of the London boroughs, based on an updated assessment of need (that may, or may not, reflect new national policy)

The draft Local Plan, consequently, will need to be amended to make this clear.

H3: Affordable housing

Part 1 is unsound because it is unviable. Consequently it is unjustified, ineffective and contrary to the London Plan.

Part 1 requires that half of all homes on a residential scheme are provided as social rent and a further ten per cent of the total as affordable home ownership housing, therefore, 60 per cent affordable housing. See paragraph 3.181. The evidence indicates strongly that this is untenable.

Naturally, we recognise the severe character of the housing crisis in London, but these problems cannot be resolved by extracting higher requirements from new residential development by way of

compensation. More unviable schemes will result in fewer homes overall and therefore fewer affordable homes. This will make the problem much worse.

One must turn to the London Borough of Newham: Local Plan Viability Assessment, April 2024. In the summary, the report observes:

The results do not point to any particular level of affordable housing that a majority of schemes can viably deliver but the results do indicate that there are some development circumstances in which the emerging policy target of 60% could be viable. However, given the extent of appraisal outputs which indicate schemes will be viable with lower affordable housing percentages, we recommend that the target be applied on a 'subject to viability' basis taking site-specific circumstances into account. This reflects the Council's current practice and also the 'viability tested' route in Policy H5 of the 2021 London Plan.

Also, this observation in paragraph 6.9 acknowledges the non-feasibility of the affordable housing target:

...the target is precisely that and not a quota that can be met by every development proposal. This will be particularly important for the emerging 60% target as our testing indicates that fewer developments are viable with this percentage of affordable housing in comparison to 35% to 50% affordable housing.

This is sensible advice and the Council should follow it and adhere to the London Plan approach. Otherwise, subjecting probably every application for residential development to detailed scrutiny will constipate the system, delay delivery, adding to the difficulty of meeting the London Plan housing requirement. We refer the Council to the observations of the government in its *London Plan Review: Report of Expert Advisers* and the welter of policy that weighs against swift decision making (see paragraphs 3.37-3.38). Planning approvals for homes have fallen grievously low in the last three years, from 89,000 in 2018/19 down to 40,200 in 2022/23.

The key results to consider are not the tables that exclude infrastructure costs (tables 6.11.1 to 6.11.3) or lower percentages of affordable housing, but the tables that reflect the cumulative impact of policies and 60 per cent affordable housing – see tables 6.60.4 to 6.60.4 (pages 63-65).

We note also, with some alarm, that the viability modelling has also excluded the effect of the employment and training contributions (see page 54). Appendix 7 does model these costs, but does so separately from other policies and infrastructure costs. The cost of this should be included as part of the modelling of the cumulative impact of policies, not modelled separately and in isolation from all the other policies. Even so, even in isolation, the effect of these contributions is sobering. As the report observes at paragraph 6.31:

Although the impact of the contributions is relatively modest, the percentage increase can be significantly higher where starting residual land values are low. The variable impact of this policy indicates that the Council should retain its flexible approach, with the targets used as a starting point for negotiations and applied on a 'subject to viability' basis.

One can only wonder what the effect on viability might be if these costs are added to the modelling for all policies.

The policy for affordable housing seems counterproductive. It will prevent residential development across the borough, thereby reducing even further affordable housing supply and adding to the Council's financial woes, including mounting costs for temporary accommodation.

H7: Specialist housing for older people

Policy H7 is unsound in part because it does not reflect fully the London Plan.

Part 1, b) stipulates that housing for older people will be supported within a 400m radius of a local centre or 800m of a town centre. The policy should be amended to reflect better the aim of the London Plan at H1 which supports residential developments within 800m of a town centre boundary or train station or within PTALs 3-6. While we accept that some older people may not be able to walk or cycle as far as others, many will still be very active, and schemes will be certainly be suitable if they can access train / tube / docklands light railway stations.

The policy should also be amended to refer to the older person's housing benchmark targets supporting London Plan at Policy H13 at Table 4.3. This advises the need for 85 units of older person's housing is provided each year in Newham. This is necessary to ensure that this level of need is provided for in the borough. This is not a target, as such, but a benchmark to aim for.

CE2: Zero Carbon development

The policy is unsound because it is contrary to national policy.

The Council is proposing an approach to net zero carbon residential development that is contrary to the Government's approach, which is to move towards zero carbon homes via the Future Homes Standard, delivered through the Building Regulations.

The Government has established a stepped programme to reach zero carbon homes by 2030. This is the Future Homes Standard. The aim of this is for all new homes to be zero carbon by 2030. Housebuilders are required to build homes that are zero carbon ready by 2025 (i.e. they are ready to operate alongside the decarbonisation of the national grid), but they are not required to be fossil fuel free from now until then. This would be challenging in the extreme.

The last Housing Minister, Lee Rowley, in his statement to parliament on 13 December 2023 has clarified the Government's approach. As he wrote:

A further change to energy efficiency building regulations is planned for 2025 meaning that homes built to that standard will be net zero ready and should need no significant work to ensure that they have zero carbon emissions as the grid continue to decarbonise. Compared to varied local standards, these nationally applied standards provide much-needed clarity and consistency for businesses, large and small, to invest and prepare to build net-zero ready homes.

The Minister continued:

In this context, the Government does not expect plan-makers to set local energy efficiency standards for buildings that go beyond current or planned buildings regulations. The proliferation of multiple, local standards by local authority area can add further costs to building new homes by adding complexity and undermining economies of scale. Any planning policies that propose local energy efficiency standards for buildings that go beyond current or planned buildings regulation should be rejected at examination if they do not have a well-reasoned and robustly costed rationale that ensures:

- *That development remains viable, and the impact on housing supply and affordability is considered in accordance with the National Planning Policy Framework.*
- *The additional requirement is expressed as a percentage uplift of a dwelling's Target Emissions Rate (TER) calculated using a specified version of the Standard Assessment Procedure (SAP).*

Where plan policies go beyond current or planned building regulations, those policies should be applied flexibly to decisions on planning applications and appeals where the applicant can demonstrate that meeting the higher standards is not technically feasible, in relation to the availability of appropriate local energy infrastructure (for example adequate existing and planned grid connections) and access to adequate supply chains.

To be sound, local plans must be consistent with national policy – enabling the delivery of sustainable development in accordance with the policies in the National Planning Policy Framework and other statements of national planning policy, including this one.

It is clear from this statement that local authorities should not be setting standards for energy in homes that depart from the Future Homes Standard.

First, this should not be a priority for the Council given the problems with housing delivery within the local authority and London more generally. There is already a Government plan to achieve net zero homes from 2030. This policy is unnecessary in the context of the housing crisis and will only add obstacles to vital housebuilding in London.

Second, one of the tests for introducing higher standards that go further than the current Building Regulations is the effect on development viability. We note this conclusion from the Council's viability assessment (page 68)

Net Zero Carbon requirement: *the emerging Local Plan seeks improved performance of buildings to facilitate net zero carbon objectives. Achieving Net Zero Carbon development results in a fairly significant reduction in residual land values which equate to an average of 19% (applying the lower end of the cost range) to 21.7% (at the upper end of the cost range). In cases where schemes are on the margins of viability, the impact on the residual land value is likely to be more significant and there may be a need to reduce other policy requirements to offset these costs.*

This is illustrated by Tables 60.6.64 to 60.6.66 which model the cumulative impact of local plan policies with 60 per cent affordable housing. One will note that practically no schemes are viable, even on cleared / undeveloped land (Table 60.6.66) – hardly likely to be a common category of land. Moreover, this modelling does not include the effect of Policy J4 (employment contributions) so the situation will be even worse than this.

Third, the policy requirements do not comply with the Government's requirement that the additional requirements – i.e. those that goes further than the Building Regulations – are expressed as a percentage uplift of the dwelling's Target Emissions Rate.

In view of the significant under-performance in housing delivery across London as a whole when compared to the London Plan target, including under-delivery specifically in Newham, this policy is unjustified. We recommend that the Council deletes this policy and adheres to the Government's approved approach to deliver zero carbon homes through the Building Regulations.

CE3: Embodied Carbon and the circular economy

The policy is unsound because it is contrary to national policy.

The requirement for applicants for residential development to measure embodied carbon is contrary to the Government's policy.

The last Housing Minister, Lee Rowley, in his statement to parliament on 13 December 2023 has clarified the Government's approach. As he wrote:

A further change to energy efficiency building regulations is planned for 2025 meaning that homes built to that standard will be net zero ready and should need no significant work to ensure that they have zero carbon emissions as the grid continue to decarbonise. Compared to varied local standards, these nationally applied standards provide much-needed clarity and consistency for businesses, large and small, to invest and prepare to build net-zero ready homes.

The Minister continued:

In this context, the Government does not expect plan-makers to set local energy efficiency standards for buildings that go beyond current or planned buildings regulations. The proliferation of multiple, local standards by local authority area can add further costs to building new homes by adding complexity and undermining economies of scale. Any planning policies that propose local energy efficiency standards for buildings that go beyond current or planned buildings regulation should be rejected at examination if they do not have a well-reasoned and robustly costed rationale that ensures:

- That development remains viable, and the impact on housing supply and affordability is considered in accordance with the National Planning Policy Framework.*
- The additional requirement is expressed as a percentage uplift of a dwelling's Target Emissions Rate (TER) calculated using a specified version of the Standard Assessment Procedure (SAP).*

Where plan policies go beyond current or planned building regulations, those policies should be applied flexibly to decisions on planning applications and appeals where the applicant can demonstrate that meeting the higher standards is not technically feasible, in relation to the availability of appropriate local energy infrastructure (for example adequate existing and planned grid connections) and access to adequate supply chains.

To be sound, local plans must be consistent with national policy – enabling the delivery of sustainable development in accordance with the policies in the National Planning Policy Framework and other statements of national planning policy, including this one.

It is clear from this statement that Councils should not be setting standards for energy in homes that departs from the approach set out in the Future Homes Standard.

In view of the significant under-performance in housing delivery across London as a whole compared to the London Plan target, including under-delivery specifically in Newham, this policy is also unjustified. The complexity of planning policies in London is a factor contributing to poor rates of delivery. We recommend that the Council deletes this policy and adheres to the Government's approved approach to deliver zero carbon homes through the Building Regulations.

T3: Transport behaviour change

Part 1 a resists car-parking in all residential schemes with the exception of parking for blue badge holders. This is unsound because it is unjustified and contrary to the London Plan.

While we appreciate the general aim, the restriction is unusually prohibitive and may not reflect the availability of public transport options in some locations. The London Plan, at Policy T6: Car parking, set out the general policy for car parking on new developments. Part B states:

Car-free development should be the starting point for all development proposals in places that are (or are planned to be) well-connected by public transport, with developments elsewhere designed to provide the minimum necessary parking ('car-lite'). Car-free development has no general parking but should still provide disabled persons parking in line with Part E of this policy.

There may be instances where new residential developments in the borough are not so well connected to public transport so rather than the policy definitively ruling against car-parking, it would be better if the policy allowed for circumstances where limited car-parking for residents would be allowed.

Based on London Plan policy T6.1 and Table 10.3 – Maximum residential parking standards – developments in Inner London PTALs 0-3 are allowed some car-parking spaces.

W4: Utilities and Digital Connectivity Infrastructure

Part 1 is unsound with respect to water utilities because it is unlawful.

Part a requires the applicant to undertake effective engagement with utility providers including those providing water services - water supply and sewer system/wastewater. It requires the applicant “to ensure utilities networks and connections can serve the development and to ensure any existing infrastructure assets are not affected by the development”.

Part b requires the applicant

Demonstrate that there is sufficient utility infrastructure capacity both on and offsite to meet the demand of development during the construction and operation phases, taking into consideration the cumulative impact of current and proposed development. Where there is an identified deficit in utilities capacity to meet the needs of the development, proportionate contributions will be sought towards studies or upgrades where necessary. Developments likely to have a significant impact on utility infrastructure capacity, which may limit the delivery of future developments in the area or key objectives in this Plan, may be refused or required to delay delivery until sufficient capacity is delivered to meet their needs.

This is unsound. It is not the responsibility of the housebuilder to ascertain whether the water company can service a development by providing the connections required. It is the legal responsibility of the water company to ensure that the requirements of the development plan system can be met. To this end, they are required to publish, by law, every five years a Water Resources Management Plan (WRMP) to ensure just this. This is set out in sections 37A to 37D of the Water Industry Act 1991. This plan is approved by the Environment Agency, and ultimately by Defra. The WRMP cannot be approved unless the water company can provide the assurance that the needs of the development plan system can be supported. To ensure this, the water company must take into account the future development requirements of the local authority.

The Government provides more detailed advice about what the WRMP must address in Section 6.3 of the Water Resources Planning Guidance. The Government’s guidance can be read here:

<https://www.gov.uk/government/publications/water-resources-planning-guideline/water-resources-planning-guideline>

The Government guidance states in Section 1.1 that these plans must forecast water supply and demand over at least the statutory minimum period of 25 years (see Section 1.1). If companies forecast a deficit they should consider:

- supply-side options to increase the amount of water available to the water company
- demand-side options which reduce the amount of water customers require.

Section 1 states:

1. Local authority plans

Local authority plans set out future development, such as housing. Your WRMP should reflect local growth ambitions and plan to meet the additional needs of new businesses and households. (See sub-section 6.3)

Section 6.3 states:

Your planned property and population forecasts, and resulting supply, must not constrain planned growth. For companies supplying customers in England you should base your forecast population and property figures on local plans published by the local council or unitary authority.

Issues with the inability of water companies to provide connections for new residential development is not a matter that housebuilders can resolve. If this is an issue in Newham, then it is one that goes

to the heart of the deliverability of its new local plan. Allocations may be undeliverable. If this is the case, then the issue must be identified in the Infrastructure Delivery Plan by the plan-maker and ideally resolved before then. If Thames Water cannot guarantee the connections required then this is a serious issue and one that Newham Council must raise this with the Environment Agency, not pass on to applicants to resolve.

Otherwise, the local authority must assume that the system is operating effectively. As paragraph 194 of the NPPF states:

“The focus of planning policies and decisions should be on whether proposed development is an acceptable use of land, rather than the control of processes or emissions (where these are subject to separate pollution control regimes). Planning decisions should assume that these regimes will operate effectively.”

Nor is it justified to require applicants to make payments to water companies to resolve deficiencies in provision of water services. Housebuilders already pay connection charges to water companies and have done so since 1991. HBF has estimated that housebuilders have paid £5 billion in connection fees to date. These connection charges are to ensure that water companies can meet their statutory duties to serve the needs of the development plan system.

The inability of water companies to supply new residential development is a serious matter and not one that housebuilders can solve. If key allocations cannot be delivered owing to the inability of Thames Water to guarantee the necessary connections (without housebuilders making payments) then one must conclude that the plan is undeliverable.

These requirements should be deleted from the local plan because they are contrary to what water companies are required to provide by law. Most of supporting text W4.1 should also be deleted where it expects applicants to undertake the planning and delivery functions that are naturally the role of the utilities sector.

Part C is unsound because it is unjustified, unlawful and contrary to the NPPF.

Part C requires applicants to:

c. Demonstrate that the spatial, visual, amenity, environmental and transport impacts of utilities infrastructure will be minimised and where feasible reduced, particularly where existing facilities are being expanded or reconfigured.

Applicants cannot do this because, obviously, they are not the providers of utilities. This should be deleted.

Part 4 is unsound because it is unlawful.

Part 4 requires:

All development within 800m (including on site allocations) of Beckton Sewage Treatment Works will be required to undertake an Odour Impact Assessment and respond with appropriate mitigation.

One would have thought it was the responsibility of the operator to mitigate against odour rather than the applicant. Conversely, the Council may wish to provide guidance on what would serve as appropriate mitigation, so it is possible to judge if this is feasible.

James Stevens
Director for Cities

Email: [REDACTED]

Tel: [REDACTED]

Homes Builders Federation

