

Newham Local Plan

Matter 1: Legal and procedural requirements and other general matters

Viability

Q1.9 Does the viability evidence make reasonable assumptions, including about:

(a) The cost of meeting all of the policy requirements included in the Plan along with any other relevant national standards.

It is not entirely clear from the Council's viability report whether it has included the cost of employment and training contributions in line with policy J4. Appendix 7 appears to model the effect of this policy in isolation from other policies.

We note on page 5 of the viability report, that the Council will apply the policy flexibly – 'subject to viability' owing to the potential negative effect on viability. The report notes that under some scenarios, e.g. where starting residual values are low, the effect of this requirement 'can be as high as a 53% reduction for emerging policy contributions'. The tables 6.60.4, 6.60.5 and 6.60.6 do not appear to include this requirement.

The promise that policies will be applied flexibly provides no certainty for the applicant.

(b) The value of development.

No comment.

(c) Benchmark land values (the price a willing landowner would be likely to sell their land for).

No comment.

Q1.10 Does the viability evidence indicate that the total cumulative cost of all relevant policies will not undermine the viability of the development that the Plan assumes will take place during the plan period, including on each of the site allocations?

No. Scrutiny of tables 6.60.4, 6.60.5 and 6.60.6 demonstrate that most schemes would be unviable. Just because a few modelled scenarios are viable is not sufficient justification to retain all the policies in the Council's new local plan. Compelling all applicants down the viability testing route – which is the implication of this viability evidence - would be hugely inefficient. This would delay delivery, and absorb considerable amounts of officer time (and consequential cost to the public). We consider this to be the wrong approach when housing delivery across London is falling (33,259 completions across London in 2024/25 based on the GLA Residential Datahub). The approach of the Council is also contrary to the principle of the plan-led system, where policies in the plan should be viable in the majority of circumstances, so that viability testing becomes the exception rather than the rule. If policies are pitched reasonably, most applications should be able to absorb these, and so can be determined speedily,

HBF published a report in November 2025: *Challenges and Opportunities Facing SME Home Builders*. The top two barriers to the operation of SME builders cited by respondents were:

- 1) delays in securing planning permission/discharging conditions – 94% of respondents
- 2) lack of resources in local planning authority planning departments – 89% of respondents

The fifth greatest barrier was:

Cumulative viability pressures – 64% of respondents.

We note that Newham has struggled to meet its London Plan housing requirement. The figures below for completions are from the GLA's Residential Datahub. We have taken the figures since the first year of the operation of the current London Plan (2019/20):

Year	Completions	Target	% of target
2025/26	6		0%
2024/25	2,400	3,280	73%
2023/24	3,204	3,280	98%
2022/23	548	3,280	17%
2021/22	2,324	3,280	71%
2020/21	1,481	1,994	74%
2019/20	1,942	1,994	97%

We recognise that the figure for 2025/26 is likely to be incomplete.

Forcing all applicants into exhaustive viability negotiations in order to have an implementable scheme is not conducive to improving the level of delivery and meeting the London Plan targets.

We recommend reverting to the London Plan policy threshold for affordable housing (Policy H5), but also, ideally, embracing the Mayor and the Government's temporary package of measures to assist delivery (published 24 October and subject to consultation in November and December).

Certain other policies should be abandoned or amended, as we described in our representations and elsewhere in our statements to the examination.

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HBF