

LONDON BOROUGH OF NEWHAM

LOCAL PLAN INDEPENDENT EXAMINATION IN PUBLIC WRITTEN STATEMENT

MAIN MATTER 2: AMOUNT OF DEVELOPMENT REQUIRED IN THE PLAN PERIOD

WE ARE NEWHAM.

Plan Period

Q2.1 (a) Are the reasons given by the Council sufficient justification for the strategic policies in the Plan looking ahead 11 years from adoption? (b) If not, should the Plan be modified so that the strategic policies look ahead to 2042?

Council Response:

1.1 The Council previously considered that the Local Plan could be adopted with a shorter than 15-year period reflecting the likely need to undertake a further refresh at the 5-year review point to address the new plan making requirements and updates to the London Plan. However, on further reflection, to comply with NPPF paragraph 22 and to ensure an effective and positively prepared Plan the Council proposes that the Plan be modified so that the strategic policies look ahead to 2042, to ensure that the Local Plan period runs for at least 15 years from adoption. This modification is proposed consistently throughout the relevant sections of the Plan, and below is an example relating to Introduction paragraph i.1:

i.1 The Local Plan is the key planning document which we will use to shape, plan and manage growth, regeneration and development across the borough to ~~2038~~ **2042**. ~~This is a 15-year period from the Regulation 18 Consultation and reflects the time period used within the evidence base.~~

- 1.2 The two main strategic policies that are impacted by the extended plan period are J1 (Employment and growth) and H1 (Meeting housing needs)
- 1.3 Updated evidence for employment has been prepared and can be found in Appendix 2, and main modifications to the policy are proposed which can be found in the Council's response to Q2.4.
- 1.4 With regards to housing, the Council consider that updating the Strategic Housing Market Assessment is not needed because The London Plan (2021) (EB001) sets out at paragraph 4.1.2 (pp. 158-159) that London is a single housing market area, with development in the plan focused in the most sustainable locations. The paragraph goes on to state: "Because of London's ability to plan strategically, boroughs are not required to carry out their own housing needs assessment but must plan for, and seek to deliver, the housing targets in this Plan."
- 1.5 Updated information on housing requirements over the extended plan period to 2042 and main modifications will be provided in response to Matter 5 and set out as part of the Statement of Common Ground with the GLA.
- 1.6 The Council have reviewed the other evidence base submitted for each of the strategic policies in the Local Plan and consider that the overall policy approach would not be impacted by the change in the period of the Plan.

Housing requirement in the submitted plan for 2023 to 2038

Q2.2 (a) Does policy H1 and/or the reasoned justification need to be modified to clarify what the Plan's minimum housing requirement is (irrespective of the specific figure)?

(b) Is the approach of basing the housing requirement (irrespective of the specific figure) on capacity, rather than need, justified and consistent with the London Plan?

(c) Is the reference to a target range justified and does it provide an effective and unambiguous approach (irrespective of the specific figures)?

(d) Is the inclusion of a stepped requirement (irrespective of the specific figures) consistent with national policy and guidance¹?

(e) If a stepped trajectory is justified (irrespective of the specific figures), does the Plan need to be modified to include it in policy H1 rather than in the reasoned justification to be consistent with national policy and guidance?

Council response:

2.1 a) Yes. We consider the effectiveness of Policy H1 could be improved by clarifying the minimum housing requirement in the policy text of H1 as well as the policy's reasoned justification. These proposed modifications are set out below is just an example (with new text in **bold** and deleted text in strikethrough). Housing numbers and phasing in the proposed modification below reflects the Regulation 19 Draft Submission Local Plan 2024 housing trajectory, but they will need to be updated to reflect any amendments to the housing trajectory through the course of the examination. Please also see the response to Q2.3 regarding suggested amendments to the target period and phasing.

[Policy H1] 1. Newham will enable a net increase of between 51,425 and 53,784 quality residential units between 2023 and 2038. This will be achieved through:

- a. the majority of new residential units being brought forward on site allocations; and
- b. the optimisation of housing delivery on sites below 0.25 hectares in size; and
- c. supporting residential developments that come forward on windfall sites (unallocated or undesignated land) unless other policies within the Local Plan direct otherwise.

Supply will be measured through a stepped trajectory, based on the lower range housing target of 51,425, with a different target for every phase of the Plan, as follows:

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

[...]

[Paragraph 3.174] Supply will be measured through a stepped trajectory, **based on the lower range housing target of 51,425**, with a different target for every phase of the Plan, ~~as follows:~~

¹ PPG ID:68-021-20190722.

~~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~~

2.2 (b) Yes. The London Plan (2021) (EB001) sets out at paragraph 4.1.2 (pp. 158-159) that London is a single housing market area, with development in the plan focused in the most sustainable locations. The paragraph goes on to state:

“Because of London’s ability to plan strategically, boroughs are not required to carry out their own housing needs assessment⁴¹ but must plan for, and seek to deliver, the housing targets in this Plan.”

2.3 While Newham has produced a Strategic Housing Market Assessment, this is to understand in further detail the breakdown of need for different forms of housing in the borough.

2.4 At paragraph 4.1.7 (p.160), the London Plan states that the ten-year housing targets in the London Plan are based on the 2017 London SHLAA. The paragraph goes on to state that:

“This includes an assessment of large housing sites (0.25 hectares and above) undertaken in partnership with boroughs, which provides the most comprehensive study available of the capital’s capacity for housing delivery based on a consistent pan-London methodology... The differences between borough housing targets are a reflection of the variations in the constraints and opportunities affecting development on large sites and the capacity for development on small sites.”

2.5 This approach reflects that boroughs across London have varied availability of land and site constraints that affect their ability to meet London’s overall housing needs. Boroughs such as Newham have more available land, which helps compensate for boroughs that lack sufficient land to meet their housing need. This is reflected by the fact that Newham has the highest housing target in the London Plan when the LLDC area in Newham is accounted for (47,600 homes between 2019 and 2029).

2.6 Therefore, Newham adopting a capacity-based target is consistent with the approach adopted by the London Plan and reflects that Newham is required to deliver a housing target figure higher than our local need.

2.7 (c) Yes. In undertaking the review of the Local Plan, we have sought to optimise delivery across site allocations, noting our challenges with housing delivery in recent years (as evidenced by the housing delivery test – see EB058, Site Allocation and Housing Trajectory Methodology Note 2025, paragraphs 4.6.2 and 4.6.3, pp. 36-37). Site optimisation has also been necessary given the borough’s ambitious housing target set out in the London Plan (to deliver 4,760 homes per year). More broadly, Newham’s approach to optimising site capacity is consistent with:

- London Plan (2021) (EB001, p.157) policy H1, which sets out at clause B.2 the need to “optimise the potential for housing delivery on all suitable and available brownfield sites through their Development Plans”; and
- NPPF (2023) paragraph 74, which sets out that “The supply of large numbers of new homes can often be best achieved through planning for larger scale development... strategic policy-making authorities should identify suitable locations for such development where this can help to meet identified needs in a sustainable way. In doing so, they should: a) consider the

opportunities presented by existing or planned investment in infrastructure, the area's economic potential and the scope for net environmental gains."

2.8 In adhering to national and regional policy requirements for boroughs to optimise delivery on larger sites, higher range figures for eight site allocations have been identified as follows:

- Three allocations with planning permission that have been design-led capacity tested where developers have indicated they will be resubmitted with higher housing capacity figures. In these instances, the design led capacity testing has informed the higher range figure, and the extant permission informs the lower range figure. This applies to Silvertown Quays (N2.SA1), Sugar House Lane (N7.SA3) (the outline component of the permission only) and Bridgewater Road (N8.SA8).
- One site where design-led capacity testing indicates a lower housing capacity figure than the extant permission, but where the developer has indicated, they are intending to resubmit the permission. In this instance the extant permission has informed the higher range figure, and the design led capacity testing informs the lower range figure. This applies to Thameside West (N2.SA4).
- Two sites which have been design-led capacity tested on the assumption that they will deliver significant infrastructure improvements that will unlock additional housing capacity (as put forward by the developer). In these instances, the design-led capacity testing has informed the higher range figure, and the lower range figure is based on the assumption that the sites will not deliver additional housing if these infrastructure improvements are not delivered. This applies to Royal Albert North (N3.SA1) and Stratford Station (N8.SA2).
- One site which has been design-led capacity tested based on a more comprehensive masterplan of the site, with a larger site boundary. In this instance the design led tested figure for wider site boundary has informed the higher range figure, and the design led tested figure for the smaller site boundary informs the lower range figure. This applies to Canning Town Holiday Inn (N4.SA3).
- One site which has been design-led capacity tested with an option for additional leisure floorspace. This additional leisure is required should the preferred leisure site for the Beckton catchment area not come forward (at the Beckton Riverside site allocation N17.SA1). In this instance the design led tested figure that does not include the additional leisure floorspace has informed the higher range figure, while the design led tested figure that includes additional leisure floorspace informs the lower range figure. This applies to East Beckton Town Centre (N11.SA1).

2.9 Please also see the Council's response to PQ20(b), which provides information on the individual sites where range capacity figures have been proposed.

2.10 The lower range figure for each of the above sites is included to ensure the policy aspiration, to optimise delivery across site allocations, remains effective. In the event new permissions are not brought forward or infrastructure funding is not secured, the range target ensures the housing target in the plan will still be deliverable. As the plan period progresses, range options for the capacity of each site should fall away as new planning applications are determined and provide certainty on which development option has been taken forward. Notwithstanding this Newham consider it is important to clearly set out Newham and developers' aspirations and plan positively for these through the wording of site allocations, as this will help us to successfully masterplan sites and address the broader challenges of lower housing delivery experienced by the borough and across London in recent years.

2.11 In terms of the approach being unambiguous, at paragraph 3.174 the Plan sets out that "The higher growth figures are dependent on significant infrastructure projects unlocking development sites.". We consider this provides a proportionate summary of the approach in the policy's justification text; however, we would be happy to include a further clarification modification on the different sources of higher capacity figures, for example:

[3.174] The higher growth figures are dependent on significant infrastructure projects unlocking development sites **and optimised housing delivery on comprehensively masterplanned site allocations.**

2.12 In terms of our position moving forward, when setting the lower range housing target, we intend to use higher capacity scenario figures for years up to and including the 5-year land supply, noting higher range figures are derived from:

- design-led capacity testing for a site that has an application currently under consideration for higher capacity numbers (Silvertown Quays - 22/02855/OUT);
- one site that has planning permission, which has now commenced (Thameside West - 18/03557/OUT);
- one site with an EIA scoping opinion to increase the units (Bridgewater Road - 25/01197/SCOPE); and
- one site with a commenced planning permission that has design-led capacity tested the remaining small plot with outline consent, resulting in a minor uplift of 33 units (Sugar House Lane - (12/00336/LTGOUT).

2.13 We consider the differences between the higher and lower range figures in the short term are relatively minor and higher capacity figures have enough certainty of their delivery to underpin the housing targets for these years. A 20 per cent buffer will be factored into the calculation of any revised targets over the five-year land supply years, given shortfalls of delivery against the London Plan.

2.14 For the medium- and long-term periods of the plan, these targets will be calculated using the lower range trajectory figures, noting these higher figures are more heavily dependent on large-scale infrastructure delivery, which as yet have not been agreed with relevant stakeholders. Therefore, to ensure the effectiveness of the targets, it is important to account for any failure to deliver new infrastructure limiting the housing capacity growth on a small number of allocations (namely, Royal Albert North, Stratford Station and East Beckton Town Centre).

2.15 (d) We consider our approach to setting out a stepped requirement accords with the NPPF paragraph 67, which states that “Strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period.” The PPG on Housing supply and delivery at paragraph 012 (Ref. 68-021-20190722) sets out that “A stepped housing requirement may be appropriate where there is to be a significant change in the level of housing requirement between emerging and previous policies and / or where strategic sites will have a phased delivery or are likely to be delivered later in the plan period.”

2.16 In Newham’s case, the bulk of housing delivery is set to be delivered on large-scale, complex site allocations, many of which require the delivery of supporting infrastructure and a range of land uses. For example, multiple sites are delivering complex infrastructure, including new rail stations, redeveloping or regenerating existing developed sites and/or remediating contaminated brownfield land. This means that they are likely to deliver homes across multiple phases of the plan period as these infrastructure requirements are delivered and in turn support higher housing density. Paragraphs 74.d and 75 of the NPPF both make clear the importance of making realistic assumptions of delivery rates over the plan period. Including a stepped trajectory adheres to these policy requirements and acknowledges the reality that larger scale infrastructure to unlock housing delivery (for example, the DLR at Beckton Riverside or Stratford Station enhancements) is likely to be delivered across a number of years and come forward in the medium to long range phases of the plan period. Furthermore, a stepped trajectory seeks to

ensure that Newham is realistically able to achieve both a 5-year land supply and pass the Housing Delivery Test. Were we to fail these tests, then it would be challenging to secure the essential infrastructure, mix and quality standards to meet Newham and London's housing needs through the development management process.

2.17 It is also noted that this approach accords with the supporting text to Policy H1 in the London Plan (EB001, paragraph 4.1.10, p.161), which states in relation to delivering the London Plan's housing targets that "The increase in housing delivery required by these targets may be achieved gradually and boroughs are encouraged to set out a realistic and, where appropriate, stepped housing delivery target over a ten-year period." Phasing sites within the housing trajectory over different phases of the plan period, and calculating a stepped target on this basis, therefore, accords with the London Plan, as well as the NPPF and associated guidance in the PPG.

2.18 (e) We would be supportive of a modification on this basis, noting the guidance in the PPG (Ref. 68-021-20190722) for strategic policy-makers to identify the stepped requirement in strategic housing policy. Suggested modification text is included response to question 2.2(a).

London Plan target 2019 to 2029

Q2.3 To be consistent with the London Plan, does policy H1 and/or the reasoned justification need to be modified to include reference to the London Plan target of 47,600 homes for 2019 to 2029 and/or to a residual target of 35,954 homes for 2023 to 2029 (irrespective of whether the evidence demonstrates that actual delivery will be lower in those periods)?

Council Response:

3.1 Following further discussions with the Greater London Authority (GLA), we consider it is appropriate for the housing target to be amended to cover years 2027/28 to 2041/42. This would be a 15-year housing target following the adoption of the Plan. As per the response to Q2.2(a), we would support the stepped trajectory being referred to in the text of Policy H1.

3.2 We suggest dividing the stepped trajectory into four phases as follows, with an annualised target for each year:

Phase	Time period	Proposed method for annual target calculation
Phase 1a (Short term – 2021 London Plan period)	27/28 – 28/29	London Plan 2021 target of 4,760 homes per year
Phase 1b (Short term)	29/30 – 31/32	Average higher range housing delivery across these years, allowing for a 20% buffer to be delivered across the full short-term phase of the plan period.
Phase 2 (Medium term)	32/33 – 36/37	Average lower range housing delivery across the phase
Phase 3 (Long term)	37/38 – 41/42	Average lower range housing delivery across the phase

- 3.3 This would allow for the London Plan housing target to be retained for the years of the housing target which overlap with the London Plan period. Our latest housing trajectory suggests we can meet the target across these two years, and this updated trajectory will be supplied alongside responses to matters 5 onwards.
- 3.4 We would also support a modification to the reasoned justification that acknowledges the historic shortfall; however, it is suggested that the residual target is not referred to as 35,954 homes, noting the plan's target period is proposed to commence in 2027/28, and we are currently unclear on exact completion numbers for years 25/26 and 26/27. It would therefore be difficult to ascertain the precise shortfall level.
- 3.5 Suggested text for this modification is provided below:

[Paragraph 3.174] Newham has a significant strategic role to play in delivering new homes to meet both the borough's and London's wider need for housing. **As part of the London Plan (2021), Newham has been set a strategic housing target of 47,600 homes to deliver between 2019 and 2029. However, in the years preceding the Local Plan housing target, Newham has delivered a shortfall of housing delivery against this target. This has been a result of macro-economic factors such high interest rates and inflation as well as the time it has taken for the industry to adjust to new policy and legislative requirements (for example, around building safety).**

A detailed review of each site allocation in the Local Plan suggests that delivery over the plan period is unlikely to meet the ambitious target set for the borough by the London Plan (2021) plus the borough's historic shortfall by 2028/29. Therefore, to respond to these factors the Local Plan seeks to propose a capacity-based target, via a stepped trajectory to reflect realistic delivery expectations. This target will incorporate the London Plan target until 2028/29, and over the longer-term Newham will make up our historic shortfall against the London Plan targets.

- 3.6 Over the course of our plan period Newham will look to enable the delivery of between 51,425 and 53,784 additional new homes.

Industrial and office floorspace requirements

Q2.4 Are the identified requirements for industrial and office floorspace in policy J1 justified? If the Plan needed to be modified to look ahead to 2042, how, if at all, would those requirements need to be modified?

Council Response:

- 4.1 Yes, the requirements for industrial and office floorspace are justified and supported by up-to-date and robust economic evidence, namely the Employment Land Review 2022 (EB048 - 054), which was updated in July 2022 and adopts a method and approach in consistent with the Planning Practice Guidance Note.
- 4.2 If the Plan needed to be modified to look ahead to 2042 with base year remaining 2021, both the office and industrial floorspace targets will need to be modified. The updated office target is 105,000 sqm (6,400 jobs), based on a projection of the Experian forecast to 2042

(originally ending in 2041). The industrial floorspace target is 418,000 sqm (6,400 jobs), derived using the same approach as the Employment Land Review by applying the average annual job delivery rate from 2009-2019 to a 21-year period.

4.3 These revised targets do not alter the Council's policy position, which continues to promote industrial intensification and direct office floorspace to Stratford. The approach is justified as there is sufficient pipeline supply to meet office needs in Stratford or the Royal Docks, and therefore office is directed to Stratford in regard to its position underpinned in the London Plan as a potential reserve of CAZ-related office capacity. However, the pipeline of industrial floorspace is insufficient to meet its need by its pipeline supply together with sites with industrial potential. This undersupply will be exacerbated by increased demand to 2042. Therefore, no further release on industrial land with intensification is necessary to ensure sufficient capacity.

4.4 Proposed modification (with new text in bold and deleted text in strikethrough) to Policy J1:

1. Developments will be expected to support diverse, inclusive and green economic growth and contribute to meeting the borough's office and industrial needs to deliver ~~10,000~~ **12,800** jobs (~~4,800~~ **6,400** in the office sector and ~~5,200~~ **6,400** in industrial/warehousing and logistics sectors); ~~335,000~~ **418,000** sqm of industrial floorspace and a minimum of ~~90,000~~ **105,000** sqm of office floorspace over the Plan period to ~~2038~~ **2042**.

4.5 The detail methodology and supply and demand analysis supporting these updated targets are set out in Appendix 1: Employment Land Requirements – covering the 2021-2042 period.