

WE ARE SHAPING.

WE ARE NEWHAM.



OUR ECONOMY.

Introduction

A key component of achieving sustainable development, is to build a strong, responsive and competitive economy. For Newham, this means building an inclusive and fair economy that is environmentally responsible, secures long term prosperity for residents and includes well-being as a measure of economic success: A Community Wealth Building approach.

Through this approach we seek to enable all residents and businesses to reach their potential and thrive. This is particularly relevant in how the Council wants to respond to the COVID-19 pandemic, economic challenges, including Brexit and to tackle long standing issues that face Newham, including inequality, poverty and financial isolation.

The current Local Plan policies that relate to this topic are:

- J1 Business And Jobs Growth
- J2 Providing For Efficient Use Of Employment Land
- J3 Skills And Access To Employment

What does our current policy seek to achieve?

J1: Business and Jobs Growth

- The provision of a range of different employment facilities with different types of employment uses directed to different locations in the borough.
- Commercial development to maximise economic benefits for Newham and ensure business requirements are met through the submission of an Employment Strategy.

J2: Providing for Efficient Use of Employment Land

- An efficient use of employment land which provides enough space for existing and new businesses to grow in suitable employment locations, while allowing for the release of some employment land to other uses.
- Successful co-location of employment land and housing can occur by reducing any potential impacts through design.
- Planned industrial land release and intensification of premises.

J3: Skills and Access to Employment

- Developers of employment space to commit to providing construction and end user jobs for Newham residents via the Council's job brokerage service.
- Provision of new and expanded childcare and training facilities to help overcome barriers to employment.
- Development of more, and better quality affordable and flexible local workspaces on employment land and/or as part of major mixed use schemes.





What you've told us

- Young people want to see increased opportunities to test and develop business ideas and more vocational opportunities and strong links with education providers.
- Communities expressed support for more local businesses and start-ups in the area including securing provision for affordable workspaces to support new business expansion.
- Transport improvements were raised as critical in relation to access to employment.
- Innovation with environmental and social sustainability is key for the future in the Royal Docks & Beckton.

- Main council priority should be to secure access for young people to education, work and apprenticeships.
- Recognising the relationship between accelerating housing delivery but also supporting the local economy is key to Newham's future.
- Young people feel they lack spending power with the pandemic limiting opportunities.
- Young people feel there is a limited cultural offer (particularly arts, performance and music) for them.

Sources:

- [Newham's Housing Delivery Strategy](#)
- Youth Assembly Report 2021
- [Royal Docks and OAPF Engagement Report](#)

What does the data tell us?

- Historic low level incomes with 1 in 3 (33%) residents earning below London Living Wage. Disparities between male and female earnings persist, with female residents earning less than male counterparts.
- In 2020, the employment rate for the working population (aged 16-64) in Newham was 72.7%, which is 2.6% lower than the London average. For the male population this close to the London average, whereby for the female working population the employment rate is 5.8% lower than the London female average.
- Employment rates for ethnic minority groups is 5.5% lower than that for Newham's population as a whole. The number of residents that are economically active are lower than the London and National average.
- In 2016, there were 19,000 children (21%) living in low income families. The number of children living in low income families in 2018-19 was above the London and National average. The borough's high numbers of families living in poverty and low income households persists in 2021.
- Lack of high quality jobs that offer long term security particularly in the knowledge sector, linked to dominance of low income/zero contract roles and opportunities with limited career progression.
- Areas identified in the current Local Plan as having particular economic strengths are continuing to see investment and delivery of employment space.
- Newham is above the London average for young people aged between 16-17 that are not in education, employment or training.

- Since 2016 there have been increases in residents with degree level qualifications (NVQ Level4 +) which corresponds with a decrease in people aged 25-65 with no qualifications.
- Newham is characterised by a high number of small, local businesses. While business start-up levels are high, historically business closure rates (after 5 years) are also high.
- Net gains in approvals and completions for industrial, storage and distribution floorspace are indicative of steady continued demand for industrial uses in Newham on designated industrial sites.
- The only significant office floorspace completion was one major scheme in the Royal Docks. All other office floorspace provision consisted of smaller scale ancillary floorspace supporting the functions of industrial premises.
- The impacts of office to residential Permitted Development Rights are reducing year on year, with small scale losses to residential taking place outside of any designated employment land.
- Despite our policy position, no affordable workspace has been provided as part of any major mixed use schemes.
- Workplace (now Our Newham Work) is an effective mechanism in securing jobs for Newham's residents including young people (16-24).
- Historically across London, industrial land has been release to other uses in excess of the levels set by the London Plan. This has resulted in increasing pressure for industrial land.

Sources:

- [ONS Earnings Below LLW](#)
- [Newham Inclusive Economy Strategy](#)
- [ONS Children in Low Income Families](#)
- [ONS NEET](#)
- [ONS Business Demography](#)
- [Newham Info Webpage](#)
- Newham Authority Monitoring Reports, Newham Our Newham Work (formerly Workplace) 2018-19 monitoring data
- [London Industrial Land Demand Study](#)

What are we required to consider and plan for?

National Planning Policy Framework (2021)

- Local Plans should be informed by a detailed understanding of existing and future business needs over the plan period. This includes identifying a sufficient supply of land to support different employment uses.
- Policies should set a clear economic vision and strategy which positively encourages sustainable economic growth.

The Use Class Order and Permitted Development Rights (amended 2020)

- The changes outlined in the High Streets section also impact on the delivery and protection of community facilities.
- New Permitted Development Rights allow for the conversion from both offices and light industrial premises to residential and other uses, such as nurseries and shops, without planning permission.
- We will need to consider how this impacts on protecting and delivering sufficient employment land to meet demand in a range of sectors.

London Plan (2021)

- Local Plan policies should plan for a diverse range of business spaces. This includes supporting needs for micro, small and medium-sized enterprises, including those wishing to start-up, expand or occupy lower cost premises.

- Local Plan policies should support affordable workspace by directing this workspace to either site specific locations or areas of need. This includes space that would be suitable as part of a mix of business or cultural uses. This should be drawn up in the light of local evidence demonstrating need and consideration in relation to provision and the impacts on overall scheme viability.
- Boroughs should provide sufficient supply of land and premises to meet for industrial and related functions (including logistics and warehousing), including through the potential for industrial Intensification, Co-Location and Substitution.

Relevant London Plan chapters and policies:

- Objective GG1 Building Strong and Inclusive Communities
- Objective GG5 Growing a Good Economy
- Policy D3 Optimising Site Capacity through the Design-Led Approach
- Policy D13 Agent of Change
- Policy HC6 Supporting the Night-Time
- SI6 Digital Connectivity Infrastructure
- Chapter 6 Economy

What new trends and objectives do we want to address?

- **Health and Wealth:** As part of the Council's approach to post COVID-19 recovery and reorientation, we are focusing on the integral relationship between employment and health, recognising that creating an inclusive economy can have health benefits that reduce distress, unhealthy behaviours and financial insecurity. Community wealth building aims to tackle poverty and address health inequalities that are related to economic inequalities such as unemployment, economic inactivity and poor working conditions. We want to consider how we can build an economy which delivers health benefits for Newham residents.
- **Creating an inclusive and diverse economy:** Newham's economy is characteristically enterprising, with a diverse range of businesses and workspaces. Key to delivering our community wealth building and inclusive economy agendas will be to maintain and enhance this: enabling businesses to stay and grow in Newham, as well as encouraging new businesses to start-up. Our commitment and approach to this, including through a business pledge, is outlined in our COVID-19 Recovery and Reorientation Strategy. We also need to consider how to enable more equitable access to a diverse range of employment spaces – both in terms of affordability, location and connectivity.



- **Secure high quality and better paid jobs, including work in the new economy:** Integral to community wealth building is ensuring residents are supported to access to work and other opportunities. This is articulated in the Community Wealth Building business pledges which encourage local businesses to help build a strong and resilient local economy through economic, social and environmentally responsible working practices. The planning system can also help secure these objectives. This includes helping to equip residents, particularly young people, with skills and knowledge to flourish and secure their economic futures, by requiring commercial developments to contribute towards training and employment opportunities. Planning policy also has a role in supporting residents achieve greater economic resilience through the creation of a higher wage economy and improved working conditions, through prioritising the development of growth sectors such as green enterprises, cultural, knowledge intensive and high tech/digital companies.
- **Newham to become the greenest economy:** As part of Newham's Recovery and Reorientation Strategy (pillar 6), the Council has committed to building a green economy. This coincides with a growing market understanding of the role that businesses have in tackling the climate emergency and value of a growing green economy. We want to explore how planning can support the promotion of job opportunities and skill development (particularly for young people) in green jobs; encourage businesses in the borough to be more environmentally responsible through investment in their premises; and supporting businesses who provide climate improving products and services with green credentials to set up in Newham. This will build on the work undertaken in the Royal Docks as an incubator for innovation and green tech.
- **Changes to working patterns:** The way people work is changing towards patterns that are more agile. The longer term trends of working patterns post-pandemic are yet to be fully established. However the impact will affect the way we live and work and have implications on the need for office space. More residents may not always work in centralised offices but may wish to explore somewhere to work outside of, but close to, their home such as their closest town or local centre or areas with identified employment clusters. Some employment designations and town centres have the potential to create new spaces to offer flexible and more local remote/co-working environments which encourage integration, local spend in Newham and reduce the need to travel further afield for work. This emerging trend feeds into the ambitions of delivering '15 minute neighbourhoods' that provide access to economic, social and civic essentials. This could include access to employment space. Viewing employment space as a key component of 15 minute neighbourhoods means we should no longer view our employment locations - the majority of which are at the fringes of the borough – as separated from the rest of the borough and could provide further opportunities for local employment. This should in turn encourage opportunities to support co-location and mixed use across the borough.
- **Data-driven economy:** The data and digital sector is fast growing, and as Newham's economy grows, we want to ensure data and digital innovation and inclusion are at the forefront of this. This sector has been explored in areas such as the Royal Docks as a testbed for innovation and enterprise and will continue to grow as part of sustainable growth in Newham. We want to take this opportunity to explore the role of data and digital infrastructure to support an inclusive economy for Newham. Growth in the digital economy is also about the jobs it creates, particularly for young people and securing long-term future-facing economic opportunities for residents.

Sources:

- [Newham 'Towards a Better Newham' Covid-19 Recovery Strategy](#)
- [Newham Inclusive Economy Strategy](#)
- [Health and Wellbeing Strategy Part 2: The Evidence for Action](#)
- [Newham Climate Emergency Action Plan](#)
- [The Economic Future of Central Activity Zone: Phase 1 Office Use Trends](#)
- [Newham Support for Business Pledges](#)



What evidence will we use?

Employment Land Review Update

- This evidence assesses the forecasted need for employment floorspace across the plan period and analyses the supply of employment land available to demonstrate we can meet that economic need. It will incorporate:
 - Land Audit – An audit of the borough's employment land, identifying their appropriateness for continued employment use (including opportunities for intensification and co-location) and land options to support wider objectives of the Plan.
 - Supply/Demand Study - A review of the economic context for Newham, identifying growth sectors and providing an assessment of whether there is sufficient land to meet need.

Spaces for Enterprise Strategy (led-by LBN Regeneration)

- Spaces for Enterprise is a Council-asset driven programme which aims to improve the provision of affordable workspace, and tackle barriers to employment and enterprise.
- The study largely focuses on existing Council assets identifying demand across the borough, but provides recommendations and opportunities to deliver new workspace in the long term.
- The draft strategy identifies that planning policy could be developed to become more prescriptive on affordable workspace to better secure and bring forward this workspace

Proposed policy changes:

- 1. Identify sufficient employment land in the right locations to support growth sectors.** The new Local Plan will continue to support growth sectors and safeguard sufficient land for economic growth and allow any surplus land to be considered for other uses such as housing. However, where that land is safeguarded and for which uses will be informed by updated evidence on growth sectors and which uses continue to support sustainable economic growth across Newham as well as market requirements. This will mean we can direct employment uses to areas that meet business needs across the borough and deliver a better quality and a diverse range of workspaces within these locations. The update will ensure we maximise economic opportunities on employment land and areas of growth, meet forecasted demands and deliver this in line with wider Council objectives.
- 2. Including employment space as an important contributors to inclusive, 15 minute neighbourhoods.** Options to deliver this, include:
 - a. Reflecting 15 minute neighbourhood principles in the locations of employment land designations and other areas where employment uses may be directed, such as town centres.
 - b. Exploring opportunities to increase the provision of flexible or co-working workspaces in locations which responds to trends in more agile working and increases in people choosing to work more remotely either from home or locally. As such, policy development may direct flexible and co-working space towards town centres.

- 3. Explore ways to ensure new commercial development secures a fair deal and good growth for Newham.** Our current Local Plan policy requires major development proposals for employment uses to demonstrate they create better economic outcomes for Newham residents through commitments to local jobs, skills and training in an Employment Strategy. We want to update this to require major proposals to demonstrate how they deliver our Community Wealth Building Objectives. This will include a commitments to fair employment and good quality job creation locally that is environmentally and socially responsible which build on our emerging Business Pledges. This will include encouraging businesses to prioritise sustainability and local opportunities, including those for young people as well becoming a fair employer through high quality working conditions with reference to the Mayor of London's Good Work Standard and improving pay conditions. It will also request applicants to demonstrate how the Council's brokerage Our Newham Work can support this.
- 4. Become more prescriptive on affordable workspace provision:** We want to explore the best ways to support local businesses to grow and new businesses to start up through the provision of affordable workspace in the right locations.
- c. Requiring proposals on employment land to demonstrate how they support inclusive neighbourhoods through improving residents' access to secure employment opportunities, such as through training and job opportunity, links to local communities and/or improved connectivity to neighbouring residential areas. This may form part of requirements in the Employment Strategy.

Our current policy directs affordable workspace to certain locations but none has been delivered to date, so we want to consider a revised policy approach. This may include requiring a percentage of new floorspace created within major mixed-use schemes and on employment land to be provided as affordable workspace. We will consider focusing on certain locations, the creation of cluster workspaces and enabling operation by recognised workspace providers to ensure such provision meets an identified need. Where affordable workspace is not appropriate, the use of financial contributions to provide workspace in other locations could be considered. Evidence around the scale of need and confirmation around affordability (rent levels) in different parts of the borough will be developed to progress any policy requirements and would be subject to viability testing.

- 5. Incentivising a greener economy:** We want to consider a range of ideas to encourage green businesses to operate in Newham. One proposal is for the creation of 'green zones' in which economic uses would be required to deliver the highest environmental standards in the design and build of their workspace; create environmentally products or services outputs and/or provide training in green jobs and skills to support sustainable economic growth.
- 6. Supporting a data driven and digital economy.** We will identify the demand for digital infrastructure in different locations in the borough, as a driver of growth and a modern economy. We will consider ways to support the provision of such infrastructure where they also create local and good quality jobs and contribute towards inclusive neighbourhoods.



You tell us

- Do you agree with the proposed changes?
- Are there other changes we should consider?
- Is there anything missing?
- What else can we do to support a greener and more inclusive economy?
- What could we do to better protect and support local businesses' and allow them to thrive and expand?
- How can we maximise the supply and delivery of affordable workspace in the borough?
- How can economic policies better support changing working patterns such as working from home and/or remote working locally?

