

Committee(s)	Dated:
Planning and Transportation Committee	19/01/2026
Subject: Government and GLA consultations on boosting housing delivery	Public report: For decision
This proposal: <ul style="list-style-type: none">• delivers Corporate Plan 2024-29 outcomes• Provides statutory duties	This report relates to the statutory planning function
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
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Summary

The Government and the Mayor of London are consulting on a package of new short-term measures to boost the delivery of new homes, including affordable homes. The package comprises temporary relief from the Community Infrastructure Levy (CIL) for qualifying residential development, removal of some design guidance that can constrain density and amendments to the Mayor's Fast Track Route for affordable housing. The proposed consultation responses are broadly supportive of the approaches but are unlikely to have any significant implications for pipeline residential schemes, or new proposals coming through the planning process in the City over the time-period to 31 March 2028.

Recommendation

Members are asked to:

- APPROVE the consultation response to the Government's Emergency Housing measures consultation at Appendix 1.
- APPROVE the consultation response to the Mayor of London's consultation at Appendix 2.

Main Report

Background

1. The Government and the Mayor of London have agreed a package of new short-term measures to boost the delivery of new homes, including affordable homes. The intention is that the measures will collectively improve the viability of housing and sit alongside the Government's wider reforms to the planning system. These measures have been included within two complementary consultations, which close on 22 January 2026.
2. The proposed package comprises temporary relief from the Community Infrastructure Levy (CIL) under certain circumstances; removal of design guidance that can constrain density; amendments to the Mayor's Fast Track Route for affordable housing; giving the Mayor of London greater powers for strategically important planning applications; and a new City Hall Developer Investment Fund.

London Emergency Housing Package

3. This Government consultation is split into two parts: Part I seeks views on a proposed time limited relief from CIL for certain developments in Greater London; and Part II seeks views on proposed changes to the Mayor of London's planning powers.
4. The intention behind the CIL relief at Part I is that it will have a positive impact on scheme viability where changing inputs such as rising build costs and finance have had negative impacts on scheme viability. The consultation proposes a 50% CIL relief from qualifying developments where the CIL liability is over £500,000 and would be time-limited to developments which commence between the date of amendments to the CIL Regulations and 31 December 2028.
5. 'Qualifying' developments are defined as residential developments (excluding students and shared living) on brownfield land within Greater London. Schemes will only be eligible for the relief where they deliver at least 20% affordable housing (or 35% on publicly owned land) to be brought forward through amendments to the London Plan 'Fast Track Route' (FTR) and where other grant conditions are met.
6. The City Corporation response is included at Appendix 1. It is broadly supportive of the proposed CIL relief in the aim of accelerating housing delivery across London. However, as the relief is applied post permission (at same stage as the current CIL Liability) the success of the package appears to rely on developers declaring their intention to apply for this CIL relief at a pre-application stage and being willing to take potentially unviable schemes through the planning process, on the basis that they would be eligible post permission. There are also some concerns (at Question 13, 19 and 21) that this may then result in schemes being withdrawn, or amendments to permissions through S73 applications to deliver lower levels of affordable housing. As the relief excludes student and co-living schemes the amendments are unlikely to have any implications for the delivery of schemes already within the planning pipeline within the Square Mile.
7. Although the package of measures could have some positive implications for the pace of delivery of housing and affordable housing across London there are

some concerns about the fall in infrastructure funding and affordable housing levels at a local borough level. As the relief does not apply to the schemes within the current planning pipeline, and focusses on residential development rather than commercial, we are not anticipating any change to CIL incomes in the City.

8. The response also highlights at questions 17 and 28 that the Government could also consider introducing additional measures to improve the viability of residential schemes. Currently the CIL Regulations prescribe standard timeframes for payment, linked to the commencement date. Amendments to allow some additional flexibility in payment schedules would help reduce the upfront financial burden and assist in delivery of schemes.
9. Amendments to the Mayor's FTR removes the requirement for developers to submit detailed Financial Viability Appraisals for schemes delivering between 20 and 35% affordable housing (for privately owned land). However the consultation proposes that for schemes seeking CIL relief a 'light touch' viability appraisal should be provided, accompanied by a 'statutory declaration' that the is true and fair. The City Corporation's response to Question 20 acknowledges the risks of this approach but agrees that the statutory route offers some mitigation.
10. The response also supports the proposed one-off payment of £25,000 to LPAs offset the additional administrative burden of CIL relief (see question 14). Should any scheme become eligible for the relief in the Square Mile over the time-period a new administration process would need to be established, however the adequacy of the payment would depend on the nature and scale of the development.
11. Although not included in the consultation response as it relates to the unique circumstances of the Square Mile, the proposed changes may have short term implications for the methodology used to calculate the affordable housing financial contribution within the Planning Obligations SPD. The final updated costs to be included in the review of the SPD will need to take account of the City's current viability position, as well as wider funding expectations across London, including the temporary CIL relief.
12. Part II of the consultation proposes amendments to the Mayor of London's planning powers, introducing a streamlined process for residential development of more than 50 homes. Under this process the Mayor would be notified of any applications of between 50 and 150 homes and where a LPA intends to refuse such an application a modified version of Stage 2 would apply. The Mayor could then call in the application if it is considered to impact the implementation of the London Plan and where there are sound planning reasons for doing so. As per sections above, it is unlikely that applications of these types would arise in the Square Mile so the impact would be minimal.
13. The consultation also proposes granting the Mayor of London powers to call in applications of over 1,000sqm on Green Belt or Metropolitan Open Land (MOL), replacing the current power to direct refusal. This aims to ensure that high quality Green Belt and MOL will continue to be protected.

Mayor of London's consultation

14. The Greater London Authority (GLA) is consulting on a new Support for Housebuilding LPG. This proposes a time-limited planning route for the delivery of affordable housing and changes to cycle parking requirements and some housing design guidance. The City Corporation response is included at Appendix 2.
15. The consultation proposes amendments to Policy H4 A, H5 and H6 of the London Plan (2021). Under these changes applications on private land (and industrial land where floorspace is re-provided) delivering more than 20% affordable housing, and schemes on public land delivering more than 35%, would qualify for the FTR. The aim is to accelerate housing delivery by removing the need for full viability appraisal on a greater number of schemes. The amendments exclude proposals for purpose-built student accommodation or shared living and schemes involving demolition of affordable housing, therefore it is unlikely to significantly affect schemes within the Square Mile. The consultation proposes that 'substantial implementation' (defined as delivery of the first floor) needs to occur by 31 March 2030 to avoid the need for a viability review. The City Corporation response at question 8 suggests a more nuanced approach to cover different development types.
16. The GLA is also consulting on the removal of certain elements of design guidance that can constrain density. This includes proposed changes to the residential cycle parking requirements including student and shared-living proposals and changes to dual aspect dwelling requirements. The cycle parking approach places each local planning authority into one of three tiers, resulting in a reduction of overall requirements for the City of London. The proposals introduce some flexibility in what can be counted towards cycle storage requirements. Although intended to cover residential only this could be an indication of the Mayor's thinking around cycle parking more generally, to be brought forward through the new London Plan. The responses to questions 1 and 2 support reducing cycle parking requirements as recent surveys in the City indicate low utilisation of on-site cycle storage from student development, and the current standards often necessitate extensive basement excavation, leading to high carbon costs and viability challenges.

Next steps

17. The consultation responses will be submitted on the relevant consultation portals. Officers will continue to engage with the GLA on the preparation of the Mayor's new London Plan.

Corporate & Strategic implications

18. The City Plan 2040 has been prepared to align with broader corporate objectives and strategies. The City Plan is currently being examined under the conformity with the 2021 London Plan. However, there are unlikely to be any significant implications of the changes in the short or medium term.

Financial implications

19. None

Resource implications

20. The requirements of the proposed changes will be taken into consideration as part of officer reports on planning applications.

Legal implications

21. None

Risk implications

22. None.

Equalities implications

23. The consultations are accompanied by an integrated impact report and a equalities impact assessment of the London Plan amendments. The response highlights some comments on the outcomes in Appendix 2.

Climate implications

24. None

Security implications

25. None

Conclusion

26. The proposed package of measures are unlikely to have any significant implications for viability within the Square Mile, or infrastructure receipts. The consultation response is generally supportive of the aims but highlights the potential for some unintended consequences. The response generally reflects wider views that, in the absence of demand-side measures the proposals are unlikely to significantly alter the pace of delivery of new housing across London.

Appendices

- Appendix 1 Government consultation response
- Appendix 2 GLA consultation response

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