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Consultation on London Housing Emergency Package
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Dear Rt Hon Steve Reed MP, Secretary of State for Housing, Communities and Local Government,

CONSULTATION ON SUPPORT FOR HOUSEBUILDING IN LONDON

On behalf of Wandsworth Council, I am pleased to provide our detailed representations on the Government's consultation, *Support for Housebuilding in London*, and in particular on proposals relating to time-limited relief from Borough CIL and the introduction of new call-in powers for the Mayor.

The Council recognises the importance of maintaining a strong pipeline of housing delivery across London for achieving a range of social, economic and environmental benefits, but most importantly to ensure that the right types, tenures and quality of housing are available to meet needs, particularly for those whose needs are not always met through market housing, most particularly those who need affordable housing.

In this context, the Council supports the principle of targeted interventions to support the maintenance of that strong pipeline of housing delivery, provided that those interventions are appropriately targeted to measures that are threatening delivery, without undermining the overall importance of maintaining that delivery and meeting those needs referenced above.

The Council understands that housebuilders active in London have identified a range of challenges which include poor absorption of market housing due to a lack of effective demand for that housing, recent high levels of build cost inflation, wider economic uncertainty, high borrowing costs and technical delays at receiving approvals with the Building Safety Regulator.

The Council itself is strong advocate for sustainable growth and has taken a lead role in delivering new council housing across the Borough through the [Homes for Wandsworth](#) programme. The Council's [Corporate Plan 2022-2026](#) has a key ambition to deliver a fairer



Wandsworth, a compassionate Wandsworth and a more sustainable Wandsworth. One of the key ambitions of the Corporate Plan is to work towards ensuring all local people have a genuinely affordable place to call home. This ambition is a key driver of the Council's [Growth Plan \(2025\)](#) and [Local Plan Partial Review](#), which has recently concluded examination, and is supported by a range of evidence that demonstrates the uniquely strong local housebuilding market in Wandsworth, and the opportunities this brings to deliver ambitious public benefits.

We are pleased that Wandsworth continues to be a highly attractive place to build and live, and there is significant evidence that the local housebuilding market remains very resilient to the types of challenge facing other parts of London.

As evidence of this, the Council would note that we are continuing to see developments come forward at or close to full policy compliance, with 34% of housing completions in 2023/24, and 36% and 32% of housing permissions¹ in 2023/24 and 2024/25 respectively, being affordable. The overall number of permissions and completions in Wandsworth in 2024/25, at the height of challenges in the development market, remained a healthy 2,395 and 1,805 units, 123% and 93% of the Borough's annual housing target respectively.

Given the types of challenge facing the housebuilding sector, and the strength of the local housebuilding market, the Council is concerned that the proposal to offer time-limited CIL relief to developments is, as proposed, not sufficiently targeted, justified or effective in a Wandsworth context.

The Council's recent Local Plan Partial Review means it has an up-to-date and robust evidence base on viability in the form of our Whole Plan Viability Assessment (2025). The WPVA identifies that Borough CIL represents only a very small fraction of total development costs and has a generally negligible impact on overall deliverability when compared with other variables (100% relief on both Mayoral and Borough typically has a 5-10% impact on affordable housing levels on marginal schemes). However, the cumulative funding provided by CIL makes it a critical funding source for the infrastructure programmes that underpin the healthy and sustainable communities we deliver. At the end of 2023/24, Wandsworth had collected more CIL (£227m) than any other London Borough and was the third highest collecting authority in 2024/25 with over £15m. The effective utilisation of CIL within Wandsworth enables a wide range of responsible and ambitious infrastructure planning work which acts to ensure that infrastructure delivery comes forward in a way that ensures both existing and future residents have access to high quality, accessible and modern community infrastructure and which, ultimately, has supported significant levels of growth seen in Wandsworth in recent years. In this context, it is concerning that London Councils estimate that the proposed changes could result in a loss of £45 million to £100 million per year across London. The Council notes that 43% of its entire Capital Programme is funded from

¹ Includes permissions on sites <10 homes which are not required to provide affordable housing

CIL and all Borough CIL collected to date has either been spent or allocated to deliver a wide range of important local infrastructure projects in the borough.

The Council would be concerned that any significant degree of CIL relief would mean that developments continue to come forward yet the Council will have a diminished ability to deliver the infrastructure needed to support those developments. The impact of this could be delays to, or cancellation of, projects which not only impact those who would otherwise have benefitted from that infrastructure, but also impacts on community trust in the planning system and general attitudes towards growth. It is important that communities feel that growth delivers benefits for them.

The Council is also concerned that the proposed CIL relief measures may not be effective at addressing the underlying issues currently affecting housebuilders. Core challenges, such as insufficient effective demand for market housing, escalating construction and finance costs, and delays associated with the Building Safety Regulator, require action. Without resolving these underlying issues, the Council considers it unlikely that these measures will meaningfully improve the build-out of genuinely stalled sites in the near term, yet there could be unintended impacts including land value inflation which create viability pressures that persist beyond the notional expiry of the relief. Furthermore, the proposals create uncertainty which readily risks the unintended consequence of delay, including for sites which could viably progress to deliver housing, affordable housing and community benefit through CIL without additional public subsidy.

In addition, the Council believes the approach to assessing eligibility for CIL relief is insufficiently targeted. The proposed light-touch viability process is heavily reliant on trust, limits scrutiny, and would be challenging to enforce. As a result, the measures may be ineffective in preventing the system from being gamed. Any viability process should be thorough and transparent to ensure that communities and local authorities can be confident that relief is only granted where it is genuinely necessary and kept to the minimum amount required.

We have sympathy for the need for proportionate and targeted action to support housebuilding. We have therefore sought to work with partners, including other Boroughs, London Councils and Central London Forward, to identify alternative ways in which these measures could be operated. We hope these are helpful in considering alternative options and are very happy to discuss these further. These alternatives include:

- i. **Relief on CIL indexation** – this would temporarily pause indexation of CIL payments to mitigate against inflation. This would provide greater certainty to developers and allow them to more accurately plan cashflow, whilst limiting the loss of much needed infrastructure funding.
- ii. **Greater flexibility over phasing and deferral of CIL payments** – this would allow for a greater proportion of CIL payments to be made in the later stages of a

- development, alleviating early cashflow pressures, whilst avoiding the loss of much needed infrastructure funding.
- iii. **Relief based on percentage of development costs** – this would mean that developments where CIL has a more significant impact on viability are able to access relief, whilst developments where CIL has a limited or negligible impact on viability are not able to access unjustified relief.
 - iv. **Means-tested relief at the minimum level needed for viability** – this would mean that developments which would benefit from CIL relief do not automatically receive 50% relief where a smaller amount of relief would be sufficient.
 - v. **Cap on overall CIL relief** – this would allow Boroughs to decline claims for CIL relief where they would have a particularly significant impact on forecast CIL receipts and/or where approving CIL relief would undermine the ability to deliver specific, critical infrastructure projects.

Whilst the Government's consultation does not directly address the related measures from the Mayor of London concerning affordable housing, the Council does wish to highlight it also has a range of concerns over these measures, which have been set out in our separate response to that consultation. In summary, we are concerned that the proposed 20% affordable housing route significantly undercuts the levels of affordable housing that can be delivered in Wandsworth, as evidenced by our Local Plan Partial Review and strong pipeline, and that the lack of viability testing creates serious concerns that the 20% will essentially become a cap on affordable housing levels, irrespective of viability, including for developments that have only recently been consented above 20%. We would be happy to share our full response to this consultation.

Separately, we understand that changes to the Mayor of London Order are planned to provide two new call-in powers to the Mayor. As a general observation, we would have some concern that any significant degree of use of these proposed powers may centralise routine decision-making in a way that ostracises individual local authorities and local communities. The Council would also have some concern that routine use of these powers may reduce the willingness of developers to take into account community-led Local Plan requirements or to negotiate in good faith with local authorities if they feel that it is advantageous to have the Mayor call their application in. This might have the unintended consequence of actually slowing down housing delivery if it leads to a reduction in the willingness of developers to constructively engage with individual Boroughs, particularly if the determination period of any applications called in by the Mayor remain at existing levels. The Council would therefore encourage the Government to reconsider the need for these new powers, and, if they are introduced, to reconsider the proposed thresholds, which it feels are set too low to only capture genuinely strategic or cross-boundary developments. The Council would encourage the Government to work with individual Boroughs to ensure we can continue to take planning decisions in an efficient way that appropriately empowers communities to get involved.

Thank you for taking the time to consider our detailed comments, which we hope will help shape the development of these proposals. We have also collaborated with a range of partners, including London Councils and Central London Forward, in preparing their responses, which we fully support.

We would welcome the opportunity to work with you and your department as these measures are taken forward.

Yours sincerely

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