MHCLG Consultation on 'Supporting Housebuilding in London' – December 2025

Wandsworth Council Response

Question 1: What is your name?

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Question 3: Are you replying as an individual or submitting a response on behalf of an organisation?

Organisation – London Borough of Wandsworth

Part One: CIL Relief

General Comments:

Thank you for the opportunity to respond to this consultation.

Wandsworth Council (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 in relation to the meeting of those needs referenced above.

The Council understands that housebuilders active in London have identified a range of challenges which includes 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 key 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. This evidence is summarised in the Housing Background Paper (2025).

Overall, it is clear that Wandsworth as a Borough remains 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 permissions[1] 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 has some concern 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 has a number of specific concerns with the proposal that it summarises below and elaborates on in its response to the detailed questions that follow. We hope that our comments are useful in shaping the development of these proposals.

1. Impact on Viability

The Council understands that part of the rationale for the proposed measures set out in the consultation document is that they will offer a degree of support to the viability of specific developments which can be expected to support the delivery of those developments, with an implication that these developments are not currently deliverable without relief.

The Council would wish to stress that the typical impact of Borough-level CIL on development viability is incredibly modest. The Council's Whole Plan Viability Assessment[2] (2025) identifies that Borough-level CIL has only a marginal impact on viability (with 100% relief on both Mayoral and Borough having a 5-10% impact on

[1] Includes permissions on sites <10 homes which are not required to provide affordable housing
[2] Wandsworth Whole Plan Viability Assessment March 2025

affordable housing on marginal schemes) when compared to the wider costs and values associated with development. The Council would suggest that offering 50% relief from Borough-level CIL is very unlikely to make genuinely unviable developments viable, particularly in a Borough like Wandsworth which otherwise has a very resilient housebuilding market. The availability of relief may nevertheless be attractive to developments were there is reasonable suspicion they could have been delivered without it.

2. <u>Impacts on Housebuilding Challenges</u>

As set out above, the Council recognises there are a number of challenges facing housebuilders which are a factor in the diminished activity being seen in some parts of London.

The Council suggests that more information is required to understand how the proposal for CIL relief is envisaged as influencing these factors. As above, the Council's evidence suggests that Borough-level CIL makes up a very modest proportion of wider development costs, and relief from CIL will not address some of the more significant factors.

The Council also acknowledges that the housebuilding sector does not operate according to conventional supply and demand principles. Extensive research, such as the Letwin Review, demonstrates that developers regulate the pace of construction based on market absorption rates. Unless the effective demand for market housing improves, or the amount of affordable housing secured on developments increases, a slight decrease in wider development costs is unlikely to accelerate the rate at which homes are built as many of these new homes will remain unaffordable or unattractive to potential purchasers.

The Council also suggests that further analysis is required on the likely impact of any CIL relief on land values. A key argument for setting clear and precise policy requirements up front is that these can be accommodated in the price paid for land. It follows that any reduction in policy costs may inflate the asking price for land. Whilst the measures are only proposed to be in place for a relatively short period of time, there is a likelihood that some degree of land price inflation follows which may make it harder to re-accommodate policy costs after the measures expire.

3. <u>Loss of Funding for Local Infrastructure:</u>

Despite its limited impact on development viability, the cumulative funding provided by Borough-level CIL makes it a vital source of funding for local infrastructure. 43% of the Council's entire Capital Programme is funded from CIL which has been highly successful in delivering a range of important infrastructure projects in recent years. 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. This effective utilisation of CIL 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.

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 outlooks on growth. It is important that communities feel that growth works for them.

The Council notes that London Councils have estimated the anticipated reduction in Borough CIL to be in the region of £45m to £100m per annum across London. In Wandsworth, an initial estimate has been put together based just on a sample of developments permitted in the last four years and have not yet commenced or where there are substantial phases yet to commence. The CIL income for these developments was expected to be £21m. If all were to qualify CIL relief, this could reduce CIL revenue to the Council by a substantial £10.5m just from this sample.

4. Impacts upon future growth capacity:

Related to the point above, the Council would be concerned that any impacts on the ability for the Council to fund infrastructure delivery through CIL may make it more challenging to sustain high levels of growth into the future. The Council notes and supports the Government and Mayor's ambition to significantly increase housebuilding in London where sustainable to do so. A key enabler of the high levels of growth being delivered in Wandsworth have been the receipt of significant amounts of CIL funding which have enabled a programme of ambitious and responsible infrastructure delivery, including initiatives like the Decade of Renewal. The Council would suggest that sustaining high levels of growth, as the Council would like to, depends on its ability to maintain an ambitious and responsible approach to infrastructure delivery, which is a key tenet of both the Council's Growth Plan and the Mayor's London Growth Plan.

On a practical level, any reduction in CIL receipts is also likely to place increased pressure on Section 106 agreements to mitigate site-specific impacts. This would reintroduce delays and administrative complexity into the process, thereby diminishing one of the main benefits of CIL, its ability to reduce the necessity for detailed negotiations over site-specific infrastructure

5. Role of Mayoral CIL

The Council understands that the proposal exempts Mayoral CIL from relief, with the consultation document presenting Mayoral CIL as fundamentally different from Borough-level CIL, particularly in its function of funding major projects and being allocated or committed in advance.

As with Mayoral CIL, the Council relies on projected Borough CIL income for long-term infrastructure planning and has dedicated a significant portion of its Capital Programme to essential infrastructure projects funded by anticipated CIL receipts. In Wandsworth, 43% of the planned Capital Programme expenditure is supported by CIL funding. The Council would therefore suggest that if these measures were to go forward, re-evaluation of the approach is needed to ensure that expected Borough CIL receipts were not undermined, having regard to whether the justifications for exempting Mayoral CIL also give strong reasons for limited impacts upon Borough CIL.

6. Eligibility Criteria

The Council notes that the proposed CIL relief measures would be subject to a number of eligibility criteria. As a general suggestion, the Council would strongly encourage any relief to be limited to developments where there is significant evidence, ideally involving appropriately detailed viability testing, that the development would otherwise not be able to come forward. In this respect, it is vital that local authorities can apply an appropriate and objective test of whether a site is genuinely stalled or has been deliberately stalled in order to increase profitability. The light touch viability testing proposed is inadequate to guard against abuse, particularly given that the light touch nature of the information required will amplify the subjectivity of viability, and may place local authorities in positions where they are being asked to grant relief on the basis of a viability picture which is not consistent with the viability picture offered by wider evidence, including in some cases recent full viability assessments on the very same site that may have only been produced shortly before the proposed measures were announced.

As set out in its responses to detailed questions, the entanglement of eligibility between the proposed measures and the GLA's proposed 20% affordable housing route also risks introducing incentives to reduce affordable housing contributions from more viable sites.

The Council would suggest that limiting CIL relief to genuinely stalled sites with existing permissions, with provisions for detailed viability testing, would better target the measures to developments that can evidence being impacted by the challenges currently affecting housebuilding in London, limit any inflationary impact on land values and limit incentives which act to undermine affordable housing delivery.

7. Compensating for lost CIL Income

In light of the concerns raised by the Council on how the proposed measures may impact upon community infrastructure funding, the Council would support exploration of opportunities for replacing this funding from other sources.

The Council notes that London Councils have identified a range of potential mechanisms for raising local infrastructure finance, including Tax Increment Financing (TIF), retention of local Stamp Duty, access to state-backed risk capital and tourist levy receipts. The Council also notes there is also clear precedent for local authority compensation through Section 31 grants in relation to reliefs granted under the Business Rates regime which serves a similar logic.

Regarding the administration of the process, the Council would encourage the Government to allow for any application fee to be set at cost-recovery levels. This is because the proposed £25,000 application fee may not be sufficient for more complicated cases, especially those needing external validation such as viability assessments. According to London Councils' response, if the full set of reforms is implemented successfully, it is expected to lead to a significant increase in viability reviews, S106 agreement modifications, and intricate CIL assessments. London Councils estimate that this increased workload could result in £37.4 million of unfunded financial pressures which may impact upon the efficiency of 'business as usual' activities to the detriment of supporting housebuilding in other ways. Administration of CIL relief would present an additional demand on resource on top of routine CIL administration tasks which would still need to be undertaken, with only up to 5% of a significantly reduced borough CIL amount available.

8. Suggested Alternatives

In its detailed responses to the consultation questions, the Council has sought to identify a range of preferable alternatives. These alternatives have been identified through a range of discussions held with partners, including London Councils and Central London Forward. In evaluating alternative options, the Council would encourage the Government to consider the potential complexity of the proposals put forward and the need for simplicity in practice, in order for any time limited measures to be successful. Whilst each of these alternatives requires additional evaluation, they would each, in principle, offer a better degree of proportionality and/or mitigation to the potential loss of community infrastructure funding. In summary, these suggested alternatives are:

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.

Question 4: Do you agree that the relief should not apply to development on “excluded land” as defined? Please explain your answer.

Yes.

Excluded land, such as Metropolitan Open Land, is typically scarce and provides a range of public benefits, including biodiversity, climate change mitigation, and providing multi-functional opportunities for outdoor recreation and active travel. Because these sites generally have much lower existing use values and development costs, especially where the need for remediation is minimal, they are typically much more viable for development compared to previously-developed brownfield land.

Given these factors, the Council supports the proposal to withhold any CIL relief from developments on excluded land. Allowing relief on excluded land would likely have the perverse impact of encouraging further development on non-brownfield land, as the combination of lower costs and the availability of CIL relief would make such sites even more attractive to developers. This outcome would undermine efforts to maximise community benefits and would conflict with national, regional, and local policies that prioritise brownfield development first.

Furthermore, any release of excluded land for development, in exceptional circumstances, should be carefully managed to offset the loss of its multi-functional public benefits by maximising new community advantages. To prevent unjustified benefits, it should also be clarified that CIL relief is not available for sites that have any portion of excluded land within them above a de minimis threshold (e.g. 5%) to ensure that relief is reserved for developments that are predominantly brownfield.

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Question 5: The Government welcomes views on approaches restricting relief to certain land uses – including the merits of whether the policy should apply based on established use classes, or something more bespoke.

Whilst the Council has a number of concerns over the availability of relief for C3 developments, the Council supports the principle of having clear criteria for eligibility which seek to restrict the availability of relief from developments forms which do not warrant relief.

For ease of implementation, having eligibility criteria defined by reference to the Use Classes Order is logical. In this respect, whilst restricting eligibility to the C3 use class is in line with the proposals, consideration should be given to whether only C3(a) single household uses should be eligible to avoid inadvertently offering relief to other types of dwelling within the C3 use class, including smaller HMOs for example.

Whilst the Council does not currently levy CIL on student or co-living accommodation, it strongly supports the proposal to exclude this accommodation from any CIL relief in principle.

As identified in the consultation document, and wider material including the GLA's recent Towards a New London Plan consultation, certain forms of non-self-contained accommodation have become disproportionately viable relative to conventional housing, which means that some parts of London, including Wandsworth, are seeing disproportionate levels of market interest in this accommodation which is undermining the supply of land for general-needs conventional housing, including for families. Given that non-self-contained accommodation typically does not deliver conventional affordable housing on-site, although noting that emerging policy in Wandsworth seeks to require this, any measures which increase the likelihood of such accommodation coming forward will have the additional harm, in an opportunity cost sense, of undermining local efforts to meet the severe and urgent need for affordable housing, particularly social rented housing.

Question 6: The Government welcomes views on the application and level of the proposed borough-level CIL liability threshold, including whether this would have significant negative implications for SME builders.

The Council believes that, if this proposal moves forward, a minimum threshold should be applied, and ideally be set as high as possible to minimise negative impacts on infrastructure funding. Setting a lower threshold would risk creating unnecessary administrative burdens.

Alternatively, relief could be more equitable if it were based on a percentage of total build costs or gross development value, ensuring that only developments where CIL represents a significant portion of overall costs would qualify. For example, relief could be considered where CIL exceeds 5% of Gross Development Value, though further analysis would be needed before implementing such a measure. Another option would be to restrict relief to particularly large developments, such as those delivering over 500 dwellings, where the public benefits are more substantial.

However, before adopting percentage-based relief, the Council recommends that the Government explores other approaches, such as pausing CIL indexation for a defined period or deferring payments to later stages of build out to improve developer cashflow.

It is also important to note that the way thresholds are applied could unintentionally incentivise developers with permissions for more than 20% affordable housing to reduce their affordable housing contributions. This is because affordable housing is generally already eligible for CIL relief which means, in some circumstances, reducing affordable housing on-site, could allow a developer to notionally be eligible to pay more Borough CIL without relief, thereby potentially making them eligible for CIL relief at the expense of on-site affordable housing provision.

While the Council acknowledges that limiting relief to developments that genuinely require it for viability purposes would help mitigate these risks, the envisaged light-touch viability process does not assess whether a higher percentage of affordable housing could be delivered under existing or theoretical consents. This creates potential incentives for developers to manipulate the system, and the Council has expressed concerns about the robustness of the proposed viability testing process in its answers to later questions.

Question 7: The Government welcomes views on the threshold applying to a development as a whole, and whether this presents any challenges for phased developments where each phase is a separate chargeable development for CIL purposes. If so, should a lower threshold apply for each phase of a phased development?

Where a liability-based threshold is proposed to be used, it would be more effective to set a higher threshold that applies across all phases of a development. This approach ensures that only larger schemes, which deliver a greater number of homes, are affected. If thresholds are applied to each individual phase, it could create excessive administrative complexity and lead to delays, particularly if there are disputes between the Council and applicants about whether a scheme meets the threshold, or if early interpretations based on incomplete information later prove inaccurate.

The Council would emphasise that any developments with a Borough CIL liability above £500,000 are highly likely to be phased to manage cashflow, both for planning and CIL purposes. However, larger phased developments often secure approval through hybrid planning applications, combining part-full and part-outline permissions. This means the final CIL charge cannot always be determined precisely at the initial consent stage, increasing the risk of subjective judgments when applying thresholds. This is especially challenging if a strict cutoff is used, such as (developments with a liability of) less than £500,000 receiving no relief and more than £500,000 qualifying for 50% CIL relief.

If the development is treated as a whole, there is considerable risk that for large phased developments where CIL has already been paid, subsequent calculation of relief may necessitate reimbursement of CIL that has already been spent on or allocated to be spent on local infrastructure projects. Alternatively, later phases may be reduced to zero CIL taking into account CIL already paid which was deemed viable when that phase commenced. Any Regulations brought forward must ensure that this scenario cannot arise as this could equate to several millions of pounds for large schemes.

Question 8: The Government welcomes views on the proposal to require a minimum level of affordable housing as set out in this sub-section.

The Council is very concerned that the proposed planning route and CIL relief measures are not sufficiently targeted to ensure that only genuinely 'stalled' sites or those unable to deliver more than 20% affordable housing benefit from these incentives. In many cases, developments that could viably provide a higher proportion of affordable housing may instead be incentivised to cap their contributions at 20% in order to qualify for CIL relief, potentially even abandoning existing permissions that required more affordable housing. Because of this, the intertwining of eligibility for the new planning route and CIL relief, which reads as though developers which follow the new planning route can be considered automatically eligible for 50% CIL relief, seriously risks undermining efforts to maximise affordable housing delivery in light of severe and urgent local needs.

The Council's has responded in detail to the GLA's separate consultation on the time-limited planning route highlighting a range of concerns, most notably the lack of objective evidence supporting the need for, and likely impacts of, the new route in terms of future affordable housing supply. The absence of viability testing requirements within the new planning route means that developments capable of delivering more than 20% affordable housing are not compelled to do so, as they will know that local authorities cannot insist on higher contributions even where viable. As a result, the Council fears that the new planning route could worsen London's housing crisis rather than alleviate it.

While the Council acknowledges that, in a small number of cases, CIL relief in exchange for increased affordable housing on sites with existing permissions below 20% could be a neutral or positive outcome, it believes that, overall, the losses from sites that could have delivered more than 20% affordable housing will far outweigh any such gains, having regard to the local Wandsworth context. Therefore, although setting a minimum affordable housing requirement for CIL relief could be seen as preferable to having no minimum at all, the proposed 20% threshold is considered far too low in a Wandsworth context. The Council is concerned that this level is significantly below what many developments could viably provide, and that it may create perverse incentives for developers to reduce affordable housing in pursuit of additional profit.

Evidence of the above has formed a key part of the Council's Local Plan Partial Review process. In summary, the Council's Whole Plan Viability Assessment (2025) demonstrates the vast majority of development typologies tested can support affordable housing levels far above 20%. In summary, 78% of tested typologies could support 35% affordable housing across all benchmark land values which only increases to 87% of typologies at 20% affordable housing. Of those developments that cannot deliver the existing policy requirement of 35% affordable housing (22% of tests), a vast majority fall within existing uses or value areas which are not expected to make up any significant portion of the Borough's future housing supply, and nearly half remained unviable at 0% affordable housing suggesting a lower affordable housing target is of limited value for viability purposes.

As further evidence of the Borough's significant resilience and capacity, it should be emphasised that Wandsworth continues 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 permissions[3] 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. For boroughs like Wandsworth, it is clear that the new planning route would offer a level of assistance which is completely disproportionate and excessive to local market conditions.

In summary, the Council's view is that the current proposals lack the necessary rigor and targeting to ensure that CIL relief is only granted where truly needed, and that, because they set the minimum level of affordable housing so far below the typical capacity of developments in Wandsworth, they risk significantly undermining affordable housing delivery across Wandsworth to the detriment of the Borough's severe and urgent levels of need.

Please also see the Council's responses to Questions 15 and 16 which address some of these matters in more detail.

Question 9: Overall, are you supportive of the qualifying criteria outlined? Please set out your views.

[3] Includes permissions on sites <10 homes which are not required to provide affordable housing

As set out above, the Council supports the principle of automatically excluding certain types of development, including co-living and student housing, which are generally more viable than other housing forms. However, it recommends that the threshold for ineligibility should be set at 25% or more of the total floorspace being co-living or student accommodation, rather than the currently proposed 50%, to better balance the significant viability advantage held by these accommodation types.

Additionally, the Council believes that any site which has recently (for example, within the past 24 months) obtained planning permission at policy compliance or at a level of affordable housing above 20% informed by a full viability assessment should not automatically qualify for CIL relief unless a new, comprehensive viability assessment is provided which justifies any reduced level of deliverability. This should particularly be the case where the original permission was granted shortly before these regulations are enacted and there is reasonable suspicion that the permission would have been delivered if these regulations had not been enacted. In such cases, the Council considers there is clear evidence that the development is already deliverable, and that granting relief without significant scrutiny would risk unduly converting public benefit into private gain.

Please refer to all of the Council's responses in this section for detailed comments about specific qualifying criteria and suggested alternatives.

Question 10: The Government welcomes views and evidence on whether a time limited borough-level CIL relief in London will have the desired effect of improving viability to support housebuilding in London? As part of this, the Government would welcome case studies on the impact that borough-level CIL has on development in London.

The Council's analysis indicates that Borough CIL represents an incredibly minor component of overall development costs. According to the Council's Whole Plan Viability Assessment (2025), Borough-level CIL typically accounts for only about 3–4% of total development costs, and even with 100% relief from both Borough and Mayoral CIL, the impact on affordable housing delivery in marginal schemes is limited to just 5–10%. By comparison, standard contingencies for new-build projects are usually 5% (and higher for complex conversions), while marketing costs for open market units are typically 1.5–2% of build costs. This demonstrates that, in most cases, Borough CIL has only a marginal effect on viability, and therefore, offering 50% CIL relief is unlikely to significantly improve the deliverability of genuinely stalled sites.

Furthermore, the Council considers it important to note that the housebuilding sector does not operate under traditional supply and demand dynamics. Research, including the Letwin Review, shows that developers pace construction based on market absorption rates to avoid impacting negatively upon house prices (because, for example, too many homes are available for the number of buyers). As a result, given that the amount of effective demand for market housing is currently subdued, any modest reduction in development costs is only likely to accelerate build-out if that effective market demand also increases. However, there is little evidence that housebuilders would pass on reduced CIL costs to buyers in the form of house price reductions meaning that, without wider measures, these homes will remain generally unaffordable or unattractive to buyers.

A key advantage of CIL is also the certainty it provides, enabling developers to factor these costs into land prices. The Council is therefore concerned that the consultation does not address how widespread CIL relief might affect land values. The Council would be concerned that the availability of CIL relief might increase land values and create long-term viability pressures beyond the notional expiry of the relief. On the other hand, while CIL is not a major factor in viability, it can impact developer cashflow since it is generally payable at commencement. The Council therefore recommends that, rather than focusing on CIL relief, the Government should consider alternatives such as allowing greater flexibility in the phasing or deferral of CIL payments. This approach would benefit developers' cashflow without undermining the ability of local authorities to plan and deliver essential infrastructure.

Other options, such as relief from CIL indexation or linking relief to a percentage of total build costs or gross development value, could better target support to developments where CIL is a more significant factor. The Council's broader concerns about the justification and effectiveness of the proposed CIL relief are detailed in its general comments and throughout its full response.

Question 11: Are there any specific criteria that you think could be clarified or adjusted? If so, please give your reasons why

If some form of CIL relief was to be introduced, the Council would recommend first considering greater flexibility over the phasing or deferment of payments which could include allowing the majority of CIL to be paid much later in the construction phase. This would have significant benefits for developers in cashflow terms whilst not undermining local authorities' ability to properly plan for and deliver the infrastructure needed to make development sustainable. Likewise, the Council would also recommend assessment of an alternative in the form of temporary relief on indexation which would somewhat remove the uncertainty associated with sudden inflation increases.

The Council suggests that a limit should be set on the amount of CIL relief available, so there is a defined maximum regardless of the eventual affordable housing level agreed. By doing so, Councils would be able to plan for both the minimum and maximum potential loss of CIL income, allowing for more reliable long-term funding decisions and reducing financial uncertainty.

Question 12: Are there any additional eligibility criteria you think should be considered for the CIL relief beyond those proposed? Are there any other observations or comments you wish to make?

The Council would support more rigorous eligibility requirements, suggesting that developments which have recently secured planning permission at a policy-compliant level, or which have recently undergone comprehensive viability assessments as part of their application, should not qualify for CIL relief when time-limited measures are introduced. This is because there is clear and recent evidence that these projects can deliver the higher levels of affordable housing and CIL. Permitting such developments to access CIL relief, unless subject to a new comprehensive viability assessment, would create opportunities for gaming the system, undermining the intended objectives of the policy. If these developments are unable to proceed with implementing their existing permissions, they should still be able to reapply through the Viability Tested Route, but any flexibility in policy would then only be granted where robust viability evidence supports it. This would give local authorities and local communities confidence that CIL relief was evidence-based, rather than trust-based.

Under the proposals as presented, it is possible to envisage developers with schemes which have a planning permission incorporating 35% affordable housing which have not commenced simply applying for 80% CIL relief and expecting it to be granted with little scrutiny.

The Council would also strongly recommend that the eligibility criteria for the new planning route is altered to ensure that in all cases, local authorities retain their ability to apply their own locally justified Local Plan tenure splits. In Wandsworth, this is considered vital to ensure that the delivered of social rented housing is maximised to respond to severe and urgent levels of need. This tenure split, in the case of the Council's, have only recently been tested as part of the Local Plan process to ensure the policy is viable and deliverable. In Wandsworth, a 70:30 tenure split of social rented housing to intermediate housing has been demonstrated to be viable, as a result of rigorous viability testing across multiple site typologies. The Council would not support measures in the new time-limited planning route, eligibility for which is integrated with the proposed eligibility criteria for CIL relief, to displace this tenure split with the alternative 60:40 which it considers does not best respond to local need or viability.

Question 13: The Government welcomes views on the proposed steps before applying for relief as set out in this sub-section. This includes views on how the grant funding mechanism may interact with the proposed CIL relief, and any circumstances where following the order/choreography set out would be difficult.

The Council supports requiring the Section 106 agreement to be in place before any application for CIL relief is made. Grant would add an additional layer of complexity to the process, especially if, as part of any review mechanisms, the level of affordable housing is amended which could then impact the level of CIL required from the development.

Additionally, in relation to the final level of grant provided towards affordable housing, the GLA usually undertake an assessment of value for money separately, and this assessment is often not shared with the Council. This can raise legitimate questions in relation to whether the level of on-site affordable housing has been maximised which is often a concern for local communities. With the intertwined nature of eligibility for the GLA's proposed planning route and CIL relief, and the proposed expansion of the Mayor's call-in powers, this will become an even more significant concern for Boroughs and their residents. The Council would support this process being made more transparent to allow residents to understand whether the level of on-site affordable housing secured amounts to the best use of grant, and whether the development has appropriately optimised the most in-demand tenure, which is social rented housing. This commitment would align with the sentiments of the Planning Practice Guidance which is very clear regarding viability and transparency.

Question 14: The Government welcomes views on the proposed application fee, the level of fee that is proposed and whether this would create any difficulties.

The Council supports the principle of an application fee to avoid frivolous applications for relief being made.

However, in some circumstances, a flat claim fee of £25,000 may not be sufficient to cover the Council's full costs, especially with highly complex schemes. In some cases, there may be a need for a professional viability expert or Quantity Surveyors to assess the claims or costs. Generally, as part of the planning process, the Council requires applicants to pay directly for the full costs of any third-party viability reviews in addition to any applicable planning application fee, and a similar approach may be appropriate in this case, especially where significant mediation or further information is required.

The Council also feels that the application fee should be based on cost-recovery and ringfenced for CIL administration, which could include officer time to evaluate the claim, engaging consultants and back-office tasks, the issuing of any statutory notices or correspondence relating to the claim. A one-off fee is appropriate to resource the additional tasks created by the administration of the relief claims, however, a development that has the relief granted will still require the same level of administration compared to now but will have a reduced amount of CIL administration fee available. The Council would therefore suggest that any CIL relief is deducted after the CIL administration fee has been claimed, to ensure that routine CIL administration tasks can continue to be adequately resourced.

It should be noted that if the proposed application fee mirrors admin fee regulations, then it may be lost due to the inability to carry forward money if the claim is received in one financial year, but the work is carried out in a subsequent year.

Question 15: The Government welcomes views and evidence on whether 50 per cent relief for qualifying schemes delivering 20 per cent affordable housing is appropriate, or whether an alternative approach should be considered.

Question 16: The Government welcomes views on whether this approach strikes an appropriate balance and provides a clear incentive for additional affordable housing to come forward.

Requirements for affordable housing in Local Plans, including both the total amount and the mix of tenures, must be supported by robust evidence and tailored to local circumstances. In line with the NPPF and PPG, these requirements should be ambitious yet achievable, demonstrated through thorough assessments such as the Whole Plan Viability Assessment, reviews of past affordable housing delivery, and analysis of housing needs. In this wider context, the Council is concerned that the proposed CIL relief could override well-founded Local Plan policies without adequate supporting evidence.

The Council has submitted comprehensive feedback to the GLA's separate consultation regarding the new planning route. The Council has a number of concerns that this new planning route could undermine robust Local Plan policies by introducing a framework that does not align with clear evidence to support reduced affordable housing requirements across varying local circumstances. This approach risks disregarding the valuable input and time invested by residents during Local Plan consultations, the efforts of Councillors to balance community needs, the collaboration with developers to ensure policy deliverability, and the scrutiny provided through Examination in Public hearings.

Another important issue is that land in London is limited, and once it is developed, it cannot be used again in the short- or medium-terms to build housing on. While there are current viability challenges, developing sites with low levels of affordable housing has an enormous opportunity cost in relation to affordable housing delivery despite demand for affordable homes across London continuing to rise substantially. It is widely recognised that London Boroughs are incurring significant costs for temporary accommodation, representing a further major opportunity cost compared to how those funds could otherwise be allocated. According to a London Assembly report[4], insufficient delivery of affordable housing led to London Boroughs spending £90 million per month on temporary accommodation in 2022/23. The report concluded that sustained investment in new and existing social rented homes is essential to reduce reliance on temporary accommodation and to tackle housing inequalities in London. The proposed new planning route risks undermining progress toward delivering more social rented housing, potentially forcing Councils to depend even more on costly temporary accommodation, which not only strains budgets but also limits the quality of life for families compared to permanent housing.

The Council is especially concerned that the proposals, in isolation, may not address the fundamental issues affecting housing delivery in London. Key challenges include weak effective demand for market housing, as many households struggle to secure mortgages at current price levels, and a decline in international investment, which previously enabled developers to sell many units off-plan to overseas buyers, providing crucial upfront capital and supporting cashflow. Additionally, significant delays with the Building Safety Regulator have left many sites with planning permission unable to proceed. These underlying problems will persist even if affordable housing requirements are reduced. In fact, the Council suggests there is some evidence that increasing the proportion of private housing could heighten risks in the open market, due to the lack of effective demand, potentially discouraging developers from moving forward with their projects further.

If the proposed measures fail to tackle the underlying issues facing the housebuilding sector, they are unlikely to provide meaningful support for developments that are genuinely unviable in the present market. Conversely, these measures may still appeal to developers of sites that are already viable, such as those with recent permissions meeting policy requirements for affordable housing or those exceeding 20% affordable housing through the Viability Tested Route. The Council is concerned that, in these scenarios, rather than encouraging developers to deliver more than 20% affordable housing, the measures may actually prompt some to reduce their contributions to this minimum threshold.

The proposed new planning route also assumes a level of homogeneity in London's development market which is not supported by the available evidence, including the Council's recent Whole Plan Viability Assessment (WPVA) which demonstrates that a majority of likely development typologies in Wandsworth could viably provide an affordable housing contribution at or exceeding existing policy requirements (i.e. 35% or 50%). In summary, 78% of tested typologies could support 35% affordable housing across all benchmark land values which only increases to 87% of typologies at 20% affordable housing. Of those developments that cannot deliver the existing policy

[4] London's Temporary Accommodation Emergency - Housing Committee (2024)

requirement of 35% affordable housing (22% of tests), a vast majority fall within existing uses or value areas which are not expected to make up any significant portion of the Borough's future housing supply, and nearly half remained unviable at 0% affordable housing suggesting a lower affordable housing target is of limited value for viability purposes. In such cases, the time-limited planning route may enable developers to trade viable affordable housing contributions above 20% for abnormal levels of profit. As a whole, the proposal is considered to run contrary to the socioeconomic imperative to meet London's high levels of affordable housing need and the prevailing evidence, including Lichfield's Start to Finish Report (2024), that higher levels of affordable housing help to improve early cash flow, reduce risk and improve build out rates.

For sites capable of delivering more than 20% affordable housing, the combined eligibility criteria for the new planning route and CIL relief could unintentionally encourage developers to limit affordable housing provision to 20% in order to qualify for CIL relief. In some cases, this might even lead to developers abandoning existing permissions that require higher affordable housing contributions. While the Council acknowledges that CIL relief is intended only for developments that genuinely need it to be viable, it remains concerned about the lack of robust testing to ensure this is the case. Overall, the Council feels that the measures need to be better targeted to limit CIL relief to only genuinely 'stalled' sites or those that would otherwise deliver less than 20% affordable housing.

One of the key arguments for a universal affordable housing requirement across London, despite variations in need and viability, has been to embed these policy costs in land prices, which, across London as a whole, helps to improve the capacity of developments to 'afford' higher levels of affordable housing contribution. It has taken considerable time for the affordable housing thresholds set by the London Plan to be reflected in land values, and, notwithstanding the strong capacity of Wandsworth to deliver more than 35%, the Council agrees that delivery Londonwide has improved as a result of this approach. For these reasons, the Council would be concerned over the risk that a new, lower threshold could cause land values to rise again, creating long-term viability pressure. Larger master-planned and phased developments often require many years to progress, with some major planning applications taking over five years to navigate due to their complexity and the frequency of re-submissions. Additionally, land purchases or option agreements are typically made well before the planning process is complete. As a result, the proposed time-limited route, if it causes land prices to inflate, may make it even more difficult to reintroduce a higher affordable housing threshold in the future.

There are also practical difficulties for developments seeking to use the new planning route and apply for CIL relief, as discussed further in later sections. Notably, the new planning route does not allow local authorities to request viability evidence to assess whether a reduced affordable housing contribution is justified, yet developers must still provide such evidence when applying for CIL relief to prove that the relief is warranted. If the intention behind not requiring viability evidence for the new planning route is to minimize bureaucracy and encourage its use, then mandating this evidence for CIL relief effectively reintroduces that bureaucracy. The justification for requiring viability evidence, to ensure CIL relief is only granted to developments that genuinely need it, should also apply to preventing misuse of the new planning route. Furthermore, further detail is required to set out how authorities should respond if the viability evidence submitted for CIL relief indicates that a development could have delivered more affordable housing, or if the reduced affordable housing contribution has simply resulted in higher land values.

It is also recognised that the consultation document proposes to make CIL relief only available to developments which secure at least 20 per cent affordable housing by habitable room. The Council notes that some Section 106 agreements secure the requirement by number of units. This could make practical implementation more challenging and should be clarified.

Question 17: The Government welcomes views on the optimal levels of relief to ensure development can proceed, while maximising CIL receipts and affordable housing delivery.

The Council notes that CIL often represents only a very small percentage of overall development costs, as little as 3-4%. In this respect, the Council would be concerned that the measures as proposed will be ineffective whilst having a range of harmful impacts as set out across our responses.

To better address the objectives of the relief, whilst mitigating and avoiding against potential harms, the Council would recommend assessment of potential alternative measures, such as more flexible arrangements for the phasing or deferral of CIL payments to the later stages of a development. This will improve cash flow considerably whilst not undermining local authorities' ability to properly plan for and deliver necessary infrastructure.

As a more general point, the Council believes that any changes to affordable housing thresholds should be made through a formal review of the London Plan, on the basis of robust and objective evidence. To ensure that affordable housing and CIL delivery are truly optimised to respond to severe and urgent level of needs, it is essential that changes to affordable housing requirements are subject to viability testing, i.e. a Whole Plan Viability Assessment, to ensure they strike the right balance between need and deliverability. At an application level, in the absence of an up-to-date Whole Plan Viability Assessment, it is important that all sites that do not meet the requirements of adopted policies undergo comprehensive viability testing. This approach guarantees that affordable housing provision is maximised and enables authorities to accurately assess the effects of different forms of CIL relief, such as deferring CIL payments, on overall delivery. In the context of these proposals, incorporating comprehensive viability assessment is considered entirely reasonable, particularly given the time-limited nature of the proposed measures, and would promote transparency from developers regarding what can realistically be delivered.

As set out across the Council's responses, the Council does not support lowering the affordable housing threshold. However, if CIL relief is to be introduced, it should only be granted to developments that achieve policy compliance or have first followed the Viability Tested Route (VTR), ensuring that any relief is properly targeted and justified.

Additionally, the Council recommends reconsidering the criteria for grant eligibility outside the new planning route, particularly to incentivise delivery on stalled sites. Under current London Plan policy, grants are only available to be taken into account where sites are already delivering at least 35% affordable housing. Yet, there are cases where developer funding alone cannot achieve this level, even though the site's design could accommodate more affordable housing if grant funding were available. Adjusting the grant threshold could prevent sites capable of delivering more affordable housing from being limited by rigid criteria, and ensure that sites unable to meet the current threshold are not excluded from grant opportunities. This would help maximise affordable housing delivery, especially where viability has been thoroughly tested and confirmed.

Question 18: The Government welcomes views as to whether boroughs should have any discretion in relation to the relief and if so in what circumstances, and how this may work such that robust incentives for additional affordable housing remain.

For the reasons set out in its responses, the Council has some concern that the CIL relief measures as proposed could significantly impact the funding available for delivering local infrastructure projects. To improve the effectiveness and targeted of the proposals, the Council has identified a number of alternatives to a percentage-based relief, which subject to proper assessment, would appear to better target the measures and better mitigate any impact on local infrastructure funding. This includes time-limited relief from CIL indexation, greater flexibility over the deferral or phasing of CIL payments, and relief based on a percentage of development costs.

The Council would support provisions which mean that local authorities have the discretion to reject or limit CIL relief on a site-by-site basis, particularly when granting relief would significantly affect their projected CIL receipts over a defined period, such as the next five years, or when the relief exceeds a certain percentage of expected income. This is especially important if allowing relief would negatively impact the planning or delivery of essential community infrastructure, or jeopardise the feasibility of specific projects which are vital to the deliverability of key projects (for example significant transport improvements vital for public safety) or otherwise identified as priorities in documents like the Infrastructure Delivery Plan.

Additionally, it would be prudent to establish a cap on the total value of CIL relief available, similar to the mechanisms used for affordable housing provision reviews. Such a cap would enable authorities to forecast both best- and worst-case scenarios for lost CIL receipts, supporting more reliable long-term financial planning.

Clear guidance is also needed for cases where developers with existing permissions attempt to resubmit their schemes to reduce on-site affordable housing, even when recent evidence, such as extant permissions or site-specific viability assessments, demonstrates that higher levels of affordable housing are achievable. The Council recommends that developments with recent permissions should not be eligible for the new planning route, and any proposed reduction in affordable housing (and related CIL relief claims) should be subject to rigorous viability testing to prevent manipulation of the system.

Question 19: The Government welcomes views on the appropriate and proportionate level of information that a developer must provide for a scheme in order to be able to qualify for the relief, ensuring that only those schemes which genuinely need the relief are able to benefit from it but avoiding the level of viability testing that would be required under the GLA's Viability Tested Route.

Given the importance of ensuring that CIL relief is only granted to developments that maximise public benefits, and considering the Council's significant concerns about the potential for the proposed measures to create perverse incentives that undermine affordable housing delivery, the Council believes it is essential that eligibility for any CIL relief is determined through a rigorous and transparent viability testing process. Any applications for CIL relief should require a comprehensive, open-book viability assessment, subject to the same level of scrutiny as the Viability Tested Route.

Providing detailed viability information is already a requirement from the GLA to demonstrate value for money when awarding grant funding, particularly for complex schemes, and a similar approach should be adopted here. A superficial or "light touch" assessment would not be appropriate, as local authorities must be able to verify that all assumptions are realistic and that the conclusions drawn are valid.

The Council is concerned that the proposed light touch viability process relies too heavily on trust. The measures appear to limit local authorities' ability to challenge the assumptions or conclusions presented in the viability information, and do not require developers to justify the basis of their assumptions. The proposal references unspecified guidance and standards, which could allow developers excessive flexibility in justifying their positions. The Council would prefer that the Government explicitly specify the guidance or standards that must be followed for viability assumptions.

Additionally, the Council notes that, in some cases, local authorities may have substantial grounds to question the accuracy of the information provided, whether through their own Whole Plan Viability Assessment or recent site-specific viability assessments for the same site. The proposal lacks sufficient detail on how authorities should respond in such situations, and seems to imply that relief should always be granted if the required information and statutory declaration are provided. This could incentivise developers to submit only the minimum information necessary and avoid including details that would allow for thorough scrutiny.

Finally, while the process requires developers to make a statutory declaration affirming the truthfulness of their information, there is no explicit requirement for this declaration to be made by a named individual or someone qualified to do so. The Council believes that any statutory declaration should be made both by a named director of the developer and by a qualified professional, such as a chartered surveyor, who has independently reviewed and validated the information.

Question 20: The Government welcomes views on whether existing enforcement mechanisms for (i) statutory declarations (see section 5 of the Perjury Act 1911), and (ii) prosecution under the CIL Regs (see Regulation 110 of the CIL Regs) for supplying false or misleading information that is required to be provided under those Regulations, are sufficient to deter gaming of the system, or whether other deterrents should be made available? If you think these are not sufficient, please set out your reasons and views on what kinds of other deterrents may be needed, noting the Government's aims of creating a streamlined and certain process.

Please see the Council's response to Question 19 which partially responds also to this question.

Whilst the Council welcomes the inclusion of enforcement mechanisms, it would have some concerns over the adequacy of existing enforcement mechanisms.

Viability assessments are inherently subjective, as each development is unique and the conclusions drawn can vary significantly depending on the assumptions and inputs used. Developers often seek to justify their viability positions by selecting assumptions at the extreme ends of accepted industry ranges. When these are combined, they can present a more conservative picture that favours the developer, yet each individual assumption remains within the bounds of what is considered acceptable and thus is difficult to dispute objectively. In reality, not all these assumptions will be as conservative when applied, meaning developers may achieve greater returns than the viability assessment suggests.

Unlike CIL charges, which are mandatory and straightforward to enforce due to their limited variables, viability is a dynamic field. Assessments can become outdated in as little as six months. The inclusion of grant funding in schemes can help establish clear, enforceable milestones, such as the commencement of a set number of homes. It is therefore important that information provided in viability assessments is both genuine and realistic.

Currently, viability requirements are tied only to the validation checklist, which restricts the extent to which local authorities can mandate that more than the bare minimum amount of information is provided. Introducing stricter requirements for the information that must be supplied would help accelerate the viability process and ensure that the data provided is sufficiently accurate for the Council to make informed decisions. This would also ensure that any relief granted is limited to the minimum necessary for the development to proceed.

Prosecution under the CIL Regulations (Regulation 110) would be inherently difficult, particularly in the context of subjectivity and the significant legal costs for local authorities of pursuing this route of enforcement. Reliance on statutory declarations would therefore introduce an unacceptable level of risk for local authorities.

Question 21: The Government is interested in obtaining views on the suitability of the proposed process for securing the relief. The process is intended to provide consistent, timely and proportionate decision-making, whilst ensuring that applications for relief are robust and honest. We welcome feedback on whether these steps are practical and effective in supporting the intended outcome.

The Council is concerned that the proposed process for securing relief is aimed at helping to both: (a) unlock schemes with existing permission which have subsequently stalled (and therefore not commenced); and (b) incentivise new schemes to come forward which may not have done so, absent any relief, however there is no effective mechanism to limit the eligibility of developments which could have come forward without the relief, including at a higher level of affordable housing, beyond a light touch viability process which the Council has raised a number of concerns about.

The Council would highlight the need for a clear and objective definition of what constitutes a “stalled” site. Currently, there is no distinction between sites that are genuinely stalled due to viability issues and those that have been intentionally delayed to take advantage of new measures. Establishing a robust test for identifying genuinely stalled sites is essential to prevent developments that could proceed without additional support from benefiting inappropriately from these measures.

To ensure local authorities can make well-informed decisions, it is crucial that they receive high-quality, timely information. The Council maintains that any CIL relief should be based on a comprehensive and transparent viability assessment, rather than a superficial, trust-based process. Authorities should also be provided with details on the underlying causes of reduced or worsening viability, especially if conditions have changed since planning permission was granted. This level of detail would enable more accurate and fair decision-making.

Additionally, the Council notes that some phased developments may not be “stalled” as a whole but could still seek relief for later phases, which may not even be residential. Therefore, a precise definition is needed to address such scenarios.

The Council also recommends that non-material amendments and Section 73 applications should be excluded from eligibility for relief. Allowing these could create excessive administrative burdens and, in cases where CIL has already been paid, might even require councils to refund CIL that has already been received and allocated to spend, potentially putting local authorities at financial risk.

Finally, the Council would welcome clarity around the definition of ‘commencement’ in this context. For example, should commencement be defined as a material operation under Section 56(4) of the Town and Country Planning Act 2010? Determining the exact timing of commencement, especially for sites starting close to expiration deadlines, can be complex. Consideration should be given to whether evidence of commencement is required and whether commencement must be lawful, as current CIL regulations do not specify this. These issues require clarification in any updated regulations.

Question 22: Are you supportive of the overall approach proposed to securing relief?

The Council has a number of practical concerns about the overall approach proposing to securing relief. If any process for claiming CIL relief is taken forward, the Council feels strongly that this should be contingent on the provision of detailed viability evidence which is available for the Council to scrutinise and which justifies relief at the minimum possible level in relation to both affordable housing and CIL. Whilst the

Council opposes the proposed measures, including the time-limited planning route being separately consulted on by the GLA, the Council considers that the requirement for detailed viability evidence would at least go some way to reducing gameability within the system, and mitigating some of the likely harms of the measures in relation to reduced affordable housing delivery and diminished infrastructure funding.

It may also be that local authorities are forced to delay spending on community infrastructure in case applicants seek future changes which generate a claim for relief. This could mean necessary apprehension in spending any CIL received until the Council is fully confident that this CIL will not need to be refunded. This will create a complex administration process for the Council which will make forecasting and spending on infrastructure far more complex, especially when forecasting likely CIL receipts from larger sites.

Question 23: Do you foresee any challenges with particular aspects of the approach proposed to securing relief? If so, how might these be overcome?

The Council is concerned about its ability to ensure relief is justified whilst ensuring it represents the minimum level of relief needed to allow a site to be delivered, especially given the proposed light touch approach to viability. As set out in its responses to Question 19, the Council considers it vital that this is a robust process to avoid unjustified and unnecessary reductions in affordable housing delivery and CIL receipts, where these reductions have no material bearing on whether the development comes forward but are rather converted into abnormal profit. The Council's view is that any relief should be fully justified and that all opportunities for grant should be fully considered before any relief is provided.

Question 24: The Government welcomes views on appropriate clawback provisions to ensure schemes which benefit from the relief contribute to urgent housing need. 21 This will include clawback of relief if an incorrect/false statement is made about the viability evidence which is submitted to justify the need for relief from CIL.

The Council welcomes, in principle, the concept of clawback provisions. However, it is a concern that this could place additional administrative burdens on local authorities to administer repayment of outstanding CIL through a clawback mechanism, as well as wider enforcement officers.

The Council considers it may be preferable to only allow the assessment of relief to take place once the planning application is at an advanced stage with the amount of relief considered as part of a detailed viability assessment which also includes identifying affordable housing and any grant opportunities. Once this process has been carried out, the Council's view is there should not be any further opportunities to claim relief except through a further detailed review mechanism which would be set out in the legal agreement. This would avoid the need for continuous re-evaluation of CIL relief claims because of, for example, variations which seek to amend affordable housing levels. If an applicant is using the 20% Viability Tested Route, as referred to above, they would need to agree to an early, mid and late review mechanism and only at those points should any further relief be considered. This would allow for proper and holistic consideration of the wider impacts of any CIL relief on cash flow, interest paid over the course of the development and levels of affordable housing.

There is currently a lack of clarity in the proposals over the length of clawback period – whether this would be 7 years as per current CIL Regulation provisions or whether a longer timeframe is warranted to reflect affordable housing secured in perpetuity.

Question 25: Are you supportive of the overall approach proposed to administering the relief?

As mentioned above, the proposed approach will be an additional and new process for local authorities which are already under pressure to meet a range of demands and subject to national skills shortages. Widespread claims for relief are likely to cause delays through a significant increase in workloads to administer the relief process to essentially agree a reduced income. All applications for relief should therefore be accompanied by their own fee to avoid multiple applications being made with the Council unable to charge any more than the flat rate fee. As set out above, the £25,000 fee proposed could in some cases be inadequate where a complex claim for relief requires third-party validation.

Administration of CIL relief would present an additional demand on resource on top of routine CIL administration tasks which would still need to be undertaken. Under the proposals as drafted, up to 5% admin fee permitted by the Regulations would be reduced to 5% post CIL relief. It is essential that up to 5% of borough CIL pre-relief is retained for core administrative functions to ensure capacity to deal with business as usual.

Question 26: Do you foresee any challenges with particular aspects of the approach proposed to administering the relief? If so, how might these be overcome?

The Council has a number of practical concerns over the proposed approach that would benefit from additional clarity.

To ensure the process is effective, it is essential to provide a clear list of required information for relief claims, along with explicit criteria for when a council can refuse an application, such as cases where the submission is of poor quality, lacks evidence, or is prepared by an unqualified consultant. If a claim is rejected due to inadequate information, the Council should retain the claim fee.

Further clarity is needed regarding the consequences of a rejected claim. Regulations should specify whether a refusal is final or if developers are permitted to re-apply with improved information or appeal, and if so to whom. If re-application is allowed, it should be clear whether a new claim fee is required.

Additionally, the process for handling rejected claims must be clearly defined, including whether there is a right of appeal or if disputes must be resolved through judicial review. Any escalation procedures should be thoroughly considered to avoid ambiguity.

Finally, it may be appropriate for relief assessments to occur only when a review mechanism is triggered, ensuring that claims are evaluated at the most relevant point in the process.

Question 27: Do you foresee any challenges with the proposed implementation process?

The Council considers that whilst the proposed measures will be time-limited, they will nevertheless be subject to differing interpretations and a degree of learning. It is not clear who is expected to carry the burden on educating claimants on the process required or mediating disagreements. Notwithstanding the proposed claim fee, there is a likelihood that the relief will generate a significant additional demand which will redirect Council resource away from business-as-usual tasks and which may affect performance in these areas.

It should also be made clearer whether the intention under the monitoring process outlined at Paragraph 5.2 is for the Government to challenge decisions made by local authorities or what recourse is being considered if they determine that local authorities are not dealing with processes uniformly.

Question 28: The Government welcomes any views on other ways that developers could be supported through the CIL system to bring forward developments.

As mentioned throughout the Council's response, the Council recommends considering other routes prior to percentage-based CIL relief to ensure that any relief is better targeted, more proportionate and avoids negative impacts on the ability to fund and deliver much-needed infrastructure. These other routes could 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.

However, it is important that these alternatives, plus considering the role of grant, are properly modelled out for every specific scheme to ensure local authorities have confidence that benefits are strictly necessary, justified and proportionate to the case.

Part Two: Mayor Call-In Criteria

Question 29: Do you agree with the new PSI category of 50 homes or more? Please state why.

The Council acknowledges the intention behind introducing a new PSI category for developments of 50 homes or more, which aims to provide the Mayor with greater powers to address London's housing needs, particularly by accelerating affordable housing delivery. However, the Council believes that planning decisions should remain as local as possible, guided by community input and the democratic process. Local Plans, developed by individual Boroughs to reflect community needs, should be the primary basis for decision-making.

The Council is concerned that setting the PSI threshold at such a low level risks centralising routine decision-making, undermining locally-driven plans, and displacing genuine community involvement. Most developments of this size are not truly strategic, and allowing the Mayor to call in non-strategic applications could discourage applicants from engaging meaningfully with local priorities or negotiating improvements to their schemes. This dynamic may also delay the delivery of new homes, as applications that could have been resolved locally may instead be subject to further review.

Additionally, routine use of the new PSI category would increase the workload for the Mayor and the GLA, raising concerns about whether there is sufficient capacity to process these cases efficiently, especially given the shortage of qualified planners across London. Evidence suggests that the Mayor’s involvement often leads to longer determination times.

The statistics cited to justify the new PSI category indicate that only a small number of applications would have been affected since 2021, with a low refusal rate and limited successful appeals. In Wandsworth, for example, the Council approved 92% of major residential planning applications in 2024/25, demonstrating a positive approach to growth. The Council notes that the rationale for the new PSI category therefore does not appear to be based on evidence of widespread unreasonable refusals by Boroughs, nor on a clear need to improve decision-making quality.

In the context of the GLA’s wider proposals, there is some concern that the category may be used to enforce compliance with lower affordable housing requirements proposed under the GLA’s new planning route. In summary, the Council’s response to the GLA’s consultation raises concerns that the new planning route lacks sufficient targeting and, in a Wandsworth context, risks enabling developers of more viable sites to reduce affordable housing contributions where this is not required to make the development viable. The absence of a robust evidence base and clarity on the envisaged impacts of the new route is a further matter of concern.

The Council therefore cautions against any assumption that the new PSI category can be used in tandem with the new planning route. Any use of the PSI category must be transparent, evidence-based, and clearly justify any departure from adopted development plans including the London Plan itself, especially where available evidence suggests that the new planning route is not maximising affordable housing on a particular site.

Question 30: Do you agree with the streamlined process for the new PSI category? Please state why.

Although the Council has raised concerns in response to Question 29, it does not have specific objections to the proposed procedures for the new PSI category. The Council supports aligning the process for this new category with established procedures, provided it is restricted to C3 residential developments and only applies in situations where the Council has already decided to refuse the application. The Council believes it is inappropriate for call-in powers to be used before the Council has reached its own decision on an application.

The Council notes that, unlike other PSI categories, the Mayor would not be required to consider the application to have an impact on more than one Borough in order to utilise his powers of call-in. As set out in its comments under Question 29, the Council is concerned that the new PSI category gives the Mayor opportunities to centralise decision-making on applications which are clearly not of a strategic nature and considers that the proposal that applications need not impact on more than one Borough is further evidence of the non-strategic nature of many applications at this scale.

Question 31: Do you agree that development in Category 3D of the Schedule of the Mayor of London Order 2008 should be brought into scope of the Mayor's call-in power? Please state why.

No, the Council does not consider it appropriate for development in Category 3D (i.e. Green Belt or Metropolitan Open Land) to be brought into scope of the Mayor's call-in powers.

The Council considers that the existing provisions within the Mayor of London Act already strike a balance between empowering local planning authorities to take decisions locally whilst enabling strategic input from the Mayor by allowing him to offer views on a proposal upon submission and to direct authorities to refuse applications prior to a decision being taken.

The Council's view is that it is important that individual Boroughs are equipped and entrusted to take decisions relating to the Metropolitan Open Land locally, both in terms of plan-making and decision-taking. Boroughs will be guided by relevant national policy, London Plan policy and local policy. The proposed threshold of 1,000 sqm is considered extremely low and could be the equivalent of as few as 10 homes. Applications at this scale could not reasonably be considered strategic and their call-in risks the greater centralisation of decision-making, displacement of community-driven Local Plans and the undermining of local decision-making. The provisions would also undermine the primacy of the plan-making process for considering whether alterations to Metropolitan Open Land are justified and is likely to lead to greater amounts of speculation by developers who may consider that the Mayor may apply policy differently to the Borough.

Part of the justification provided for expanding the Mayor's call-in powers is that it will enable the Mayor to secure high quality development on low quality Metropolitan Open Land. However, there is no explanation provided in the consultation document as to why individual councils would be unable to secure this high-quality development themselves, through their Local Plans and decision-making, guided by the same national, regional and local policy as the Mayor. Part of any justification might have been clear evidence that Boroughs were taking decisions on Category 3D land which are being routinely overturned on appeal, and that therefore reasonable opportunities to accelerate housebuilding in London on suitable sites were not being taken, however no such evidence is provided. As a result, there is considered to be no justification for expanding the Mayor's call-in powers to include Category 3D land, particularly at such a low threshold, and, in the absence of any justification, the Council would not support measures which undermine the primacy of local decision-making.

Question 32: Do you have any comments on any potential impacts for you, or the group or business you represent, and on anyone with a relevant protected characteristic that might arise under the Public Sector Equality Duty as a result of the proposals in this document? Please provide details.

The Council is concerned that the proposed measures, along with related initiatives from the GLA, may have a disproportionate negative effect on individuals with protected characteristics. This risk primarily arises from potential reductions in both affordable housing delivery and CIL funding. If these measures result in less affordable housing or a decrease in community infrastructure due to lower CIL receipts, the Council believes there is a significant chance that people with protected characteristics will be disproportionately affected.

Additionally, the Council notes that the consultation lacks an assessment of the likely potential impacts on these groups. Much of the justification for the measures appears to rely on subjective assumptions that they will increase affordable housing or CIL, rather than on robust evidence. As highlighted in the Council's responses, there have been missed opportunities to better target these measures so that only developments that would not otherwise proceed benefit, making it likely that the changes will instead reduce affordable housing and CIL contributions where such reductions are not justified.

The Council recommends that Equality Impact Needs Assessments (EINA) should be used to thoroughly evaluate how the proposed measures might affect those with protected characteristics. Before implementing any measures, the Government should publish an EINA for public review. Any EINA should address both the short term and long term impacts of proposed policy as whilst the provisions themselves are time-limited, the potential impacts on affordable housing stock and community infrastructure provision could be longer lasting.

Question 33: Is there anything that could be done to mitigate any impact identified?

As above, the Council considers that the Government should produce and publish an Equality Impact Needs Assessment to consider the likely impact pathways of the proposed measures on those with protected characteristics.

The Council has identified within its response a range of opportunities to better target the proposed measures.

Question 34: Do you have any views on the implications of these proposals for the considerations of the 5 environmental principles identified in the Environment Act 2021?

The Council notes that the measures proposed are not predominantly relevant to the Environment Act 2021 or the outcomes that the five environmental principles seek to achieve.

However, in relation to the proposal for CIL relief, the Council would note that it is possible that any significant degree of lost CIL revenue could potentially jeopardise the delivery of planned infrastructure projects which would help to mitigate impacts of development on the environment, whether directly or indirectly, including in relation to biodiversity, outdoor recreation, climate change, air quality or river-works. The inability to deliver such works may therefore undermine the principles set out in the Environment Act 2021 if it is not possible to fully mitigate the impacts of development on the environment. The Council would therefore encourage the Government to undertake further analysis of the impacts of the proposals on the environment, potentially in the form of Strategic Environment Assessment, Habitat Regulations Assessment or Environmental Outcome Report and make this available for public scrutiny.