



HM Government

MAYOR OF LONDON

To: Housebuilders and Registered
Providers operating in London

Rt Hon Steve Reed OBE MP
*Secretary of State for Housing,
Communities and Local Government*

Sir Sadiq Khan
Mayor of London

25 March 2026

Dear Colleagues,

HOMES FOR LONDON: A TIME-LIMITED PACKAGE OF SUPPORT FOR HOUSEBUILDING IN THE CAPITAL

There is an urgent need for more housing, especially social and affordable housing, in London. But housebuilding is facing a perfect storm: the long tail of the Covid-19 pandemic, high but falling interest rates, record construction costs, planning and regulatory complexity, dampened demand and poor site viability have stalled sites and pipelines across the capital. Despite a strong record of delivering more council homes than at any time since the 1970s, and completing more new homes since the 1930s before the pandemic, the scale of the challenge we face means further action is required to improve viability and unlock stalled delivery. We know too well that a lack of housing supply has serious impacts, with one child in every average London classroom living in temporary accommodation, and too many Londoners struggling to afford a home where they live and work.

As you will know, in October 2025, we set out collectively a time-limited package of emergency measures to support London housebuilding. These reforms are intended to deliver more homes of all tenures, including social and affordable homes. Following consultations that launched in November, the Government and the Greater London Authority (GLA) have worked in partnership to consider the feedback from housebuilders, registered providers, boroughs and wider organisations to shape a final package that aims to maximise the number of schemes that can take advantage of the measures. May we take the opportunity to thank you for all of your engagement on the package.

Today, we are confirming this package, which will provide targeted, time-limited support to improve the viability of schemes and get quicker approvals on new housing schemes across every borough. This tailored London approach is focused on taking urgent action to accelerate housebuilding, including crucially the delivery of social and affordable housing.

Summary

The package comprises:

- 1. A new time-limited planning route, enabling developers to secure permission without a viability assessment on private land where they commit to at least 20 per cent social and affordable housing, with providers able to apply for GLA grant to support social and affordable homes above the first 10 per cent of the total homes on the site. Certain**

elements of the proposed planning route have been adjusted. The route will now be open to applications submitted and validated by 31 March 2028, by which time the new London Plan is expected to have been adopted. The Late Stage gain-share mechanism has also been replaced by an Early Stage Review – aligning directly with the GLA’s current Fast Track Route – with no further reviews required beyond this. The Early Stage Review will be triggered where an agreed build out milestone is not met within a stipulated time period – with a default position comprising of a build out milestone of a first-floor slab to be achieved within 30 months starting from the grant of planning permission. Flexibility will also be allowed for boroughs and housebuilders to agree differently defined build out milestones and time periods for achieving this milestone – appropriate to the circumstances of the site and reflecting the imperative to incentivise starting construction and housing delivery. If triggered, the ESR will ensure greater levels of social and affordable housing are delivered if economic conditions improve. Full details are confirmed and set out in the Homes for London summary note and the Mayor of London’s Support for Housebuilding London Plan Guidance.

2. **Temporary and targeted partial relief from the Community Infrastructure Levy (CIL) for eligible schemes, with higher levels of relief for schemes providing more than 20 per cent social and affordable housing.** This emergency relief will now apply to eligible schemes commencing before 31 March 2030, with further simplified requirements and processes to access the relief and get schemes moving. The Government remains committed to the benefits of the CIL regime for delivery of local infrastructure over the long-term. We intend to consult on the draft CIL amending regulations as soon as possible in the Spring.
3. **The removal of elements of London Plan Guidance that, as currently applied, can constrain density** – including standards relating to dual aspect and units around the core, and amendments to cycle storage requirements. These measures signal a direction of travel. As the new London Plan is developed, the GLA will give active consideration to the effectiveness of continuing these measures, using this to inform emerging policy, together with the Government’s finalised proposals arising from the National Planning Policy Framework consultation.
4. **Expanding the Mayor’s planning call-in powers** – with the Government bringing forward secondary legislation immediately so new powers come into effect in May. This builds on wider action being taken through the English and Devolution Community Empowerment Bill, such as streamlined Mayoral Development Order powers, to give mayors the powers they need to accelerate housing delivery and economic growth.
5. **An initial allocation of £324 million to establish a City Hall Developer Investment Fund**, which will prioritise interventions on stalled sites that can deliver housing completions as soon as possible.

Further details can be found in documents we have published today including:

- A summary of the overall package in this joint policy note [here](#);
- The GLA London Plan Guidance and consultation response [here](#);
- The Government consultation response [here](#).

Alongside these measures, housebuilding in London has been particularly affected by unnecessary delays and processes relating to the new Building Safety Regulator (BSR). While we

will continue to make progress, under new leadership the BSR is already driving stronger operational performance, while maintaining safety standards for residents, with the clearance of almost all legacy Gateway 2 cases and over 10,500 new homes approved nationally in the past 12 weeks, including 3,800 new homes approved across London.

Maximising social and affordable housing on schemes with planning consent

We have acted to introduce these emergency measures with the primary objectives of unlocking and accelerating housebuilding, including the delivery of social and affordable housing. It is recognised that, in some cases, there will be existing consents at higher levels of social and affordable housing than the 20 per cent minimum proposed via the Time Limited Route. We will not stand by while the supply of social and affordable housing dries up. That means where such schemes are unviable and therefore stalled – in keeping with the stated objectives of the emergency measures – immediate steps should be taken to get these schemes moving and accelerate the delivery of homes for Londoners.

Developers and local planning authorities should first work together to maximise social and affordable housing on schemes where planning consents are already in place. This includes seeking grant to avoid any potential reductions in social and affordable housing – with the potential to secure grant above the benchmark grant rates set out in the GLA's Local Plan Guidance for projects where it provides value for money to do so. The GLA Housing & Land Team will prioritise strategically important schemes with extant planning consent in grant discussions.

Where schemes have not commenced, applicants should also factor in the availability of the proposed time-limited emergency CIL relief – noting that this relief should be granted if schemes meet the eligibility criteria and commence after the proposed regulations are in force. Applicants should make clear their intention to apply for relief in grant discussions – this information will ensure the grant of relief will be quick and streamlined when the applicants come to formally apply to the relevant borough.

Having explored the availability of grant and factored in the available CIL relief, it may remain necessary to amend the scheme due to remaining viability challenges. As the GLA's Support for Housebuilding LPG makes clear, applicants who seek to amend their schemes in line with the terms of the new time limited route would not be expected to submit any viability assessment. In such instances, applicants would need to seek a deed of variation to the Section 106 agreement and submit a Section 73 application where amendments to conditions are required. Again, the Government and Mayor are clear that ensuring schemes progress and housebuilding is accelerated is the priority, and local planning authorities are strongly encouraged to support applications that meet these minimum levels of social and affordable housing, and conform to the eligibility criteria under the time limited route.

Viability Tested Route

The Viability Tested Route remains open for schemes that are unable to meet the criteria of the Time Limited Route, including the minimum 20 per cent social and affordable housing threshold. Unlike the Time Limited Route, as set out in London Plan Policy H5, schemes going through the Viability Tested Route are required to provide viability information to determine the maximum viable level of social and affordable housing at application stage. These are subject to viability reviews at different stages of the development process to assess whether additional social and affordable housing can be provided over the lifetime of the development.

The Government is clear that where applicants seek to amend their planning obligations under the Viability Tested Route through a Section 73 application, local planning authorities should scrutinise such applications carefully, and the applicant should provide a robust justification for any changes proposed for planning obligations associated with the original permission beyond those linked to the specific variation of condition being sought. Where developers submit a Section 73 application that seeks to reduce affordable housing provision based on a new viability assessment under the Viability Tested Route, the decision maker should give appropriate weight in the planning balance to the harm that such a reduction may cause alongside the wider merits of the scheme – and applicants must evidence that they have properly considered the availability of grant and the CIL relief.

As set out in December last year, alongside ongoing work relating to the implementation of Section 73B of the Levelling-Up and Regeneration Act 2023, the Government intends to undertake a wider review of the statutory framework for modifying or discharging existing planning obligations. To inform ongoing work, we sought views on the efficacy and use of section 106A and section 73 through the consultation on the National Planning Policy Framework (NPPF) which closed on 10 March and will be considered separately.

Next Steps

Taking all of these changes together, we are confident they will help unlock stalled schemes and enable more social and affordable housing to be built across London. We now ask you to review your pipelines and identify schemes that can benefit; work proactively with borough planning teams to progress applications; and engage openly with the Government and the GLA where further support may be helpful.

This moment is a chance to boost delivery in London, and the success of this package will depend on ambitious, collaborative action across the sector. Only by working together to make the most of these changes will we deliver the homes London need; we stand ready to work with you to accelerate delivery across London.

It is incumbent on us to use this opportunity and we look forward to working in partnership to build the homes that Londoners desperately need.

Yours sincerely,



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