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Planning Policy Consultation Team
Consultation on London Housing
Emergency Package
Planning Directorate
Ministry of Housing, Communities and Local
Government
Third Floor SE, Fry Building
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Sent via email

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

CONSULTATION ON SUPPORT FOR HOUSEBUILDING IN LONDON

The London Borough of Richmond upon Thames (hereafter referred to as 'The Council') are pleased to present you with our response to your consultation which seeks views on the Government's proposals relating to temporary CIL relief and changes to the Mayor of London's call-in powers.

The Council recognises that housebuilding in London is experiencing a period of challenge, characterised by build cost inflation, difficulties in the sale of market housing, high interest rates and delays with the Building Safety Regulator. The Council wishes to emphasise that it would support the principle of well-targeted, proportionate and effective measures to support the delivery of the right types of housing in the right locations.

The Council itself is playing its part in delivering growth, in a sustainable way, focussed on the types of growth that our local communities need. Richmond, as a Borough, is relatively constrained, with over two-thirds of our land area covered by national and international environmental designations. Nevertheless, through our recently adopted [Richmond Local Plan \(2025\)](#), the Council is committed to delivering significant levels of growth, alongside vital community infrastructure.

The Council has also prepared a [Housing Delivery Test Action Plan](#) which includes detailed analysis of the root causes of current housing delivery challenges and identifies a range of positive actions the Council is taking to increase housing delivery. This includes securing Registered Provider status to enable the Council to directly deliver more affordable housing, exploring opportunities to increase Housing Capital Funding to incentivise housing delivery

(having already committed £12.4m over the next five years) and working with partners across the development industry to understand both site-specific and more general challenges affecting delivery and working to address these challenges from an early stage.

In this wider context, the Council wishes to express a number of concerns over the proposals set out in this consultation whilst identifying a number of alternative measures which we feel would better target, justify or moderate the measures in aid of their wider objective to support housebuilding in London.

Relief on Borough CIL

Borough CIL makes up an exceptionally small proportion of overall development costs and the Council therefore considers it is doubtful whether the measures will be effective at unlocking stalled sites. However, cumulatively, Borough CIL is a vital source of funding for delivering the community infrastructure upon which healthy, sustainable and cohesive communities depend. London Councils have estimated the potential loss of CIL across London being in the region of £45m to £100m per annum. This significant loss of funding could have severe impacts on local communities where it means infrastructure that is already committed, planned or otherwise crucial to the principles of sustainable growth must be delayed or cancelled entirely.

The Council feels there is also reasonable doubt as to whether CIL relief will effectively address any of the root causes of current housebuilding challenges, including the fundamental lack of effective demand for market housing, wider rising costs and ongoing delays with the Building Safety Regulator. Where these challenges remain, the Council considers it unlikely that build out of genuinely stalled sites will materially improve in the short-term. Furthermore, the proposals create uncertainty which readily risks the unintended consequence of delay, including for sites which could viably progress with delivering a higher quantum of affordable housing and community benefit through CIL without additional public subsidy.

The Council is also concerned that the proposals for CIL relief are inadequately targeted to genuinely stalled sites. The light touch viability process envisaged is unlikely to be effective at reducing gameability in the system given that it is based very heavily on trust, discourages scrutiny and lacks enforceability. The Council considers that any viability review ought to be thorough and genuine, so that authorities and local communities have confidence that any relief granted is exceptionally required and limited to the minimum relief required.

Having regard to these concerns, the Council has worked with partners to identify a number of ways in which the measures could be made more effective. These 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.

Mayoral Call-in Powers

In relation to changes to the Mayor's call-in powers, the Council considers it important that planning decisions are made at a local level, guided by community-led Local Plans.

In this regard, it is concerning that the call-in thresholds proposed fall far below the level that can reasonably be considered strategic, risks a centralisation of decision-making that undermines local democracy and the primacy of community-led Local Plans and is not aligned with the experience locally which shows that decisions which go to the Mayor often take considerably longer to determine. In Richmond, the latter point is well-evidenced with recent examples of the Stag Brewery and Homebase (North Sheen) developments. The Council would encourage the Government to instead work with individual Councils to support their ability to make good quality and timely planning decisions at a local level.

We thank you for the time taken to review our detailed comments, attached, which we hope will be used to influence the development of these proposals. We have also worked with a range of partners, including London Councils, to develop their own responses, which we support.

We remain committed to delivering sustainable growth in Richmond and are happy to work with you and your department to review and refine these measures so that they can be made better targeted, justified and more effective.

Yours Sincerely,

Cllr Julia Neden-Watts
Deputy Leader and Chair of the Environment, Sustainability, Culture and Sports Committee

cc

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