

A photograph of a modern, multi-story apartment building with a grey brick facade and numerous balconies. The building is set against a sky with a gradient from blue to yellow. A large blue curved shape is overlaid on the left side of the image, containing the text.

Portland

**From vision to viability:**  
Making the numbers  
work in Labour's era  
of housing reform

A Portland Intelligence Report

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# Introduction

*Housing and planning are set to define the early years of this Labour government. With a target of 1.5 million new homes this Parliament, housebuilding is a litmus test for delivery, economic growth and political credibility.*

But across the industry, the message is clear: it's a struggle to get the numbers to stack up. High construction costs, supply chain strain, labour shortages and a slow-moving planning system, despite recent reforms, are making financial viability – that is, whether it makes commercial sense for a developer to build a development – the single biggest barrier to getting spades in the ground.

Even sites with planning consent are stalling – not for lack of ambition, but because that ambition often runs up against tough commercial realities. These challenges are surfacing just as public and political expectations are rising.

Labour's dual commitment to growth and fairness is intensifying the pressure on developers already navigating a complex and uncertain environment.

At Portland, we've convened voices from across the development sector to explore practical solutions to unlock delivery.

With attendees from across the development sector, including private housebuilders, trade associations and local government, we identified where policy, planning and finance can better align to turn consent into delivery and get stalled sites moving.

This report sets out the current landscape, the risks that must be addressed and the opportunities to work in partnership on a path forward.

# Foreword from James Bevan, Former Labour Special Adviser



*Economic growth is central to Chancellor Rachel Reeves' agenda – and housebuilding is seen as one of the fastest routes to get there.*

*New Housing Secretary Steve Reed has also promised to 'leave no stone unturned' in a bid to 'build, baby, build'.*

But Labour also has a strong commitment to social justice. For many on the soft left, fairness and social value are central to any planning regime. Yet to deliver at scale, the government may have to weigh those priorities against the commercial realities facing developers. That tension sits squarely within Reed's brief.

The recent package of measures to support housebuilding in London, with a headline reduction of the affordable housing target to 20%, is a good case study. It was a politically difficult decision, but one that reflects the reality of what Sadiq Khan described as a 'perfect storm' of high interest rates, rising construction costs and the lasting impact of the pandemic.

The test now is whether it will succeed in driving delivery in London and consider what further steps may be needed to support housebuilding across the rest of the country.

Labour MPs will be mindful of what their constituents think – not least because the 2024 election delivered more marginal constituencies than any in recent decades. For many backbenchers, defending contentious decisions to support delivery will be politically difficult – reinforcing the pressure on ministers to strike a careful balance.

Polling shows the public backs more homes nationally (69%) and even locally (62%) – particularly younger people, renters, and Labour voters. But support drops if affordability or community benefits are stripped out. Just 27% favour loosening affordable housing rules, even if it means building more.

This puts Labour in a bind. The appetite to build is there, but not at any cost. The public wants homes, but paired with infrastructure, green space, and fairness. And only a third believe the planning system is effective – so fixing that will be key.

Political pressure is growing. Recent Portland polling for [The Battles Ahead](#), part of our *Starmer's Britain* series, found that 56% of voters believe the government has had enough time to deliver change. The 1.5 million homes pledge is now a key test of credibility – and delivery will matter more than intent in the months ahead.

This report explores the current landscape: the squeeze on viability, the early moves on planning reform, and the political trade-offs ministers must now navigate. The solutions aren't simple. But understanding the risks – and the opportunities – is the first step to moving forward.

At Portland, we bring together deep policy insight, public opinion research and strategic advice to help our clients engage effectively in this new era for development. Whether shaping the debate or unlocking delivery, we're here to help.

# Foreword from **Bhakti Depala,** **Director, Savills**



*It was a real privilege to chair this roundtable on the viability challenge in housing development. This report captures the outcomes of a discussion*

*that brought together leading voices from across the industry to explore how we move from vision to viable delivery.*

Success will come from bold collaboration between industry and government. At Savills, we are keen to have these conversations, to talk about practical measures for how we can work together to remove barriers that stifle innovation and action.

We explored the real obstacles to delivery, from planning and regulatory hurdles to macroeconomic pressures and workforce capacity on the ground. Design-focused policies must enable flexibility; rethinking viability and reforming CIL are essential to unlocking stalled sites. Skills and workforce capacity are also critical to maintaining momentum in housing delivery. Without action, even well-designed policies risk being undermined. Taking a holistic approach will help us avoid future bottlenecks and ensure that homes continue to be built.



# Insights from Portland Research

Ahead of the roundtable, Portland's British Polling Council accredited research team interviewed over 1,036 UK adults to better understand public perception towards development and potential solutions to the viability challenge.



*Public support for new homes remains strong, but confidence in delivery is weak. Only a third of people think the government can*

*meet its 1.5 million homes target, and that doubt extends to many Labour voters.*

People also understand the pressures behind the slowdown. They point to high costs and planning delays as the main barriers, but remain cautious about relaxing affordable housing rules. That tension makes the politics of viability as challenging as the economics.

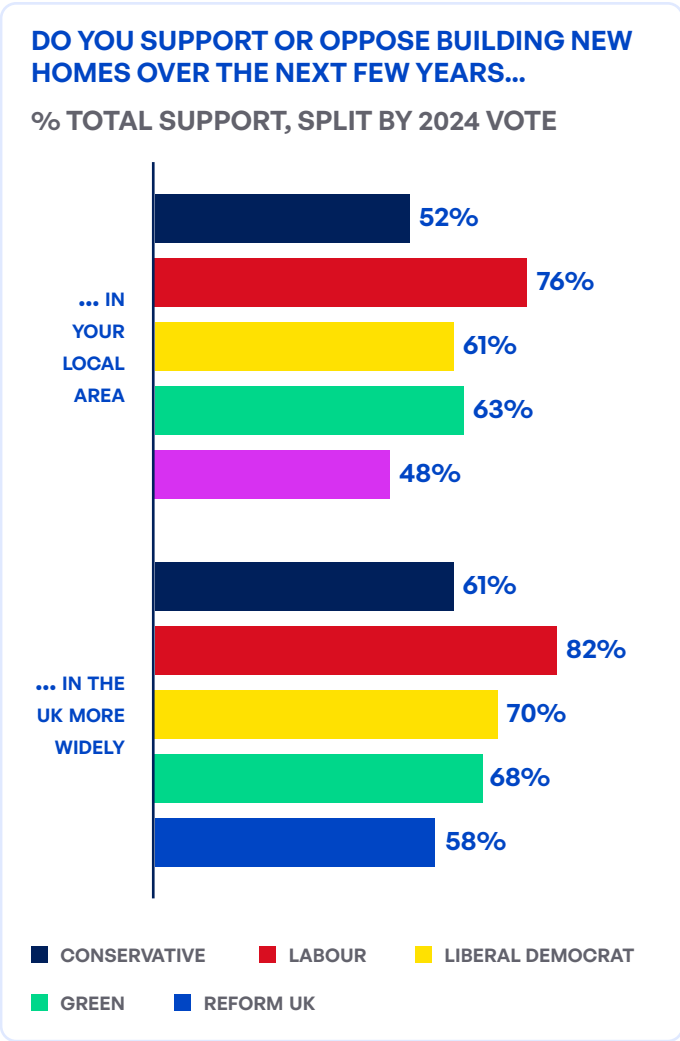
**Dan Townshend,**  
**Director and Head of Research, Portland**



# Polling shows people want homes...

There is strong national consensus (69%) in favour of more homes being built across the UK. Local support, while lower (62%), still constitutes a clear majority – undermining the common political narrative that housebuilding is a vote-loser at the constituency level.

This support for development is consistent across the political spectrum, with more supporters than opponents of development across the five major parties.



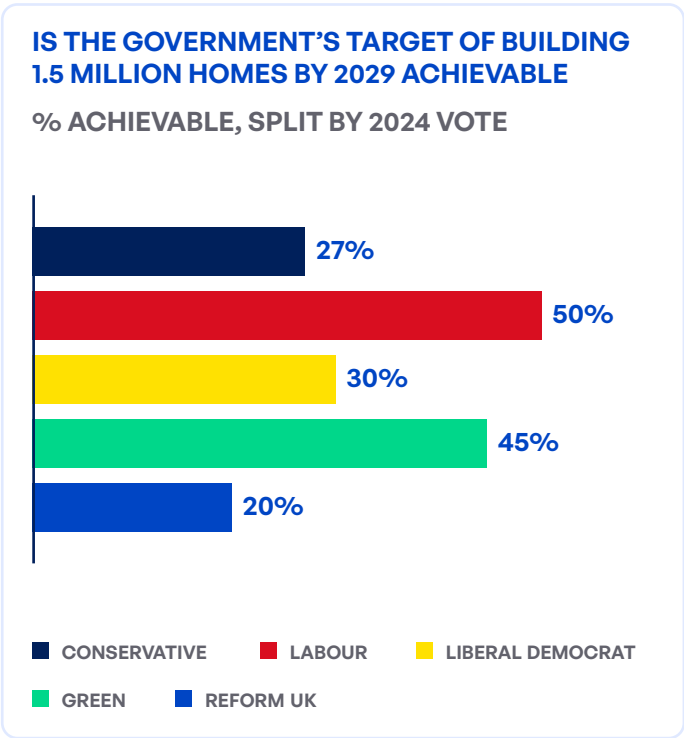
Support for new development is consistently strongest among younger adults aged 25–34, urban residents – particularly in London and Scotland – private renters, and those who voted Labour in 2024. This pattern underscores a clear intergenerational and geographical divide: those locked out of

homeownership tend to be the most supportive of housebuilding, while resistance is greatest among older and rural demographics, who are more likely to own their homes.

To bridge this divide, housing policy must go beyond economic arguments alone. It needs to be framed as an issue of generational fairness and social justice – recognising that access to secure, affordable housing is increasingly out of reach for many, and that closing that gap will require both political will and public empathy.

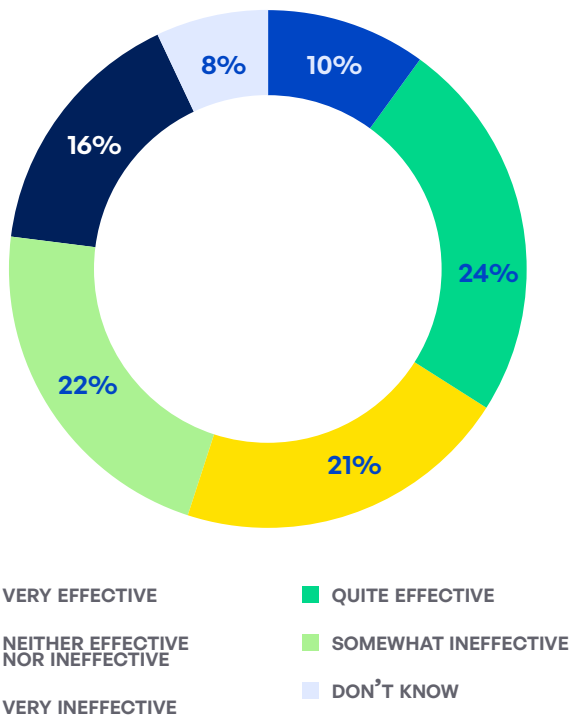
# ...But they doubt they'll be built

Despite public support for housebuilding, few believe Labour can hit its “stretching” 1.5 million homes target. Even among Labour voters, confidence is shaky – and among Reform voters, it’s almost non-existent. The data reflects a broader truth: ambition is welcome, but delivery is where trust will be won or lost.



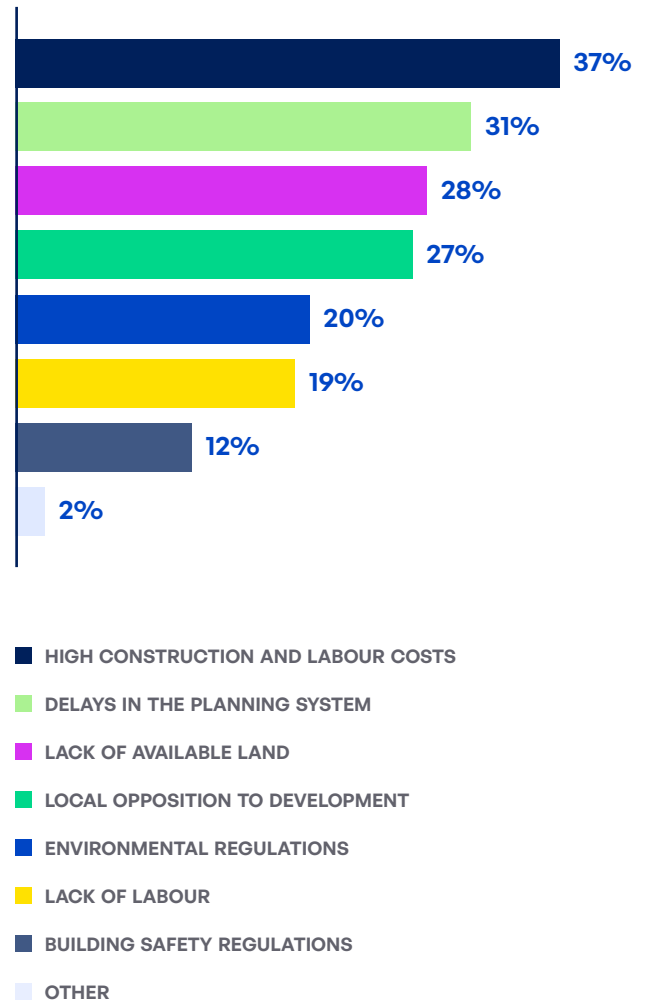
That scepticism is rooted in a deeper lack of faith in the system itself. Just a third (34%) of the public think the UK’s planning process is effective, with more saying it isn’t (37%). Delays, political interference and inconsistent decisions have left many viewing it as a bottleneck rather than a safeguard.

### HOW EFFECTIVE IS THE UK'S PLANNING SYSTEM AT SUPPORTING THE DELIVERY OF HOUSING AND INFRASTRUCTURE?



The public doesn't just blame planning – they recognise that rising construction and labour costs are a major barrier to building. But other pressures, like building safety regulations, remain under the radar, with just 12% identifying them as a constraint. Bridging this gap between public perception and industry reality will be key to winning support for realistic reform.

### WHAT ARE THE BIGGEST BARRIERS TO BUILDING NEW HOMES AND INFRASTRUCTURE IN THE UK?

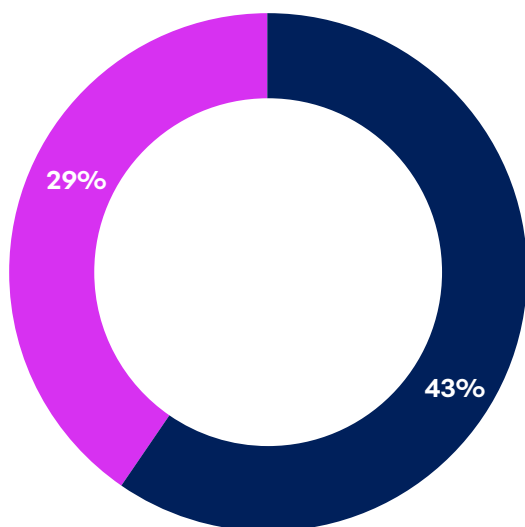


## Fixing viability: an opportunity to shape the narrative

The challenge for Labour – and for developers – is turning broad public support for housebuilding into backing for the policy changes needed to make it viable. While the government has acknowledged some of the barriers, such as delays caused by the Building Safety Regulator, there's been less willingness to act on core cost pressures like labour, materials and planning obligations.

The central tension remains: people want homes, but not always the trade-offs required to deliver them. This section explores two policy options – reforming planning committees and adjusting affordable housing contributions – and how they're landing with the public.

### DO YOU SUPPORT, OR OPPOSE, REDUCING THE POWERS OF LOCAL PLANNING COMMITTEES?



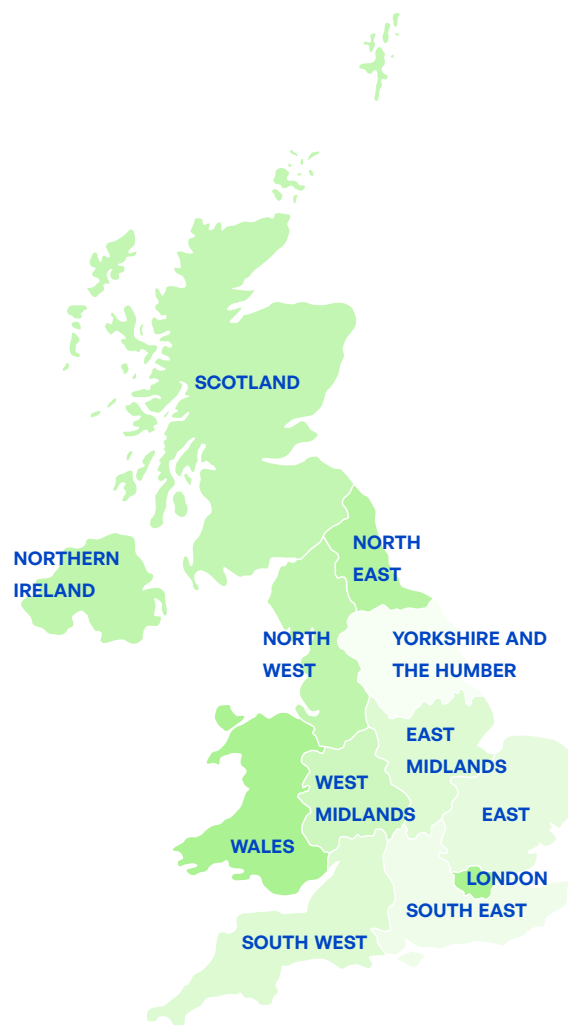
■ SUPPORT ■ OPPOSE

\* 'NEUTRALS' AND 'DON'T KNOWS' REMOVED

One of the government's key proposals is to reform planning committees to reduce delays and improve certainty – both critical to addressing the viability challenge. Under the proposed two-tier model, Tier A applications would always be delegated to officers, while Tier B applications would only go to committee if the Chief Planner and Committee Chair agree. This will mean officers – not politicians – making more decisions.

Polling shows the idea of reforming planning committees is more popular than one may expect: 43% support reducing committee powers, compared to 29% who oppose – rising to 60% support in London, where the need for new homes is particularly acute.

### SUPPORT FOR CURTAILING THE POWERS OF LOCAL PLANNING COMMITTEES, BY REGION



0% 100%

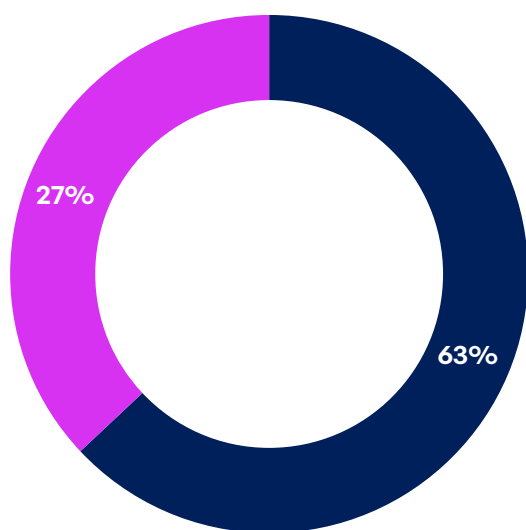
MAP SOURCE: ONS OPEN GEOGRAPHY PORTAL, ONS

Still, the challenge across much of the country is likely to be turning support for the idea of reform into support for the reality. Vocal local opposition is likely when contentious applications skip committee. For government, that means explaining how local voices will still be heard. For developers, it means demonstrating early and genuine community engagement. Reform may be popular in principle – but delivery will depend on how it's done.

Furthermore, reforming planning committees alone will not be enough to solve the viability challenge. According to the Local Government Association, over 90% of planning decisions are already delegated to officers at most councils, with many exceeding 95%. Further reforms are therefore needed.

Despite a clear recognition that high construction costs are a major barrier, the public still believes rules on affordable housing should remain a priority – even if it means fewer homes are built overall. With only 27% backing relaxation of those rules, any shift in approach will need to be carefully framed.

**DO YOU SUPPORT RELAXING THE RULES ON AFFORDABLE HOUSING IF IT MEANS MORE HOMES CAN BE BUILT OVERALL?**



■ PRIORITISE AFFORDABLE HOUSING CONTRIBUTIONS

■ PRIORITISE MORE HOMES BEING BUILT OVERALL

\* 'DON'T KNOWS' REMOVED

The stakes are high. UK construction activity is now falling at its fastest pace in five years, with residential work deep in contraction and new projects being delayed or cancelled. Shrinking workloads and rising costs are squeezing viability across the sector, putting both affordable delivery and the wider housing pipeline at risk.

For developers, this is an opportunity to lead a more open conversation about viability – highlighting, for example, how safety compliance and Section 106 trigger points are preventing progress – industry can build a more compelling case. This dialogue can reshape public debate, paving the way for reasonable adjustments that maintain affordability while enabling delivery at scale.



# Roundtable discussion

## *Introduction:*

### **Objectives of the discussion**

Our objectives for the roundtable were to build a shared understanding of where the barriers to viability lie today, both in cost pressures and in the political tensions that sit behind them, and to develop actionable, evidence-based recommendations that government and industry alike can take forward.

Critically, the discussion focused on how we can ensure that the homes Britain needs are not just consented on paper but actually built on the ground, identifying practical, implementable reforms that could translate political ambition into real delivery at pace and at scale.

It is important to note that this discussion took place before the government and GLA announced a joint package of emergency measures to improve viability in London, including a new time-limited fast-

track planning route for schemes delivering at least 20% affordable housing, temporary relief from the Community Infrastructure Levy (CIL) and new powers for the Mayor of London to call in housing schemes.

Many of the recommendations reflected on during the discussion below correlate strongly with the ambitions outlined in this package, demonstrating the alignment between industry insight and emerging policy responses. However, participants also identified a broader set of challenges, from utilities capacity and skills shortages to Section 106 reform, that will need to be addressed if the government is to meet its ambitious housing targets and translate political commitment into delivery at scale.

## *Recommendation 1:*

### **Streamline planning and delegate decision-making**

A key theme running through the discussion was the inefficiency and inconsistency of the planning process. Multiple participants observed that, despite recent improvements, the system remains “clunky” and slow-moving, with repeated rewrites of the National Planning Policy Framework (NPPF) failing to resolve the core problems.

The group agreed that greater delegation of planning decisions, shifting more decisions from committees to officers, could help depoliticise the system and accelerate delivery, especially for major applications and sites where local politics can unnecessarily delay or derail schemes.

One participant recounted experience from the City of London Corporation, where a high threshold for committee referral allowed many large schemes to progress under officer delegation, suggesting this model could be replicated elsewhere to drive more consistent outcomes.

National Development Management Policies (NDMPs) were also raised as a missed opportunity. It was noted that the government could, relatively quickly, introduce a suite of national policies to override patchy or outdated local plans, providing a more pro-development framework across the country.

The discussion highlighted frustration that, more than a decade after the 2012 NPPF, many local plans remain incomplete or out of date, leaving infrastructure needs unmet and introducing unnecessary risk. Participants urged that a focus on simplicity and clarity in planning, combined with national policy leadership, could remove significant friction from the process and make it easier for developers to deliver viable schemes.

There was also a call for increased resources for Local Planning Authorities (LPAs) to address capacity constraints and ensure that applications are processed efficiently. Ideas such as the introduction of template Section 106 clauses and a formal dispute resolution service for S106 negotiations were put forward, to reduce delays where applicants and LPAs cannot agree on key clauses.

### *Recommendation 2:*

## **Reform affordable housing and Section 106 processes**

A major barrier identified was the rigidity and complexity of affordable housing requirements and Section 106 negotiations. Attendees described how high affordability quotas and inflexible tenure requirements can push schemes into being unviable, particularly when combined with rising build costs and slow sales.

Some participants advocated for temporary measures, such as allowing government grants to subsidise affordable units within Section 106 agreements for a limited period, to unblock stalled projects. Others suggested introducing cascade mechanisms within Section 106s, so that if a particular tenure (such as social rent) cannot be delivered within a set timeframe, the obligation can be flexibly shifted to other affordable tenures like affordable rent or discounted market sale.

The conversation also turned to the significant sums of developer contributions – Section 106

and Community Infrastructure Levy (CIL) funds – that remain unspent by local authorities. Some participants argued that better mechanisms for reinvestment, pooling or regional allocation of these funds could help unlock infrastructure and make marginal sites viable. In particular, allowing CIL funds to be reinvested directly into infrastructure and affordable housing was seen as a practical step to improve delivery.

The group recognised that while local opposition is an enduring feature of the planning landscape, schemes with planning consent that are currently stalled for viability reasons present an immediate opportunity for government intervention and delivery at scale. By focusing on making these projects viable, whether through grant funding, flexible obligations or regulatory reform, significant numbers of new homes could be delivered relatively quickly.

### *Recommendation 3:*

## **Ease regulatory burdens and align building safety rules**

Another critical factor undermining viability is the growing burden of building safety regulations, particularly for tall buildings and complex conversions. Housing associations and private developers alike reported that new requirements for stair cores, service risers and other safety features can add 10-20% to the footprint and cost of a scheme, often rendering projects unviable in dense urban areas.

Regulatory delays were also highlighted, with one example cited in which a scheme was held in limbo for months awaiting a response from the Building Safety Regulator, only to be rejected without meaningful engagement.

There were calls to delay the requirement for the Building Safety Levy for another couple of years, to ease the immediate burden on development viability. More broadly, the group recognised the need for robust safety standards but called for a more proportionate and joined-up approach.

Many felt the layering of sometimes conflicting regulations – across safety, sustainability and design – was creating confusion and cost without necessarily improving outcomes for residents. There was a sense that the sector is now more willing to have an open, practical conversation with government about where regulatory reform could unlock delivery without compromising safety or quality.

#### *Recommendation 4:*

## **Accelerate infrastructure and utilities delivery**

Delays in securing connections for electricity, water and drainage were cited as a major, often overlooked, barrier to delivery. Developers described scenarios where, despite having planning consent and funding in place, they were unable to commence work due to slow responses from utility providers.

There was strong support for strengthening and enforcing statutory obligations on these providers to deliver infrastructure in line with development timelines. Some participants called for government to enforce the statutory duty of service providers, ensuring a reliable supply of electricity, water and wastewater treatment, without which even the best-laid plans for housing delivery are likely to falter.

#### *Recommendation 5:*

## **Unlock new funding and investment models**

With costs rising faster than values, traditional models of development finance are under acute strain. Several participants shared examples of how they are adapting, such as introducing shared equity loan schemes to help buyers with deposits and thereby boost sluggish sales. Others are pursuing patient capital models, working with institutional investors or forming joint ventures with government and local authorities to share risk and unlock regeneration at scale.

One notable case involved the delivery of a Passive House scheme in Manchester, where the high environmental standards enabled longer-term investment horizons and improved operational viability, demonstrating that innovation in design and funding can go hand in hand.

The group also discussed the potential for pooling Section 106 and CIL funds at a regional level, which could enable more strategic investment in infrastructure and address the piecemeal nature of current funding streams. The consensus was that unlocking new sources of long-term, patient capital, whether from public or private sources, will be essential for large-scale regeneration and for meeting the government's ambitious targets.

A photograph of a man with glasses and a dark suit sitting at a white table during a meeting. He is looking towards the right. On the table are several white and blue patterned reusable cups, some with the word 'Portland' on them, and some food. In the background, a large blue banner with the word 'Portland' in white is visible. The setting appears to be a professional meeting or conference.

Portland



### *Recommendation 6:*

## **Enable flexible tenure and mixed communities**

Participants agreed that the current political focus on maximising affordable housing quotas can be counterproductive, particularly in high-value central areas where the real gap is in intermediate or “middle market” housing. One local councillor noted that the Central London market is polarised between those who qualify for social housing and those who can afford prime market prices, with little provision for the many households who fall in between.

The roundtable proposed a more nuanced approach to tenure mix, allowing for flexible combinations of affordable, intermediate and market-rate homes based on local needs and market realities. Several participants stressed that the goal should not simply be to hit arbitrary targets for affordable units, but to create genuinely mixed, sustainable communities where people at a range of income levels can find suitable homes. This, they argued, would support not only the viability of schemes but also the long-term social and economic health of neighbourhoods.

### *Recommendation 7:*

## **Strengthen skills, apprenticeships and SME capacity**

The roundtable acknowledged that skills shortages and the declining capacity of small and medium-sized builders are further threats to delivery. There was strong support for reforming apprenticeship schemes to reflect the evolving needs of the sector, including the growing importance of retrofitting and modern construction methods.

Several participants suggested that new types of apprenticeships be developed, with a much wider

scope, including retrofitting, instead of focusing only on traditional trades such as electrical, plumbing and bricklaying. This was seen as a very positive move for the industry.

Participants argued that SMEs, in particular, need targeted support, through policy, procurement and tax relief, to ensure they can play a meaningful role in delivering the homes the country needs.

## Conclusion:

# Towards a **joined-up** approach

The roundtable concluded that while there is strong intent across all parts of the sector, the challenge is now one of implementation. Delivering viable schemes at scale will require coordinated action across planning reform, regulatory proportionality, infrastructure delivery, funding innovation and workforce capacity – no single intervention will be sufficient on its own.

Many of the issues raised have since been acknowledged in the government and GLA's emergency package for London, demonstrating that policymakers are listening and willing to act. However, sustained political commitment, cross-sector collaboration and a willingness to adapt policy in light of emerging evidence will be essential if we are to move from ambition to delivery at the scale and pace required.

By maintaining a constructive dialogue with government and uniting around practical, evidence-based solutions, there is a genuine opportunity to unlock stalled projects, meet ambitious housing targets and help address the country's housing crisis.



## Summary of recommendations

The final recommendations from the roundtable were:

- **Recommendation 1:**  
Streamline planning and delegate decision-making
- **Recommendation 2:**  
Reform affordable housing and Section 106 processes
- **Recommendation 3:**  
Ease regulatory burdens and align building safety rules
- **Recommendation 4:**  
Accelerate infrastructure and utilities delivery
- **Recommendation 5:**  
Unlock new funding and investment models
- **Recommendation 6:**  
Enable flexible tenure and mixed communities
- **Recommendation 7:**  
Strengthen skills, apprenticeships and SME capacity

We look forward to engaging further on these recommendations, and to hosting further industry roundtables as part of this series in future.

*To discuss the findings or explore how Portland can help your organisation navigate these challenges, please contact Phoebe Sullivan in our Built Environment team at [builtenvironment@portland-communications.com](mailto:builtenvironment@portland-communications.com).*

# Portland

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