# London faces setback as government considers cutting affordable housing targets to 20 per cent



The Labour government’s reported move to cut London's affordable housing targets signals a troubling shift that threatens to undercut efforts to provide social housing and address the nation’s housing crisis. Leaked memos suggest that the current requirement for developers in London to allocate 35 per cent of new builds as affordable could be slashed to just 20 per cent—an alarming concession that prioritises raw house numbers over the needs of ordinary families. With housing Secretary Steve Reed and London Mayor Sir Sadiq Khan apparently in discussions to make this happen, it appears the government is more interested in fast-tracking developments than ensuring sustainable, affordable communities.

Despite promises to deliver up to 440,000 of the government’s 1.5 million new homes during this parliamentary term, actual figures reveal a stark reality: only around 30,000 homes were completed in London in the past year—a far cry from targets and an indictment of the government’s failure to deliver meaningful change. The proposed reduction in affordable housing requirements risks setting a dangerous precedent, echoing proposals elsewhere, like Birmingham, to diminish the social housing obligation from 35 to as low as 20 or 25 per cent. Such relaxations demonstrate a complacent attitude towards the housing crisis, undermining efforts to improve living standards for those most in need.

Criticism from local politicians is mounting. Wandsworth Council’s housing cabinet member, Aydin Dikerdem, called the draft cut "a huge blow to social housing delivery in London," warning it could discourage developers from committing to affordable projects altogether. This potential setback could lead to even fewer homes accessible to low-income families, perpetuating cycles of inequality and misery in the city. Meanwhile, the government’s claims of prioritising housebuilding ring hollow; their own data shows previous targets are rarely met, with building figures falling well short and planning permissions dropping to historic lows. Despite announced reforms intended to speed up approvals, the green belt is now under threat, and local authorities are resisting what they see as an overreach that strips communities of their autonomy.

This move to weaken affordable housing commitments comes amidst broader government efforts—ramped-up planning reforms, rushed approvals, and plans to relax green belt protections—all aimed at boosting house numbers but at the expense of social equality. The government’s own rhetoric about tackling the housing shortage masks a reality of insufficient delivery and a focus on short-term targets rather than long-term community stability. While billions are promised, the stark truth is that the policies devised so far are far from delivering the critical affordable homes needed to secure a stable future for ordinary citizens.

The overarching approach is one of desperation dressed as reform. Increased targets, relaxed regulations, and reduced social housing quotas threaten to turn London into an even more divided city—where the wealthy thrive, and the vulnerable are pushed further to the margins. As the government inches toward final decisions, it’s clear that their priorities continue to favor land developers and profits over the urgent need for affordable homes that working families can rely on. This isn’t progress; it’s a capitulation to vested interests that jeopardizes the very fabric of our communities. The time has come for a serious rethink—one that puts the interests of ordinary Britons first, not those of developers and debt-fueled growth strategies.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.dailymail.co.uk/news/article-15198639/Labour-slash-affordable-housing-targets-frantic-bid-meet-pledge-1-5million-new-homes.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://www.reuters.com/world/uk/britain-invest-2-billion-pounds-build-18000-affordable-homes-2025-03-25/> - In March 2025, the UK government pledged £2 billion to construct up to 18,000 affordable homes in England. This initiative is part of a broader effort to deliver 1.5 million properties by the end of the parliamentary term and stimulate economic growth. Construction is set to commence in March 2027, with completion expected by 2029. Prime Minister Keir Starmer's Labour Party has prioritised housebuilding as a central component of its growth strategy, aiming to address the housing shortage that has led to soaring house prices and affordability issues.
3. <https://www.reuters.com/world/uk/uk-announces-planning-overhaul-help-meet-15-million-new-homes-target-2024-12-12/> - In December 2024, the UK government announced a significant overhaul of its planning system to achieve the target of building 1.5 million new homes over the next five years. Prime Minister Keir Starmer emphasised the need to address the housing crisis, citing the current planning system as a barrier to growth. The reforms prioritise development on previously used 'brownfield' sites, require councils to review green belt boundaries, and mandate that local authorities provide housebuilding plans within 12 weeks or face ministerial intervention.
4. <https://www.reuters.com/world/uk/uk-commits-regulators-proposals-improve-housebuilding-2024-10-22/> - In October 2024, the UK government accepted recommendations from the Competition and Markets Authority (CMA) to enhance the quality of new homes being constructed. The CMA highlighted the need for significant intervention in the housebuilding sector due to concerns about the quality of some new housing. The government plans to streamline the planning system to address the housing shortage and reduce high housing prices. Housing Minister Matthew Pennycook stated that the government would implement the regulator's 11 recommendations to empower homeowners and improve service quality.
5. <https://www.homebuilding.co.uk/news/councils-rebel-against-labours-undemocratic-planning-reforms> - In August 2025, councils across England opposed the Labour Government’s proposed planning reforms, accusing them of undermining local democracy and centralising power. The reforms introduced a two-tier planning system that allows smaller developments to bypass councillor oversight and imposed stricter housing targets. Critics from both urban and rural areas, and across political lines, argued that the proposals were unrealistic, harmful, and reduced transparency. The backlash suggests a significant rift between local authorities and central government over the future of regional planning and housing policy.
6. <https://www.reuters.com/world/uk/new-uk-government-sets-higher-housebuilding-targets-planning-overhaul-2024-07-30/> - In July 2024, the new UK government announced mandatory housing targets for English councils, aiming to deliver 1.5 million additional homes before the next election. Prime Minister Keir Starmer, following a Labour election victory, prioritised this as a key part of his economic growth strategy. Deputy Prime Minister Angela Rayner revealed plans to increase the annual housebuilding target to 370,000 homes from the previous 300,000. Acknowledging potential controversy, she emphasised the necessity for these reforms to address the housing shortage.
7. <https://www.homebuilding.co.uk/news/how-many-homes-have-labour-managed-to-build-in-their-first-year-in-power> - In its first year in office, the Labour government delivered an estimated 186,600 net additional homes across England, falling significantly short of its annual target of 300,000 homes as part of its broader goal of 1.5 million new homes by 2029. Homes England reported 38,308 housing starts and 36,872 completions during the 2024/2025 period, with 79% of starts categorised as affordable homes. The shortfall of 113,400 homes has been attributed to a steep decline in planning approvals—only 39,170 in Q1 2025, the lowest since 2012—a weakened housing market, and persistent shortages in skilled labour.