# Government’s ambitious housing plan faces environmental and political hurdles amid record investment



The UK Government faces a formidable challenge as it seeks to build 1.5 million new homes during the current parliamentary term, aiming to address the persistent housing crisis while stimulating economic growth. Since the turn of the millennium, average house prices have soared from £78,000 to around £270,000, an increase of 246 percent far outstripping general inflation. Meanwhile, private rents have risen by nearly 50 percent in the last decade. Such steep increases have put homeownership and secure renting out of reach for many, prompting Prime Minister Keir Starmer and his administration to prioritise housing as a central element of their growth agenda.

Starmer's government has committed to delivering 300,000 new homes annually between 2024 and 2029. However, even internal government projections suggest that the actual delivery might fall short of the 1.5 million target, with estimates closer to 1.3 million homes by 2029. To bridge this gap, ministers are considering controversial measures. Reports indicate plans to reduce the mandatory minimum for affordable homes in new developments—particularly in London—from 35 percent to 20 percent. Housing Secretary Rachel Reeves has also intervened to unblock construction projects delayed by environmental stipulations, such as the protection of certain species, signalling a willingness to override conservation concerns to speed up housebuilding.

To further accelerate delivery, the government introduced the Planning and Infrastructure Bill in March 2025, which aims to streamline the planning system by removing unnecessary barriers and speeding up decisions on development proposals. The bill is a cornerstone of what the government calls its "Plan for Change," which not only targets housing but also infrastructure like roads, railways, and renewable energy projects, underpinning broader ambitions to boost living standards and economic output. In parallel, new powers granted to local councils enable them to acquire vacant or derelict land at fair market values through Compulsory Purchase Orders, cutting through inflated land costs that often hamper development.

Financially, the government has pledged £2 billion towards building 18,000 affordable homes in England, with construction expected to begin in 2027. This funding forms part of a wider investment strategy that includes a £600 million commitment to address skills shortages in the construction sector and train 60,000 workers by the end of the decade. Chancellor announcements in the 2024 Budget have added over £5 billion to housing supply programmes, supporting tens of thousands of new social and affordable homes and reinforcing the government’s resolve to increase social housing stock alongside private sector growth.

Despite these efforts, significant challenges remain, notably the balancing act between increasing housing supply and environmental protection. Government officials maintain that growth and nature conservation can be aligned, but independent analysts and environmental groups express scepticism. The reality, as acknowledged by experts, is that pushing construction to the required scale will inevitably impact green areas, even if mitigated. Moreover, the current planning system retains layers of local input that allow "not in my backyard" sentiments to slow down developments, a phenomenon that critics argue would be better addressed by transitioning to zonal planning systems where development rights are pre-defined for certain areas.

Local government bodies, like the Local Government Association, have called for stability in national planning policy and additional tools to manage stalled developments effectively. Their recommendations include incentives for quicker site build-out and streamlined powers for acquiring and redeveloping stalled properties—measures aimed at empowering councils to meet housing needs sustainably and efficiently.

The government also faces the complex task of tackling affordability beyond mere supply. Rising immigration levels, demand from wealthy foreign buyers purchasing second homes, and mortgage accessibility further complicate a housing market already marked by stark inequalities. Analysts point out that while creating more homes is crucial, it cannot fully solve affordability unless complemented by policies addressing these broader factors.

In sum, while the government’s housing ambitions are clear and accompanied by substantial investment and reforms, the unfolding strategy reveals the tough compromises involved. Environmental trade-offs, local opposition, and the need for systemic planning reforms present formidable hurdles. Until these issues are comprehensively addressed—and the political will to confront uncomfortable choices is evident—the claim that housing policy is the driver of economic growth remains an aspiration rather than a guarantee.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://inews.co.uk/opinion/what-labour-is-failing-to-tell-the-public-about-the-housing-crisis-3982948)
* Paragraph 2 – [[1]](https://inews.co.uk/opinion/what-labour-is-failing-to-tell-the-public-about-the-housing-crisis-3982948), [[7]](https://lordslibrary.parliament.uk/housing-supply-quality-and-community-impact/)
* Paragraph 3 – [[4]](https://www.gov.uk/government/news/biggest-building-boom-in-a-generation-through-planning-reforms), [[3]](https://www.gov.uk/government/news/new-council-powers-to-boost-housebuilding-and-infrastructure)
* Paragraph 4 – [[2]](https://www.reuters.com/world/uk/britain-invest-2-billion-pounds-build-18000-affordable-homes-2025-03-25/), [[5]](https://www.gov.uk/government/news/chancellor-to-unlock-housing-in-first-budget)
* Paragraph 5 – [[1]](https://inews.co.uk/opinion/what-labour-is-failing-to-tell-the-public-about-the-housing-crisis-3982948), [[7]](https://lordslibrary.parliament.uk/housing-supply-quality-and-community-impact/)
* Paragraph 6 – [[6]](https://www.local.gov.uk/make-it-local-building-more-houses), [[1]](https://inews.co.uk/opinion/what-labour-is-failing-to-tell-the-public-about-the-housing-crisis-3982948)
* Paragraph 7 – [[1]](https://inews.co.uk/opinion/what-labour-is-failing-to-tell-the-public-about-the-housing-crisis-3982948)

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## Bibliography

1. <https://inews.co.uk/opinion/what-labour-is-failing-to-tell-the-public-about-the-housing-crisis-3982948> - 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, aiming to deliver 1.5 million properties by the end of the parliamentary term. Construction is set to commence in March 2027, with completion expected by 2029. This initiative is central to Prime Minister Keir Starmer's growth strategy, focusing on addressing the housing shortage and stimulating economic growth. Housing Minister Angela Rayner emphasised the importance of this investment in providing secure homes for working families. Recent data indicated that, in 2024, the average house price was 7.7 times the average full-time income. Additionally, temporary tax incentives for first-time buyers and purchasers of less expensive homes were nearing expiration. The funding announcement followed a previous pledge of £600 million to tackle skills shortages in the construction sector and train 60,000 workers by 2029. Further long-term investment in housing was anticipated after the government's spending review in June.
3. <https://www.gov.uk/government/news/new-council-powers-to-boost-housebuilding-and-infrastructure> - In December 2024, the UK government announced new planning changes to expedite housebuilding and infrastructure development. Local councils were granted the authority to acquire vacant and derelict land through Compulsory Purchase Orders, enabling the construction of much-needed homes and infrastructure. The reforms aimed to remove the 'hope value' from land purchases, allowing councils to pay fair prices without inflated costs, thereby accelerating housebuilding and supporting economic growth. These measures were part of the government's Plan for Change, which included a commitment to build 1.5 million new homes and overhaul the planning system. Housing and Planning Minister Matthew Pennycook highlighted the government's commitment to further compulsory purchase reform to deliver more housing and infrastructure in the public interest.
4. <https://www.gov.uk/government/news/biggest-building-boom-in-a-generation-through-planning-reforms> - In March 2025, the UK government introduced the Planning and Infrastructure Bill, aiming to accelerate the construction of homes and key infrastructure. The bill proposed significant measures to speed up planning decisions, remove unnecessary blockers, and unleash economic growth. It was central to the government's Plan for Change, which included building 1.5 million homes, making Britain a clean energy superpower, and improving living standards. The reforms sought to address the housing crisis by facilitating faster development of essential infrastructure such as roads, railway lines, and wind farms, thereby supporting the delivery of vital developments needed by communities.
5. <https://www.gov.uk/government/news/chancellor-to-unlock-housing-in-first-budget> - In October 2024, the UK Chancellor announced a housing package in the first Budget, aiming to deliver more affordable housing and ensure social housing availability. The package included £500 million in new funding for the Affordable Homes Programme, expected to deliver up to 5,000 new social and affordable homes. This brought the total investment in housing supply to over £5 billion and supported the delivery of 33,000 new homes through £128 million for housing projects across the country. The stock of social housing was set to increase through a new five-year social housing rent settlement, providing the sector with long-term funding certainty and allowing investment in tens of thousands of new homes. The measures aimed to lay the foundations for the government's commitment to deliver the biggest increase in social and affordable housebuilding in a generation.
6. <https://www.local.gov.uk/make-it-local-building-more-houses> - The Local Government Association (LGA) published a report titled 'Make It Local: Building more houses', advocating for empowering councils to proactively address local housing markets and deliver the homes communities need. The report recommended providing certainty to the local plan-led system by committing to a period of stability on national planning policy, which would offer councils, developers, and communities the confidence to deliver high-quality homes with necessary infrastructure. It also suggested giving councils additional tools to incentivise the build-out of housing sites, including a 'stalled sites' council tax premium and a streamlined compulsory purchase process to acquire stalled sites or sites where developers do not build out to agreed rates. The LGA emphasised the importance of local authorities in driving housing delivery and the need for supportive policies to enable them to meet housing targets effectively.
7. <https://lordslibrary.parliament.uk/housing-supply-quality-and-community-impact/> - The House of Lords Library published a report titled 'Housing: Supply, quality and community impact', examining the government's plans for building homes. The report highlighted several key measures announced by the Secretary of State for Housing, Communities and Local Government, Angela Rayner, on 30 July 2024. These included restoring and raising housing targets from 300,000 to over 370,000 houses annually, requiring local authorities to review green belt boundaries to release land for development, and introducing more flexibilities in the current affordable homes programme. The report also discussed the government's plans to enable local authorities to put their planning departments on 'sustainable footings', streamline the delivery of infrastructure, and provide legal underpinning to ensure that building work and nature recovery are aligned. Additionally, the government planned to publish a long-term housing strategy to transform the housing market in the coming months.