



TURBOCHARGING HOUSEBUILDING IN CITIES AND URBAN AREAS

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Bradford

Section One:

Forewords



**Councillor
Michael Mordey**

**Leader of Sunderland City
Council**

**Deputy Chair and Housing
Portfolio lead at Key Cities**

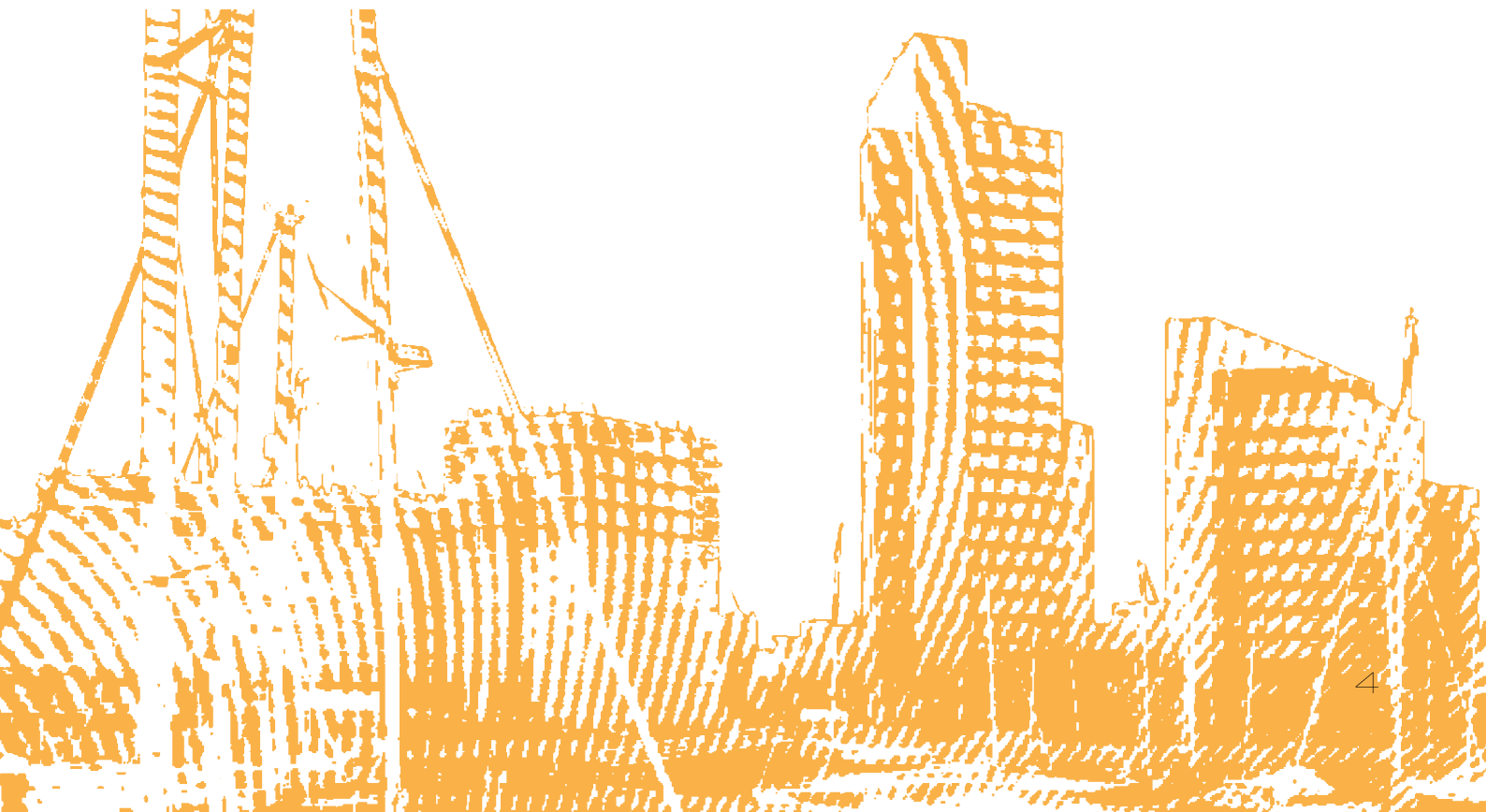
We welcome housing being one of the key priorities for the Labour government, with the reinstated national housing target of 1.5 million homes offering a bold ambition. Encouragingly, many of the government's announcements echo the calls set out in the Key Cities Manifesto, responding to the housing shortage and growing homelessness crisis.

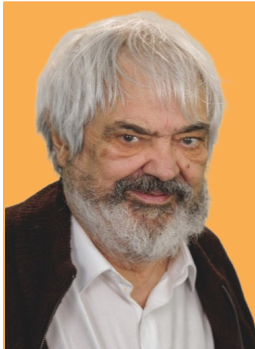
Already, 70% of our Manifesto's proposals have been achieved or are in progress. But there is still much work to be done to meet the national housing target and to address the existing housing crisis, particularly the supply of quality, affordable housing.

In areas of greater deprivation, the need is starker still. Without urgent delivery of social and affordable housing, the cost of temporary accommodation rises year on year and remains at the forefront of many Key Cities leaders' minds.

While much focus has been on the need for planning reform, that is only part of the picture. Councils such as Southampton have thousands of homes with planning permission that are stalled and not being built, exemplifying that the housing crisis is not just a question of supply, but of delivery.

Therefore, Key Cities commissioned this report to examine the current gaps in housebuilding and explore various options to ensure government's ambitions for housebuilding in cities and urban areas can be met.





Councillor John Merry CBE

Deputy City Mayor of Salford

Chair of Key Cities

Tackling the housing crisis has immeasurable benefits; it will transform the quality of life for residents, generate more prosperous communities and unlock crucial economic growth. However, councils need to be given the tools, funding and trust to do so.

Key Cities has long called for reforms to housing policy and a reset that recognises housing as a national priority. The government's renewed commitment to building 1.5 million homes is not just welcome, it is essential. As a network of city leaders who are constantly faced with the challenges of our communities, we know that the housing crisis is more than just a planning problem – it is a barrier to prosperity.

The commitments that have been prioritised to date are focused on reforming the existing planning system, which largely reflects the private sector's narrative. However, the reality faced by local authorities on the ground is markedly different.

Issues such as land availability and viability, homes not being delivered despite planning approvals, and the lack of infrastructure to support development are persistent barriers. These challenges are compounded by limited powers and resources, making it difficult for councils to drive forward housing delivery at the scale and pace required.

This research marks a turning point. It establishes Key Cities as a leading partner in helping the government to not just hit its targets but realise its full impact. By exploring the challenges and barriers faced by city authorities in meeting these new targets, we hope to present credible and replicable solutions, drawing on examples of best practice from across our membership. As city leaders who know their communities and challenges well, Key Cities is best placed to inform future government policy that can help to achieve this ambitious target.



Section Two:

Executive Summary

Despite housing being a flagship priority for the government, the current devolution framework presents a significant challenge to housing delivery for cities and urban areas that are not Established Mayoral Strategic Authorities. With powers and funding concentrated in London and the South East, many Key Cities lack the strategic levers needed to effectively support national housebuilding targets.

Within days of taking office, the government introduced a comprehensive set of initiatives, including planning system reforms, the launch of a New Towns Taskforce, reforms to the Right to Buy scheme, and the reintroduction of mandatory housebuilding targets for local authorities. At the heart of this agenda is a bold commitment: to deliver 1.5 million new homes by the end of the current parliament – a pledge that has become the cornerstone of Labour’s housing policy.

While these commitments are ambitious, additional measures are required to ensure that cities of all sizes can contribute meaningfully to national targets and address long-term housing challenges. Tackling the housing crisis offers wide-ranging benefits, particularly in Key Cities, where the potential for economic growth is substantial. Ensuring a sufficient supply of high-quality, affordable housing, in the right places, enables people to access employment opportunities, reduce commuting times, and contribute significantly to improved public health and wellbeing.

The renewed focus on housebuilding reflects the UK’s historic struggle to meet its housing targets. Demand for new housing in the UK continues to exceed supply, and the country has not achieved the construction of more than 300,000 homes in a single calendar year since the 1970s.

Analysis from the Institute for Government¹ shows that, if the UK had built houses at the rate of the average Western European country from 1955 to 2015, 4.3 million more homes would have been delivered. The challenges are well known: shortage of land, a bureaucratic planning system, and viability constraints from the public and private sectors are recognised obstacles to fast-paced delivery.

This report details how Key Cities can work with the government as its critical partner, ensuring that the outcome doesn’t just focus on quantity, but also on quality – and that the delivery of homes is aligned with viability as well as economic opportunity. Incorporating intelligence and best practice from stakeholders across 25 Key Cities and representing city leaders from all political parties and from all regions of the country, we set out recommendations that address the most pressing issues affecting the delivery of new homes in our urban areas.

To develop these recommendations, Key Cities gathered members’ insights through an extensive survey on housebuilding in the UK. The findings underscored the core challenges faced by local housing and planning officers in delivering a diverse range of housing at scale.

The survey indicates that current government reforms – such as increased devolutionary powers and fast-tracking the planning process – are seen as steps in the right direction. However, members agree that further action is required. Costs and financing emerged as the most significant barriers to delivery, while brownfield sites were identified as the greatest opportunity for development. Notably, nearly 90% of respondents described the shortage of social housing in their area as either critical or extremely critical.

Key Cities also interviewed key decision-makers from both the public and private sectors and compiled successful, replicable case studies demonstrating how urban housing delivery can be accelerated without compromising quality.

These insights have shaped our recommendations, grounded in expert knowledge, practical experience and live case studies from our network – which represents more than 10% of the British population, making it the largest network of urban areas outside London. We hope these recommendations act as key levers in enabling councils to lead the way in delivering affordable homes nationwide.

"We do not expect the government to turn around everything overnight and we must remember that the housing and homelessness crisis we face within the United Kingdom has been years in making. The challenges we face today are the cumulative consequences of years of failed national housing and planning policies. Putting things in place to genuinely turn the tide on housing delivery, housing standards and housing support are what we should all be focusing on, taking a systemic approach, rather than a siloed approach, to tackling the housing and homelessness crisis."

– Paul Dennett, Mayor of Salford, Deputy Mayor of Greater Manchester, and portfolio holder for Housing First

"We want to make sure that we maintain direct one-to-one dialogue with Key Cities – if we don't, we will not achieve the government's target, and we won't deliver the priorities of Key Cities."

– Eamonn Boylan, former Interim Chief Executive, Homes England

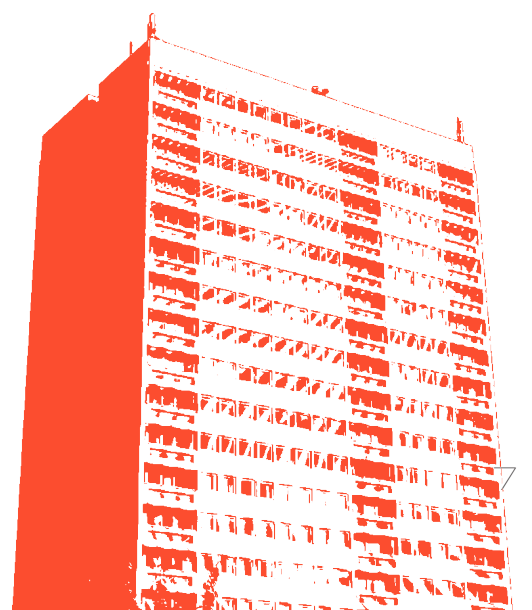
Who is Key Cities?

Key Cities is a cross-party network of 25 cities and towns across England and Wales, representing the diversity of urban life in the UK.

As the largest and most diverse urban network outside the capital, Key Cities' members are home to around 10% of the UK's urban population beyond London.

Together, they contribute more than £152 billion annually to the UK economy and include some of the fastest-growing local economies in the country.

We are a united voice for urban Britain, working to champion our places: unlocking devolution, driving prosperity, protecting the environment, and delivering innovative solutions to the challenges we face.



Section Three:

Recommendations: How to turbocharge housebuilding in cities and urban areas

1. Establish a new £3 billion Land and Infrastructure Viability Fund to break land value inflation bottleneck.

- Fund created by consolidating unspent Community Infrastructure Levy (CIL) receipts, and existing brownfield grants, and additional funding from the National Wealth Fund.
- This fund would simplify funding streams and support remediation and infrastructure on brownfield and grey belt land.
- This will make it easier to empower local authorities with streamlined, centralised access to capital, and the power to drive development forward.
- Within this Fund, create a new £500 million Heritage Premium Grant Programme to support the remediation and regeneration of long-derelict industrial sites with historic or cultural significance. The programme will prioritise underused locations with strong potential for heritage-led renewal.

2. Help Britain's SME housebuilders to scale up quickly by redefining medium sites as up to 99 homes.

- Extend the new 'medium site' (10–49 homes) category threshold from 49 homes to 99 homes, streamlining approval processes for small to medium-sized (SME) housebuilders.
- This means more homes will benefit from relaxed Biodiversity Net Gain requirements and reduced Building Safety Levy contributions, allowing faster and cost-effective housing delivery.
- Pilot VAT relief of construction materials and services for all new developments under 99 homes.

3. Boost housing delivery in newly created Foundation Strategic Authorities by ringfencing 20% of Social Affordable Homes Programme (SAHP) funding.

- Ensure equitable housing investment across all tiers of local government by ringfencing a minimum of £7.8 billion (20%) of the £39 billion Social Affordable Homes Programme (SAHP) for new Foundation Strategic Authorities formed after the devolution priority programme announcement in February 2025.





- While the devolution process is ongoing, several local authorities have either become or expressed interest in becoming FSAs, though many are unlikely to have a mayor in place by 2026. Given that Mayoral Strategic Authorities (MSAs) typically require 18 months to “established” status, those outside the priority programme or without established status will face limited access to funding and decision-making powers.
- Ringfencing at least 20% of SAHP funding to new Foundation Strategic Authorities will ensure that they can actively contribute to housing delivery and regional regeneration.

4. De-risk and enable private investment with a co-investment model in the NPPF.

- Formally embed a co-investment model into the revised National Planning Policy Framework (NPPF) to give local authorities greater leverage in housing developments.
- This would grant councils a role in shaping tenure mixes and affordability levels, ensuring developments better reflect local housing needs.
- The co-investment model would also de-risk private sector involvement by creating a shared responsibility for development between public and private partners, unlocking housing delivery through public insight and private capital and expertise.

5. Resolve capacity challenges, increase skills, and encourage faster decision-making at planning stage.

- Increase the remit of the £24 million Planning Skills Delivery Fund to resolve capacity challenges in local authorities in particular on Section 106, CIL, and land assembly.
- Extend the two-year life span of the fund to run until the end of the current parliament, and increase the maximum £100,000 individual allocation to local authorities to £150,000, prioritising those who demonstrate the greatest need for skills requirements.

6. Make affordable homes truly affordable by introducing a fairer definition that lowers costs by close to 20%.

- Replace the current benchmark for affordable rents (80% of market rent) with a new benchmark based on 130% of social rent to better reflect local incomes and property values.
- This would reduce housing costs by just under 20% for residents.
- This new definition ensures 'affordable' housing is genuinely accessible to those in need and aligned with the financial capacity of local communities.

7. Ensure every housing development contributes fairly to local infrastructure and affordable housing by reforming financial viability assessments within the NPPF.

- Require mandatory public disclosure of both initial and final draft Section 106 agreements to increase transparency, reduce opt-outs, and hold all parties accountable.

8. Raise energy, accessibility and space standards.

- Revise the Nationally Described Space Standard to align it with the updated Decent Homes Standard. This guarantees minimum requirements for space, energy efficiency, accessibility, and placemaking.
- Upgrade the Future Homes Standard so that from 2026, all new builds meet EPC B or better under the Future Homes Standard.



Section Four:

The UK's housebuilding shortfall in context



The UK's housing crisis stems from decades of under-delivery, policy missteps, and systemic barriers that have prevented the country from building enough homes.

The UK has consistently fallen short of its housing targets and has not built more than 300,000 homes in a single year since the 1970s². Despite numerous initiatives and targets, delivery has remained inconsistent.

Post-war public housebuilding, led by local authorities, once played a vital role in meeting demand. However, the 1947 Town and Country Planning Act also introduced a highly centralised, discretionary planning system that has since become a major constraint on delivery.

The 1980s marked a major turning point with the Right to Buy scheme, which significantly reduced the social housing stock, with limitations for local authorities to replace these homes. Public housebuilding collapsed and the private sector, dominated by a small number of large developers, has struggled to fill the gap, with returns prioritised over affordability or speed.

Planning reform has been a recurring theme, but progress has been slow. The UK's discretionary system creates uncertainty and delay, in contrast to more rules-based systems in countries like Germany or the Netherlands. Meanwhile, the financialisation of housing has shifted focus from homes as places to live to homes as investment assets, fuelling upscale development while affordable housing delivery has lagged.

The result is a housing system that fails to meet the needs of people or places. Demand continues to outstrip supply, affordability has worsened, and too many live in insecure or unsuitable accommodation – particularly in cities, where the barriers to building are often more significant.

This places a particular strain on local authorities, which are central to driving meaningful change for communities and residents, yet continue to face the long-term effects of austerity that have significantly diminished their capacity and effectiveness. Addressing this legacy requires more than ambition. It demands a fundamental shift in how we plan, finance and deliver homes – by empowering local authorities and investing in the types of housing communities need most. The challenge is clear – but so is the opportunity.

Section Five:

Mapping the Government's progress to date

The government has placed housebuilding at the heart of its economic and social agenda, framing it as both a moral imperative and a catalyst for national renewal. Ministers have consistently emphasised the need to “get Britain building again”, presenting housing delivery as a cornerstone of their broader Plan for Change.

Central to this vision is a commitment to build 1.5 million safe and decent homes by the end of the current parliament – an ambition underpinned by a suite of legislative and policy reforms designed to accelerate delivery, unlock land and prioritise affordability. The following measures illustrate how this rhetoric is being translated into action.



The Planning and Infrastructure Bill

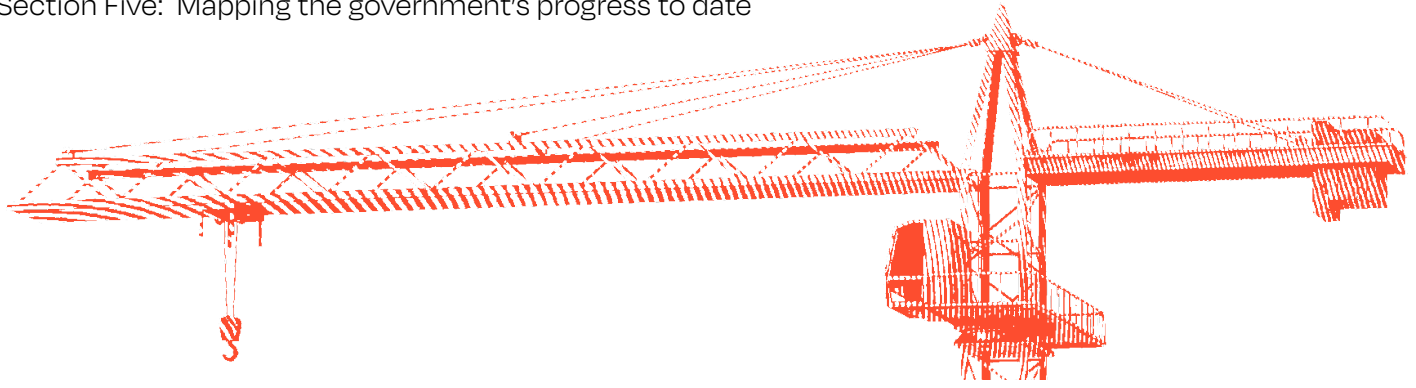
The Planning and Infrastructure Bill is central to the government's plan to get Britain building again and deliver economic growth. The Bill will speed up and streamline the delivery of new homes and critical infrastructure, supporting delivery of the government's Plan for Change milestones of building 1.5 million homes in England and fast-tracking 150 planning decisions on major economic infrastructure projects by the end of this parliament.

English Devolution and Community Empowerment Bill

The English Devolution and Community Empowerment Bill, published on 10 July 2025, aims to transfer more powers to local leaders to drive local growth. This includes enhanced rights over community assets, the creation and expansion of strategic authorities, and identifying key policy areas for devolved powers, such as transport, skills and employment, housing and planning, economic development, environment and net zero, health and public service reform, and public safety.

An updated NPPF

The National Planning Policy Framework (NPPF) was updated on 12 December 2024, introducing key changes focused on accelerating housing delivery, strengthening environmental protections, and adapting planning policy to emerging national



priorities. The updated NPPF introduced mandatory housing targets for principal authorities, emphasising the prioritisation of lower-quality “grey belt” land for development. It also includes “golden rules” for green belt development, requiring developers to provide essential infrastructure and affordable housing.

Backing SME builders

The latest government proposals will allow small to medium-sized housebuilders (SMEs) to benefit from simpler rules and faster decisions with a new “medium site” category designation for sites of between 10 and 49 homes. Homes England will release more land that is reserved for SMEs, and the new pilot scheme – Small Sites Aggregator – is trialling ways to package small brownfield sites that have remained undeveloped.

Speeding up delivery and accountability for housebuilders

The government has urged developers to “get on and build”, and intends to empower councils to hold housebuilders accountable in their role in delivering 1.5 million homes³. This is summarised in the Planning Reform Working Paper, which includes proposals such as requiring housebuilders to commit to delivery timeframes before planning permission is granted.

Developers who repeatedly fail to build out, or use planning permissions to trade land speculatively could face a new Delayed Homes Penalty, or be locked out of future permissions by councils.

It has also announced reform of the Building Safety Regulator to speed up approvals, which will affect the backlog of schemes stuck at the Gateway 2 stage under the Building Safety Act.

Affordable and social housing boost

The government has committed to the largest expansion of social and affordable housing in a generation, announcing that up to 18,000 new homes will be delivered through an immediate £2 billion investment, kick-starting the Prime Minister’s Plan for Change ahead of longer-term funding for social and affordable housing.



New Towns

The government has committed to creating a New Towns Taskforce as part of its broader Plan for Change. More than 100 proposals have been submitted from across England, and the first sites are expected to be selected within the first year. The New Towns Code sets out clear principles for delivery – including a target of 40% affordable housing, with a focus on genuinely affordable social rented homes. Each new town is expected to deliver 10,000 homes or more, alongside essential infrastructure such as schools, GP surgeries and public transport.

Reform of Decent Homes Standard

A consultation has been opened to update the existing Decent Homes Standard, which would extend to the private rented sector for the first time. Under the revised standard, the number of social homes classified as non-decent will rise from 12% to 40%, and from 23% to 47% for the private rented sector, which will result in improved housing conditions⁴ for more than 9 million individuals.

Green Book reform

The government has consulted on reforming the Green Book, which is used as a guide to support investment decisions using public money. The Green Book was frequently said to prioritise London and the South East, in addition to being overly complex. While the review did not indicate a geographic bias, it did find a heavy focus on benefit-cost ratios, rather than the long-term changes that a project can bring, as well as a lack of focus on local needs. The review therefore recommends developing new place-based business cases to unlock growth, reducing the emphasis on benefit-cost ratios, and simplifying both the Green Book and its accompanying business case guidance.

Key Cities Manifesto

The Key Cities Manifesto, published in 2024, set out a series of recommendations to drive positive change in crucial areas of policy, including housing. To date, 70% of our asks have either been delivered or are in progress, including:

- The reinstatement of national housebuilding targets – a key measure for achieving 1.5 million homes.
- The planning system has been given a lifeline through the Planning and Infrastructure Bill, which will allow local planning authorities to set their own planning fees.
- Alongside this, there is now 100% retention of Right to Buy receipts, which will help to deliver new housing. This is crucial given the critical lack of social housing across the nation. The Household Support Fund has also been given a much-needed top up of £421 million, which will go directly to helping households struggling with the cost of essentials such as energy, food and water.
- The £1 billion of funding announced to tackle homelessness puts power directly into our hands to implement much-needed localised and preventative solutions.



Other major funding commitments announced to date are outlined below. While these represent meaningful progress, they do not yet amount to a comprehensive strategy capable of addressing the scale of the housing challenge. Several of the proposed benefits, such as the investment in workforce training, are long-term in nature and unlikely to yield results within the current parliamentary term. Moreover, further changes will require swift and practical implementation if they are to avoid the risk of compounding uncertainty and adding to market hesitancy.

There remains a pressing need for a more robust and coordinated delivery system that can efficiently translate investment into shovel-ready projects and completed homes at the pace and scale required.

- Social and Affordable Homes Programme: 10-year, £39 billion investment into social and affordable housing, delivering 300,000 homes, of which 60% are at social rent.
- National Housing Bank: Subsidiary of Homes England that will mobilise £16 billion investment and leverage £53 billion of additional private investment to build more than 500,000 new homes.
- £3 billion of housing support for SMEs, in the form of housing guarantee schemes that will allow housebuilders to secure low-cost loans from banks and lenders.
- £600 million investment into training for up to 60,000 additional construction workers by 2029.
- £233 million additional funding to tackle homelessness, bringing total spending to £1 billion in 2025/26.
- £68 million boost to 54 local councils under the Brownfield Land Release Fund.
- £50 million to accelerate the planning process, with £46 million for recruiting and training officers in local authority planning departments.
- £47 million to support up to 28,000 homes stalled due to nutrient neutrality requirements.
- £12 million for the new Council Housebuilding Skills and Capacity Programme (CHSCP).
- £6 million to create up to 60,000 more construction workers by 2029.

Section Six:

What is stalling national housebuilding?

Across the Key Cities network, a consistent message has emerged: the primary barrier to housebuilding for local authorities lies in delivery, not planning. Financial constraints, funding shortfalls and limited land availability are the key obstacles. As small to medium-sized urban areas, Key Cities face distinct challenges, such as heritage protections and constrained land supply, which make both national and local housing targets difficult to achieve without greater flexibility.

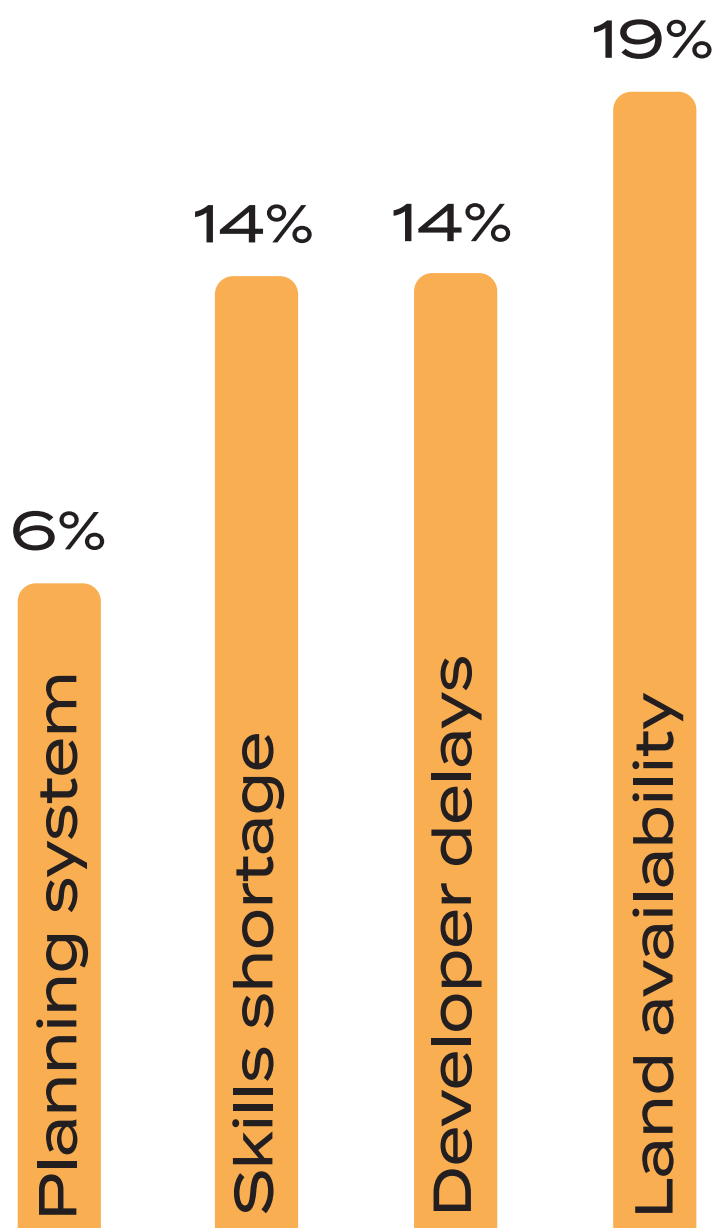
Through a robust engagement process – including member surveys, three strategic workshops (two in parliament, one online), and in-depth interviews with council leaders and housebuilders – we identified viability as the most critical issue affecting housing delivery.

The biggest obstacle: Viability

Key Cities' members overwhelmingly identified cost and finance (27%) and land availability (19%) as the most significant barriers to increasing housebuilding, with only 6% citing the planning system as the primary obstacle.

These findings were echoed in workshops, where leaders and officers from Key Cities' membership unanimously highlighted issues of viability – from the costs of remediating existing brownfield sites to uncertainty over funding and the ability to deliver specific tenure types, such as extra-care housing. The viability of housing delivery, especially in areas with high remediation costs or limited land supply, was presented as the main issue.

To address this, the government should introduce targeted subsidies for financially sustainable housing projects and implement macroeconomic measures to stabilise development costs. Redistributing certain financial burdens, such as ecological mitigation and fire safety upgrades, can also ease pressure, in particular for small to medium-sized developers to deliver much-needed housing to communities quickly. Promoting schemes that balance economic viability with long-term community benefit, and encouraging housing mixes that reflect local demand, will help ensure more resilient development outcomes.



27%

Cost and finance

"We see schemes that are fantastic developments of luxury apartments, but time and time again, we are told that to provide even one unit of affordable housing is not viable... We are at risk of complete redevelopment of places where all new social housing is further and further away from the city centre – what in the olden days we called "sink estates" – and that is not what we want. We want a mix of incomes and tenures, all together in the same place."

– Rebecca Long-Bailey MP, Salford

"We can't build homes without people, bricks and mortar – viability is the missing link."

– Cllr Lorna Fielker, Former Leader, Southampton City Council

"The availability of land is not a major issue in our area; it's the viability of building a house in the North West – the difference between building cost and sale price isn't big enough to make the profit developers want."

– Cllr Caroline Jackson, Leader, Lancaster City Council

In a small city such as Lincoln, developers are prepared to build only a certain number of houses each year, which meets their annual projections according to their business model."

– Toby Forbes Turner, Planning Policy Manager, City of Lincoln Council

"The biggest issue facing local authorities is viability, which is externally impacted – things like material costs, labour costs, skills shortages and land values. If this can be resolved, I have no doubt that building will kick off again."

– Amber Trueman, Strategic Planning Manager, Southampton City Council

"Certainty around funding is a big limiter to delivering housing – grants, affordable homes funding and so on – the earlier this can be discussed and agreed, the better. It will give developers greater confidence."

– Andrew Ludiman, Head of Development and Investment, Kajima Partnerships

Affordable housing: A critical shortage

Nearly 90% of survey respondents said the shortage of affordable and social housing in their area is “critical” or “extremely critical.” Key Cities highlighted the ongoing loss of existing affordable homes through Right to Buy, through which councils have collectively lost more than 2 million homes since its introduction in 1980. Members also challenged the current definition of “affordable” (80% of market rent), calling it misleading and unhelpful as it is not tied to income levels or benefit thresholds. There was strong support for a shift toward genuinely affordable and social rent models, backed by long-term funding and local delivery powers.

Nearly 90% of respondents called the lack of affordable and social housing in their area critical or worse

44%
Extremely critical

44%
Critical

11%
Somewhat critical

0%
Not critical

“In the 1950s, we were building 147,000 council homes a year. The issue we face today is that without the social and affordable homes we need, housing affordability will remain a persistent problem.”

– Cllr Matthew Brown, Leader, Preston City Council

“Housebuilders alone cannot solve 40 years of underinvestment in social housing. Proper funding of social housing is therefore needed... we need a long-term strategy for housing, including a comprehensive spending review that recognises housing as infrastructure.”

– Mike De'Ath, Partner, HTA Design

“One of the biggest challenges is that there simply aren't enough projects to invest in. There's a huge amount of capital waiting to fulfil regulatory requirements with high social value.”

– James Agar, Head of Real Estate Origination, Pension Insurance Corporation/Habiko

“We've built more and more housing – more than we're required to by central government's housing needs target – in the City of Salford. However, over the period that the City of Salford has grown, housing has become more unaffordable, not helped by the language game played with affordability since the 2011 National Planning Policy Framework's definition of affordability being 80% of market rent. Similarly, despite the phenomenal growth we've witnessed in the City of Salford over recent years, we've worsened on the government's Index of Multiple Deprivation, fundamentally questioning the classical economic and neo-liberal view of ‘all boats rising’ and everyone benefitting from investment and economic growth.”

– Paul Dennett, City Mayor of Salford, Deputy Mayor of Greater Manchester, and portfolio holder for Housing First

“1.5 million homes with ‘30% affordable housing’ – it doesn't work like that. Estates won't want affordable housing, so the scheme won't get built.”

– Cllr Caroline Jackson, Leader and portfolio holder for Housing and Homelessness, Lancaster City Council

Planning reforms: welcome, but not enough

While planning reform is part of the solution, it is not the silver bullet. The system needs deeper structural changes, including better funding, land access and delivery mechanisms. In fact, the initial focus on planning reform aligns more closely with the developer's narrative that perceives the planning system as the main issue, which is not the case with local authorities.

When asked which of the government's announced planning reforms would have the greatest impact, 33% of survey respondents selected "Other", often expressing scepticism that any of the proposed measures would meaningfully address the root causes of housing under-delivery. Workshop participants also agreed that planning reform alone won't fix the housing crisis. What is needed is a broader structural shift – more funding, stronger local powers, and better delivery mechanisms.

A third of respondents see the planning reforms as not particularly effective for housing delivery

33% Other

22% Increased devolution

17% National development management policies

11% Fast-track brownfield sites

11% Use of grey belt land

6% Increased housing targets

"Across our councils, we have brilliant planning officers. They want things to come forward that are good for the community and the developer to deliver the best outcome for our residents."

– Cllr Vince Maple, Leader, Medway Council

"The Gateway 2 approval backlog is having an impact on schemes. The principle behind the process is supported, but the time and uncertainty that result from approval delay make it very difficult to pin down development. Such delay might push more developers to divert capital to low-housing, single-family development with lower specific risk in this regard."

– Andrew Ludiman, Head of Development and Investment, Kajima Partnerships

"We must be careful about bashing planners and reducing the longstanding and complex challenges we face to simply being matters of planning. Over the past 15 years and even prior to that, local government has been hollowed out, and the lack of capacity within local government has inevitably compromised our ability to deliver growth, with the medium to long-term planning often required here also being negatively impacted by political cycles of government and the resultant lack of strategic, industrial and infrastructure planning in the nation's and UK plc's interests."

– Paul Dennett, City Mayor of Salford and Deputy Mayor of Greater Manchester, and portfolio holder for Housing First

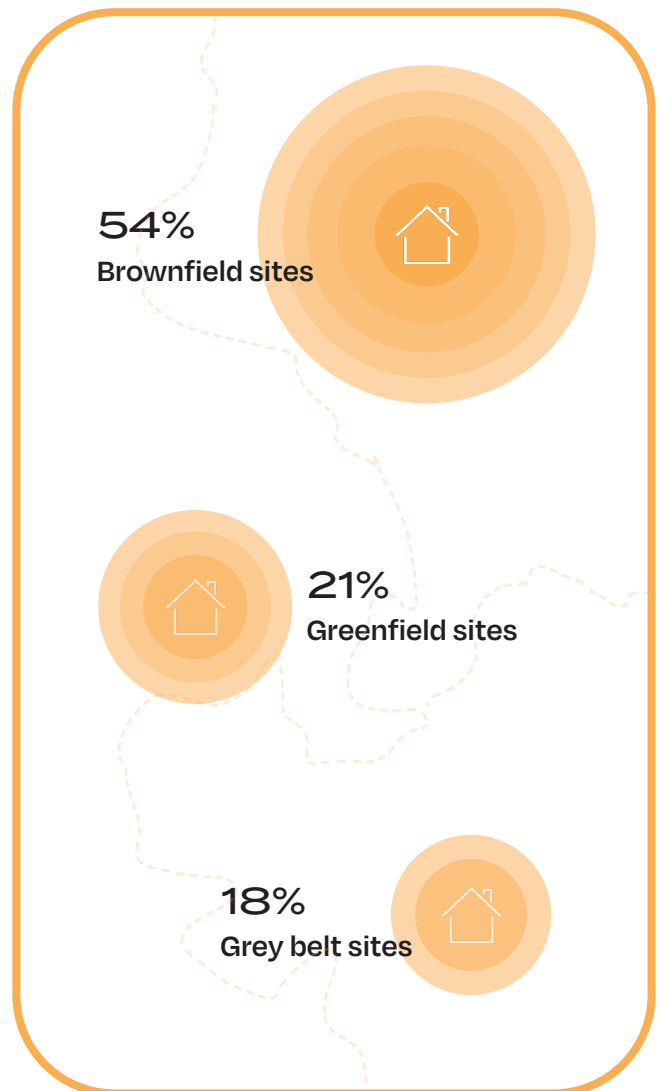
Where to build? Brownfield first, but land use challenges remain

More than half of survey respondents (54%) said brownfield sites offer the greatest potential for new housing, followed by greenfield (21%) and grey belt (18%) land. However, members in our workshops noted that brownfield development often faces viability challenges due to contamination and infrastructure costs.

Efficient land use is critical to accelerating housing delivery. "Use it or lose it" policies can discourage land banking, while reforms to biodiversity net gain (BNG) requirements and targeted financial support can unlock brownfield and former industrial sites. Reassessing underutilised or poor-quality open spaces also offers opportunities to deliver new homes where they are most needed.

In addition, workshop participants raised the issue of private landowners often disproportionately profiting from development. There is strong support for land value capture and reformed compulsory purchase powers to prevent speculation and unlock stalled sites.

Over half of respondents view brownfield sites as the most promising for new housing



"The 1.5 million homes target is blunt – Bath can't expand into green belt or build up, and that won't change. We're boxed in by heritage protections – 18 protected views and a UNESCO listing mean our growth has limits."

– Cllr Matt McCabe, Cabinet Member for Built Environment, Housing and Sustainable Development, Bath and North East Somerset Council

"More often than not, we encounter significant viability issues around contamination costs or fundamental problems around bringing those sites forward – then we end up losing further Section 106 and affordable homes."

– Simon Cairns, Major Projects Manager, Colchester City Council

Skills and capacity: a growing crisis

The skills shortage was mentioned across the board as a major threat to housing delivery – both in the construction sector and the local authority planning department. With an ageing workforce, recruitment difficulties and limited training pipelines, both sectors lack the capacity to meet demand. Staffing, upskilling and workforce planning are urgently needed, alongside investment in innovative skillsets such as Modern Methods of Construction, to boost productivity.



"Skills – especially apprenticeships in construction, are now being seen as a major priority."

– Pam Cox MP, Colchester

"The 1.5 million homes target won't be achieved due to economic factors. Even if that were addressed, the target still wouldn't be met. Skills and workforce are being depleted, and many of our most skilled people will be retiring in the next 10-15 years."

– Cllr Caroline Jackson, Leader and portfolio holder for Housing and Homelessness, Lancaster City Council

"The construction industry often does not have the right people in place post-planning to deliver the product effectively. Rather than relying solely on external contractors, the industry needs to develop the right skillsets internally to ensure quality and consistency in delivery."

– Daryn Inston, Property Development Manager, Reading Borough Council

"Costs are more settled in terms of construction materials, and labour availability has stabilised. However, if we are to get to 300,000 homes per year and reach the 1.5 million homes goal, there is a challenge."

– Tristan Robinson, Director of External Affairs and Social Value, Thakeham



Permission but no progress

More than 60% of survey respondents reported that over 1,000 homes in their area have planning permission but remain unbuilt. This aligns with national data showing more than one million unbuilt homes across England and Wales. More than a quarter (27%) of survey respondents suggested they were unsure of the figure, signalling how difficult it can be to view housing delivery progress holistically. Stakeholders in workshops called for “use it or lose it” policies to discourage land banking and accelerate build-out rates.

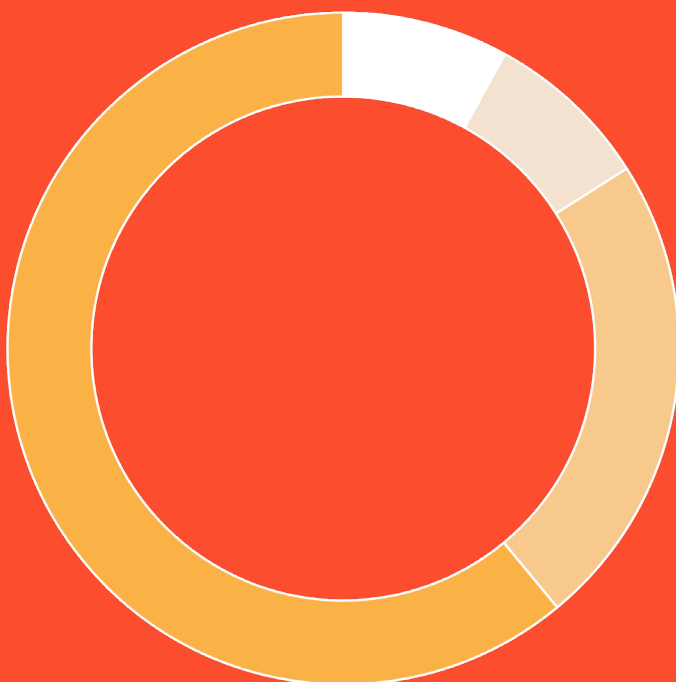
More than two-thirds of respondents have over 1,000 approved homes still waiting to be built in their areas

“Planning isn’t the problem – 5,000 homes have consent but aren’t being built.”

– Cllr Lorna Fielker, former Leader, Southampton City Council

“The most significant issue is for planning consents with Section 106 affordable homes – the developer will not start on site without a commitment from a registered provider to purchase the affordable homes post-construction. Registered providers do not have the financial capacity to commit to acquisition due to the priority need for Building Safety Act and new consumer standards of the Regulator for Social Housing.”

– George Marshall, Assistant Service Lead Local Plans, Exeter City Council



61%
1,001 – 5,000 Homes

23%
Over 5,000 Homes

8%
501 – 1,000 Homes

8%
101 – 500 Homes

The need to empower local authorities

Local authorities have been hollowed out by austerity and lack the resources to address housing demand and related infrastructure needs at the pace required to meet established targets. There is a strong consensus that councils need greater funding and powers, including the ability to regulate short-term lets, reform council tax, and use compulsory purchase orders more effectively.

To support delivery, local authorities need access to more power as well as finance. Expanding the Affordable Homes Grant and enabling councils to borrow at competitive rates will unlock investment

in high-quality, affordable rental housing. These measures will help councils play a more active role in meeting housing needs and delivering long-term value for communities.

Homes England, which is tasked with delivering the majority of the £39 billion Affordable and Social Housing Programme, is in the process of preparing the National and Housing Delivery Fund, which will involve more flexible funding and ringfenced resources to put together investment packages that will move schemes forward across England.

"We are very keen to make certain that we are working effectively with local leaders – Mayoral Strategic Authorities but also local leaders within the Key Cities and elsewhere – to make certain we can fully understand the key priorities that you believe need to be addressed to meet the needs of your population, because you know what those needs are far better than we ever will. As we move towards a more regional structure, we need to make sure that we put you in the driving seat to determine what the priority is that you want national agencies like us to deliver."

– Eamonn Boylan, former Interim Chief Executive, Homes England

"Last June, we had a Regulation 18 Local Plan which was ready to go to Regulation 19. Due to the uplift in the housing target that was given, we had to go back to the drawing board, which will take us at least another 18 months. If this hadn't happened, we would have adopted the Local Plan and would have been out there building."

– Cllr Paul Harvey, Leader, Basingstoke and Deane Borough Council

"New towns, greater cooperation, and the ability to deliver strategic infrastructure are essential to supporting housing growth. Our latest survey identified £122 million worth of strategic infrastructure projects needed to sustain housing in our area. However, we only have £29 million of available funding, which has now been allocated to flood defences and nutrient neutrality measures. These are not to mitigate the impact of development, but simply to keep it possible. In one of our three towns, we've had to stop discharging planning conditions entirely, and all development has halted due to phosphate levels. Devolution would give us the tools to address these challenges more strategically and unlock stalled growth."

– Cllr Millie Earl, Leader, Bournemouth, Christchurch and Poole Council

"Let local authorities choose priorities – BNG, EPC, affordability – they know what their communities need."

– Cllr Matt McCabe, Cabinet Member for Built Environment, Housing and Sustainable Development, Bath and North East Somerset Council

Quality and liveability matter

Stakeholders stressed that quantity alone is not enough. Homes must be spacious, sustainable and fit for families. However, there is growing concern about the declining quality of new builds, especially those delivered through Section 106 agreements.

For example, the latest English housing survey reported an increase in dangerous conditions in homes, such as damp and mould⁵. Moreover, Knight Frank's 2025 survey revealed that 80% of developers are struggling to sell affordable homes delivered under Section 106 to registered providers. This is likely due to recent regulatory changes, such as the requirement

for second staircases, which make existing homes non-compliant with updated safety standards⁶.

Improvement of existing housing standards is needed to ensure long-term value and liveability of new as well as existing homes. Moreover, infrastructure should be built around homes to ensure that they don't end up as "boxes in the park". Homes England is working closely with other national agencies, such as Network Rail and Highways England, so that infrastructure is coordinated with homes that are planned to be delivered.



Section Six: What is stalling national housebuilding?



"I don't like talking about units – most of the people I know live in a home, a community, a neighbourhood. Our commitment to working with places to create good, high-quality, sustainable design and layout [of homes] is absolute, and we will certainly not fund schemes that we do not regard as adequate quality. Clearly, a lot of this lies with local planning authorities to make sure that schemes are properly designed. This is why we work with our ATLAS team to support local authorities in planning capacity and capability to 'plan well'."

– Eamonn Boylan, Interim Chief Executive, Homes England

"This has become an obsession with housebuilding rather than placemaking, which is a massive flaw in the strategy. We haven't got the infrastructure to go with the developments we are looking to take, which will result in a massive infrastructure deficit."

– Cllr Paul Harvey, Leader, Basingstoke and Deane Borough Council

"People don't have issues with development; they have an issue with the chronic lack of infrastructure."

– Paul Dennett, City Mayor of Salford and Deputy Mayor of Greater Manchester, and portfolio holder for Housing First

"You can't build communities without space – every home should have enough space for a dining table."

– Cllr Lorna Fielker, Former Leader, Southampton City Council

"The payback on investment is better health, reduced spending on policing, more people going into and staying in the workforce, and better educational outcomes – but you need the courage to believe in the payback."

– Cllr Caroline Jackson, Leader and portfolio holder for Housing and Homelessness, Lancaster City Council

"We need large-scale developments that bring buses, jobs and real community benefits – not 120 boxes in a field."

– Cllr Matt McCabe, Cabinet Member for Built Environment, Housing and Sustainable Development, Bath and North East Somerset Council

"Large housing targets must link to carbon targets – a new home today will be responsible for 200 tonnes of carbon by 2030."

– Ian Pritchett, Managing Director, Greencore Construction

"Revitalising Stoke-on-Trent's high streets will depend on housing growth – specifically, the revitalisation and repurposing of derelict heritage buildings and conservation areas. The value of this approach across multiple missions should be recognised and funded accordingly."

– Cllr Jane Ashworth, Leader, Stoke-on-Trent City Council

Section Seven:

Closing the gap in delivery

The imbalance between housing demand and supply in the UK is a longstanding and deepening challenge. Despite persistent demand, the delivery of quality, affordable homes continues to fall short. According to Centre for Cities (2023), the UK has built significantly fewer homes than the European average, leaving a shortfall of 4.3 million homes – a gap that could take up to 50 years to close, even if current annual targets are met.

While much of the policy debate focuses on planning reform, this alone cannot resolve the issue. A broader set of structural barriers – including viability, funding, land access and delivery capacity, must be addressed to accelerate progress.

This is especially urgent in England, where population growth is projected to outpace the rest of the UK by 7.8% between 2022 and 2032⁷. Yet, the pipeline of new housing – particularly affordable homes, remains insufficient.

The National Housing Federation warns that by 2030, one in five households in England could be living in unaffordable housing, spending more than a third of their income on rent or mortgage costs.

The following section breaks down the housing supply chain into four key stages, highlighting the main barriers at each stage that are preventing the delivery of homes at the scale and quality needed. For each stage, Key Cities' previously outlined recommendations are mapped to show how they can help overcome these specific challenges.





1. Pre-application – unlocking land and viability

Land value and availability are critical factors in housing delivery. In the UK, land beneath residential properties is the most valuable type, worth £5.4 trillion in 2020 and accounting for over half of the nation's net worth. Compared to countries like Spain, the USA and Germany, land makes up a significantly larger share of house prices in the UK, contributing to average home prices being more than eight times the average income in England.

Urban areas face particular challenges due to limited land availability. While brownfield land covers 8.7% of England and residential land just 1.3%, there is untapped potential in both brownfield and reclassified "grey belt" land (poor-quality or underused areas within the green belt, which itself covers 12.6% of England). However, brownfield sites often face costly remediation issues, such as contamination, which can undermine viability and lead to reduced Section 106 contributions.

Key Cities' recommendations:

- Establish a new £3 billion Land and Infrastructure Viability Fund to support remediation and essential infrastructure on brownfield and grey belt sites.
- Launch a £500 million Heritage Premium Grant Programme as part of the above fund to regenerate long-derelict industrial sites with historic or cultural value.
- Ringfence 20% of the Social Affordable Homes Programme (SAHP) funding for newly created Foundation Strategic Authorities to ensure equitable housing investment.



2. Applications – bridging planning and capacity gaps

According to the latest TerraQuest planning report (2025), more than 1.5 million homes have been submitted through residential planning applications in the past five years – suggesting that, in theory, the government's housing targets could be met if this trend continues. However, in 2024 alone, only 233,281 homes were submitted for planning – just 63% of the annual target of 370,000. Of these, only a fraction will ultimately receive permission and be delivered.

While the planning system often becomes the focus of blame, local authorities point out that issues in the construction industry, especially the hiring of contractors without the right skillset, result in applications missing information as well as delivery issues post-planning.

Key Cities' recommendations:

- Reform and streamline financial viability assessments within the NPPF, including mandatory publication of the initial Section 106 draft.
- Increase the remit of the £29 million Planning Skills Delivery Fund to resolve capacity challenges in local authorities, by extending the lifespan of the fund to run until the end of the current parliament and increasing the maximum individual allocation to local authorities.
- Require mandatory public disclosure of both initial and final draft Section 106 agreements to increase transparency, reduce opt-outs, and hold all parties accountable.



3. Approval – supporting SMEs and streamlining permissions

An increase in housing applications does not guarantee a proportional rise in planning permissions or completed homes. In the 12 months to September 2024, only 72% of residential development applications in England were approved – a 7% drop from the previous year. Moreover, the time lag between planning approval and delivery remains a significant barrier.

The current planning system and broader economic conditions tend to favour large developers, often at the expense of SMEs. According to Glenigan's Q4 2024 New Housing Pipeline report, 91% of the 240,279 units granted planning permission were part of projects with 10 or more units – up from 87% in 2016⁸. In contrast, smaller schemes now account for just a tenth of approvals, a stark decline from the 1980s, when SME builders delivered 40% of new homes. This shift limits the potential to unlock smaller urban plots and diversify housing supply.

Key Cities' recommendations:

- Extend the “medium site” category to 99 homes, easing planning for SME builders to scale up and deliver more homes.
- Trial VAT relief for developments prioritising affordable housing and community amenities.
- Formally integrate a co-investment model into the NPPF to give councils a statutory role in shaping tenure and affordability.

4. Delivery and post-delivery – ensuring quality and affordability

Securing planning permission is only part of the challenge – many homes still fail to reach completion. Since 2015, more than one million homes granted planning permission in England and Wales have remained unbuilt.

A key barrier to delivery is the shortage of skilled labour. The Construction Industry Training Board estimates that an additional 250,000 workers will be needed by 2028 to meet the UK's construction demands. This skills gap, combined with rising costs and supply chain pressures, continues to slow down build-out rates.

As a result, annual housing completions consistently fall short of targets. According to MHCLG data, the number of new homes completed each year between 1992 and 2024 never exceeded 250,000 – well below the 300,000 homes per year needed to meet long-term demand.

When homes have been delivered, the focus shifts to residents moving in and ensuring the long-term quality and maintenance of these properties. However, the industry has been experiencing the introduction of new safety regulations that render many homes – both built and in the pipeline – non-compliant. As a result, housing associations across the country have stopped purchasing Section 106 homes, which hinders the delivery of affordable housing and causes delays in for-sale developments.

As of 2021/22, approximately 3.5 million homes in England failed to meet the statutory minimum standards for thermal comfort, structural condition, and modern facilities and services. Additionally, in 2021, there were more than 1.5 million vacant homes in England – around 90% of which were

believed to be genuinely unoccupied, with the remaining 10% classified as second homes.

There is also an underlying issue of defining affordability. Affordable rent in England has been defined as 80% of the market rent since 2011. However, market rent has seen exponential growth compared to the rise in income level: the average monthly rent in England is peaking at an average of £1,369 as of July 2025, which is striking compared to the average UK rent of £750 back in June 2011^{9 10}.

Therefore, for a low-income individual earning the 25th percentile pay, “affordable rent” is unaffordable (meaning that an individual would spend more than 30% of their gross pay on rent) in 42% of local authorities in England, according to analysis from Shelter¹¹. In contrast, social rent – which is tied to local incomes as well as property values, as defined by a district valuer – was affordable in 98% of local authorities.

Key Cities' recommendations:

- Establish updated, enforceable minimum standards for homes in terms of space, energy efficiency, accessibility and placemaking.
- Require all new homes to meet EPC B or above under the Future Homes Standard.
- Make affordable homes truly affordable by introducing a fairer definition that lowers costs by close to 20%.

Section Eight:

Key Cities is the essential partner to deliver government targets

Data shows that Key Cities members in England are outperforming the national average in both housing planning permissions and land supply: 74% of housing applications across Key Cities were approved, and 64% of the members have met the five-year housing land supply (5YHLS) threshold.

However, recent changes to the National Planning Policy Framework have placed significant pressure on many Key Cities members to meet higher local housing targets that far exceed historic delivery levels. The targets do not fully account for local challenges and come with minimal government backing. Moreover, the added uncertainty that comes from local government restructuring serves as a further challenge to effective housing delivery across Key Cities' membership.

To meet the national goal of 1.5 million new homes, the burden must be shared more fairly across central government, local authorities and the private sector. Within such a context, Key Cities will be able to unlock its full potential as an essential delivery partner for central government to supply quality, affordable homes across England where people need them most.

"One of the reasons we're part of the Key Cities network is because we are places on the rise – cities like Colchester that are growing and evolving. We should be leading the charge on housing delivery."

– Pam Cox MP, Colchester



Housing progress across Key Cities: targets, supply and planning permissions

Key Cities giving green lights	Government housing targets (per year)	Average number of homes added since 2021 (per year)	Planning permission granted by council in 2024
Basingstoke and Deane	1127	807	63%
Bath and North East	1471	570	90%
Bournemouth, Christchurch and Poole	2958	794	62%
Bradford	1828	1255	71%
Colchester	920	950	59%
Coventry	1388	1533	76%
Cumberland	1105	877	93%
Exeter	800	599	65%
Gloucester	685	440	55%
Hull	993	594	89%
Lancaster	619	286	69%
Lincoln	413	148	71%
Medway	1594	1122	73%
Norwich	779	351	77%
Plymouth	1290	324	73%
Portsmouth	1021	120	75%
Preston	590	1366	92%
Reading	1028	920	63%
Salford	1308	2557	76%
Southampton	1214	347	73%
Stoke-on-Trent	948	445	63%
Sunderland	1059	941	92%
Wolverhampton	1086	921	90%

Source: Ministry of Housing, Communities and Local Government (average is "net additional dwellings" per year between 2021-22 and 2023-24)

Key Cities members Newport and Wrexham are not included as part of the 1.5 million housing goal as they are part of Wales' devolved government.

Key Cities are more likely to give the green light

Analysis reveals that, on average, 74% of housing applications submitted by Key Cities’ members in 2024 received planning permission, outperforming the national average of 72%. Despite this, 85% of Key Cities are unlikely to meet the government’s housing targets, based on historic delivery trends.

Only four cities – Colchester, Coventry, Preston and Salford – are currently on track to exceed their housing targets, based on past performance.

Crucially, there is no strong correlation between the rate of planning approvals and the gap between housing targets and delivery, which indicates that the planning system is not the primary barrier to meeting housing goals.

Delivering in Wales

As a devolved nation, Wales operates under distinct housing policies and targets. It exceeded its 2016-2021 goal of delivering 20,000 affordable homes by 3,000 units. The current target is to build 20,000 new low-carbon social homes for rent between 2021 and 2026. While this figure may appear modest, Wales delivers significantly more affordable homes per household than England. For comparison, England delivered 63,600 new affordable homes in 2022/23.

However, Wales lacks a target for open-market housing and is experiencing a sharp decline in overall housebuilding. In 2023/24, the country recorded one of its lowest levels of new home completions since 1974/75.

Among Key Cities’ members, Newport is delivering 38.2 additional affordable housing units per 10,000 households, well above the Welsh average of 23.6 units. Wrexham is very close to reaching its housing targets, with less than 10 units’ difference between the total homes delivered and its housing target.

New dwellings started by local authority area and dwelling type, Jan - Dec 2024 ^{12 13}					
Wrexham Total	Wrexham Housing Targets	Wrexham: rate of all additional affordable housing units delivered per 10,000 households, April 2023- March 2024	Newport Total	Newport Housing Targets	Newport: rate of all additional affordable housing units delivered per 10,000 households, April 2023- March 2024
177	186	22.9	369	482	38.2

Five-year housing land supply figures across Key Cities

Key Cities	5YHLS
Basingstoke and Deane	2.9
Bath and North East Somerset	2.5
Bournemouth, Christchurch and Poole	2.1
Bradford	2.42
Colchester	5
Coventry	5.6
Cumberland	6.05
Exeter	5.08
Gloucester	5.03
Hull	6.86
Lancaster	2.4
Lincoln	7.9
Medway	3.5
Norwich	4.37
Plymouth	5.35
Portsmouth	4.97
Preston	6.7
Reading	5.55
Salford	8.9
Southampton	5.9
Stoke-on-Trent	5.64
Sunderland	5.1
Wolverhampton	5.05

The 5YHLS figures are primarily based on the most recently published housing land supply position.

Medway uses an average of appeal-derived figures, while Cumberland uses an average of the figures from Allerdale, Carlisle, and Copeland.

Key Cities' housing delivery is consistent

Alongside its 1.5 million homes target, the government has reinforced the requirement for all local authorities to maintain a five-year housing land supply (5YHLS).

However, recent changes to the National Planning Policy Framework have removed previous flexibilities, such as exemptions for councils with up-to-date local plans, and have instead introduced a revised methodology that increases assessed housing need.

According to Planning Magazine's updated Housing Land Supply Index¹⁴, 46% of English local authorities are currently failing to meet the 5YHLS requirement. In contrast, Key Cities are performing significantly better: only 36% fall short, while 64% meet or exceed the threshold. The sole exception is Cumberland Council, established in 2023, which is still developing its consolidated planning framework.



Section Nine:

Case Studies

While challenges remain, Key Cities offer valuable case studies that present scalable and amplifiable solutions. Below are examples of best practice in housing drawn from across the Key Cities network.

Dérive - Salford



Dérive Salford is a local housing company wholly owned by Salford City Council. Since acquiring its first homes in 2019, Dérive has created 399 new affordable properties. All affordable rents are below the Local Housing Allowance rates, including 262 homes at social rent levels. A further 317 new homes are under construction, with a pipeline of approximately 600 in planning and development.

Dérive has set the standard in delivering low-energy, low-carbon homes designed to Passivhaus standards. On mixed-tenure developments, it has challenged the private sector's standard regarding the number of affordable homes built. For example, on a site north-west of Salford where 177 homes are being developed, more than 50% have been designated as affordable housing.

Leasing Scheme Wales



In Wales, housing delivery remains sluggish, with 18% fewer homes completed by local authorities in 2023/24 compared to the previous year. To address this shortfall, alongside the persistent demand for affordable housing, the Welsh government is backing an innovative scheme that brings empty homes back into use.

Under the new programme, property owners can lease their homes directly to local authorities on fixed-term agreements, receiving guaranteed rental income in return. Grants of up to £25,000 are also available to support necessary upgrades. Already, 20 local authorities are participating, including Key Cities members Wrexham and Newport.

This model bypasses traditional Section 106 routes by working directly with property owners. It ensures that underused housing stock doesn't go to waste and offers a replicable solution for other regions with high vacancy rates.

Holes Bay – Bournemouth, Christchurch and Poole



On the waterfront at Poole Harbour, Dorset, sits the largest brownfield regeneration site in the South West: a 40-acre site, unused since the closure of the Holes Bay power station in 1994. Led by Bournemouth, Christchurch and Poole Council, the scheme aims to deliver more than 830 new homes, including a significant proportion of affordable housing¹⁵.

This initiative is part of a wider effort to unlock underused land and meet local housing needs without expanding into greenfield areas. By regenerating a previously industrial site, the scheme avoids the environmental costs of new land take.

The Holes Bay model could be replicated in other coastal or post-industrial towns across the UK where brownfield land remains underutilised. It demonstrates how coordinated public sector leadership can unlock complex sites and deliver high-quality, affordable homes at scale.

Edwards Court – Exeter



Redefining how care, sustainability and affordability intersect in urban development, Edwards Court is the UK's first Passivhaus extra-care scheme¹⁶. Led by Exeter City Council and supported by Devon County Council, the development offers 53 purpose-built apartments for older and vulnerable adults over 55 with 24-hour staffing, in-house care and communal amenities including a restaurant, lounges and hobby rooms.

Built to Passivhaus standards, Edwards Court prioritises energy efficiency and sustainable design and has reduced the energy required to heat the building by up to 90%.

The project is a pillar in Devon County Council's social care strategy, responding to the growing demand for in-home care and supported living. This pioneering scheme demonstrates how local authorities can lead the way in delivering low-carbon, high-quality housing that meets the complex needs of an ageing population.

Fortior Homes – Stoke-on-Trent



Council-owned housing company Fortior Homes is dedicated to developing, owning and managing affordable, quality homes in Stoke-on-Trent and is playing a pivotal role in reshaping the city's housing landscape¹⁷.

The company specialises in unlocking small, constrained urban sites and transforming them with innovative new-build solutions, but also acquires long-term empty properties and refurbishes them back into use for rent. Alongside private rental, Fortior Homes delivers market-sale homes and affordable housing. This varied approach to housing delivery increases supply and revitalises neighbourhoods.

Working closely with Stoke-on-Trent City Council and local developers, Fortior Homes ensures its developments align with city regeneration goals and local priorities. Its model offers a replicable blueprint for other cities seeking to address housing need while retaining control over development outcomes.

Goldsmith Street – Norwich



Goldsmith Street in Norwich symbolises a new era for council housing, delivering 105 Passivhaus homes built directly by the council and offered at secure, fixed social rents¹⁸. With a focus on sustainability, affordability and community, the development sets a new benchmark for local authority-led housing in the UK and is the first social housing project to win the Stirling prize.

Built to Passivhaus standards, the homes cut heating costs by up to 70% compared to the average and play a vital role in addressing fuel poverty. The design draws inspiration from Norwich's traditional Victorian terraced neighbourhoods, reimagined for modern living. Each home has its own front door opening directly onto the street, reinforcing a sense of ownership, and between the rows of homes, a planted alleyway with communal tables and benches encourages social interaction and communal shared spaces.

Goldsmith Street demonstrates how thoughtful design, public investment and environmental responsibility can create inclusive communities and is a strong example of what can be achieved when councils are empowered to build for the public good.

Alder Grove – Lancaster



In Lancaster, a small but innovative housing scheme at Alder Grove is setting new standards for energy-efficient, council-led development¹⁹. Delivered by Lancaster City Council, the project replaced a structurally unsafe building with four high-quality one-bedroom flats, a manager's office and a community room – all designed to meet the 2025 Future Homes Standard.

Built using the Etopia Modern Methods of Construction, which offer value for money against delivery timescales, Alder Grove is one of the most energy-efficient council housing schemes in the North West. With an EPC rating of A, the development generates energy using solar panels which is shared between the dwellings, helping to reduce bills and tackle fuel poverty. Working with local contractors, the scheme also reflects the council's commitment to supporting the regional economy.

Alder Grove illustrates how small-scale, high-impact developments can contribute meaningfully to housing supply, environmental goals and community wellbeing, and offers a replicable model for other councils seeking to meet housing demand, improve energy performance and support independent living for older residents.

Manydown – Basingstoke



The Manydown development in Basingstoke is among the South East's most ambitious council-led housing projects. A joint venture between Basingstoke and Deane Borough Council and Hampshire County Council, it is being delivered with master developer Urban&Civic, part of the Wellcome Trust, in a pioneering public-private partnership.

The scheme will deliver up to 3,520 homes, including 1,400 affordable units, alongside a 250-acre countryside park – the borough's first. It also includes schools, community facilities and sustainable transport infrastructure to support a connected, inclusive community.

Manydown challenges conventional housing delivery by unlocking council-owned land through long-term strategic planning. Acquired under a 999-year lease in 1996, the site is now secured for development, enabling early infrastructure works. The project concentrates growth in a planned, infrastructure-supported location to ease pressure on surrounding areas. This model allows councils to retain control over land use, housing mix and community outcomes, ensuring affordability, sustainability and placemaking remain central.

Section Ten:

Public-private delivery in practice

Below are selected case studies from the private sector that demonstrate the potential of effective public-private partnerships in delivering impactful residential outcomes.



Thakeham: Woodgate – Pease Pottage

In Pease Pottage, West Sussex, the Woodgate development is redefining what a modern village can be. Led by Thakeham in partnership with housing association Abri, the scheme will deliver more than 600 new homes, including units for affordable rent, shared ownership and market sale, alongside a new primary school, community centre, village shop and coffee house.

Inspired by traditional Sussex architecture, Woodgate creates a walkable, cohesive neighbourhood that fosters community and wellbeing. The development includes a mix of homes arranged around a new village green, with tree-lined streets and landscaped public spaces that encourage outdoor activity and social interaction.

Beyond housing, Woodgate also supports the wider community, providing a permanent home for St Catherine's Hospice, and creating new employment and training opportunities through its construction and long-term operation. The project is supported by a £16 million development facility from Barclays, enabling phased delivery and long-term financial resilience.

Woodgate exemplifies how large-scale, mixed-tenure development can successfully balance housing delivery with placemaking, sustainability and community infrastructure. It highlights the potential of strategic partnerships between developers, housing associations and local authorities to create vibrant, inclusive neighbourhoods that are built to last.



Kajima Partnerships: Springfield Village

In south-west London, Springfield Village is transforming the former Springfield University Hospital site into an inclusive community. Delivered through a joint venture between Kajima Partnerships and Sir Robert McAlpine Capital Ventures, in collaboration with South West London and St George's Mental Health NHS Trust, the scheme is one of the UK's most ambitious examples of health-led regeneration.

The £150 million development will deliver more than 800 new homes, a 64-bed care home and a 32-acre public park – the largest new park in London since the 2012 Olympics. At its heart are next-generation mental health facilities, designed to reduce stigma by embedding care into a wider residential and community setting. The scheme also includes shops, cafés, a new school site and sustainable transport and energy infrastructure.

Springfield Village reimagines how healthcare, housing and placemaking can coexist. The masterplan, originally approved in 2012, preserves and repurposes historic hospital buildings while introducing high-quality new homes and public spaces.

The development also supports long-term financial resilience for the NHS trust, which self-funded the new mental health facilities through land sales – demonstrating how surplus land can be monetised for reinvestment to deliver both public services and community benefit.

Section Eleven:

Delivering on the government's housing agenda: conclusions

Meeting the UK's housing challenge demands urgent, coordinated leadership from government at every level. This report outlines practical, evidence-based recommendations that together form a clear and actionable roadmap for delivering the government's housing ambitions – faster, fairer and at scale.

Empowering local authorities with the funding, tools and autonomy to lead housing delivery is central to this vision. By redefining affordability, protecting social housing and accelerating SME-led development, the government can ensure that new homes are not only

built, but built where they're needed most. Reforming developer obligations, unlocking stalled sites, and enforcing time-bound delivery will further ensure that planning permissions result in real, tangible outcomes.

Key Cities looks forward to working with the government in adopting these recommendations and ultimately delivering more homes for communities across the network.

About Key Cities

**The Secretariat of Key Cities is operated by Salford City Council.
Its Chair is Councillor John Merry CBE, Deputy City Mayor of Salford City Council.**

Established in 2013, Key Cities is a diverse, national network that represents urban living in the UK and has the range, expertise and agility to deliver innovative solutions for the challenges we face. The network's APPG, events and research initiatives help focus the national policy agenda on cities.

The 25 member cities of the network are significant urban areas with integrated municipal government in close touch with the lived experience of their populations. As a network, Key Cities is well placed to offer nimble and scalable innovation to maximise the benefits of urban living in the UK.

For Key Cities, platforming and connecting the diverse voices of urban UK is central to unlocking successful devolution and a productive, balanced economy for all parts of the country.

The Key Cities network members are: Basingstoke and Deane; Bath & North East Somerset; Bournemouth, Christchurch and Poole; Bradford; Colchester; Coventry; Cumberland; Exeter; Gloucester; Hull; Lancaster; Lincoln; Medway; Newport; Norwich; Plymouth; Portsmouth; Preston; Reading; Salford; Southampton; Stoke-on-Trent; Sunderland; Wolverhampton and Wrexham.

Section Twelve:

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