

Social and Affordable Housing Renewal

Statement made on 2 July 2025

Statement UIN HCWS771

Statement made by



Matthew Pennycook

Minister of State for Housing and Planning

Labour

Greenwich and Woolwich

Commons



Statement

At the Spending Review on 11 June 2025, we set out the main elements of our social and affordable housing investment strategy in this Parliament. Today, I am providing further detail in relation to a number of the announcements made, as well as providing clarity about future regulation on quality and safety and the Right to Buy.

Taken together, the grant funding support and regulatory certainty and stability that this government is providing will enable Registered Providers to quickly ramp up investment in existing and new stock and kickstart a decade of social and affordable housing renewal.

The biggest boost to grant funding in a generation

At the Spending Review, we announced £39 billion for a successor to the Affordable Homes Programme over 10 years from 2026-27 to 2035-36. Our new Social and Affordable Homes Programme will give Registered Providers a decade of certainty over the capital funding they will have available to build new, more ambitious housing development projects. It is integral to delivering the government's commitment to the biggest increase in social and affordable housing in a generation.

I am today confirming the following details about the new Social and Affordable Homes Programme:

- Given the priority this government accords to social rented housing, at least 60% of homes delivered through the programme will be for Social Rent. The remainder will be available for other tenures including Shared Ownership, Affordable Rent and intermediate rent.
- Up to 30% of the funding over the programme will be delivered by the Greater London Authority (GLA) in London, with at least 70% available for the rest of England via Homes England, depending on the level of future bids.
- The programme will not have numerical targets or ringfenced budgets for particular regions or types of home beyond the GLA's portion, but we will ensure that Established Mayoral Strategic Authorities (EMSAs) can set strategic direction for the programme in their area, and to support planning, we will set out upfront indicative spend per EMSA, subject to suitable projects.
- The programme will not set numerical targets for particular types of homes other than Social Rent, but will be designed with the flexibility necessary to support a greater diversity of social and affordable supply including council, supported, community-led and rural housing.
- The new programme will continue to support regeneration schemes that provide a net increase in homes on a site and will allow a limited number of acquisitions.

- The programme will allow bids for individual projects on an ongoing basis, and for Strategic Partnerships over the life of the programme, including bids for funds over the entire 10 years of starts, with homes completing after 2036 also eligible. A competitive bidding round for Strategic Partnerships will launch this winter, followed by later opportunities to bid.

Accurately forecasting long-term delivery is inherently challenging, but we believe the Social and Affordable Homes Programme could deliver around 300,000 social and affordable homes over its lifetime with around 180,000 for Social Rent.

We will set initial targets for Homes England and the GLA after receiving bids from Registered Providers, and will review these targets across the lifetime of the programme to maximise delivery. It is our intention to publish a full prospectus for the new Social and Affordable Homes Programme in autumn 2025 and open it for bids in the winter.

Rebuilding the sector's capacity to borrow and invest in new and existing homes

To give Registered Providers, lenders, and investors greater long-term certainty, we confirmed at the Spending Review that we will permit social housing rents to increase by CPI+1% each year from April 2026, and we doubled the length of the settlement from five to ten years.

We also made clear that we would give social landlords equal access to government remediation funding schemes, providing over £1 billion of new investment between 2026-27 and 2029-30, and make available to them £2.5 billion in low-interest loans to support new development (alongside commercial lending).

To unlock the level of investment in new and existing social and affordable housing necessary to deliver on the government's ambitions, we committed to implement a convergence mechanism as part of the new rent settlement. The details of precisely how, and at what level, this mechanism will be implemented will be confirmed at Autumn Budget later this year, taking account of the benefits to the supply and quality of social and affordable housing, the impact on rent payers and the impact on the government's fiscal rules.

To inform policy development in this area, we will today publish a focused technical consultation on how convergence should be implemented, with options for this being capped at £1 or £2 per week.

In combination, we expect these measures to significantly improve the capacity of Registered Providers, enabling them to borrow and invest in new and existing homes. We also expect that improved financial capacity will see Registered Providers reassess their position in respect of uncontracted and unsold Section 106 units across the country. We encourage those housebuilders and Registered Providers who have not yet engaged with the Homes England Section 106 Affordable Housing Clearing Service to do so.

Establishing an effective and stable regulatory regime

Alongside our commitment to delivering the biggest increase in social and affordable housebuilding in a generation, the government is determined to drive a transformational and lasting change in the safety and quality of social housing.

Registered Providers are already investing billions into repairs, maintenance, and improvements. To help them plan effectively for the future, we want to provide clarity as to the updated, modern standards needed to ensure that rented homes are safe, decent and energy efficient.

We are therefore today launching consultations on a reformed Decent Homes Standard (DHS) for the social and private rented sectors and on a new Minimum Energy Efficiency Standards (MEES) for social and affordable housing.

To support stakeholders in responding to the DHS consultation, I am publishing an interim impact assessment and the government response to the consultation undertaken by the previous government on extending a standard to the private rented sector.

In addition to consultations on a reformed DHS and new MEES, I am also confirming today that we will direct the Regulator of Social Housing (RSH) this autumn to set new standards for the Competence and Conduct of staff who work in social housing. The new requirements will improve professionalism within the sector, ensuring tenants receive a good service and are always listened to and treated with respect and dignity.

The new Competence and Conduct Standard will come into force in October 2026. There will be a transition period after this date giving providers additional time to comply with qualification requirements for senior housing managers and executives. Larger registered providers that own 1,000 or more units of social housing will have three years, and smaller providers that own less than 1,000 units will have four years.

We also intend to direct the RSH to introduce new Social Tenant Access to Information Requirements (STAIRs) for Registered Providers of social housing, including housing associations, to enable residents to request information about their housing management. From October 2026, providers will be required to proactively publish information about the management of their homes. From April 2027, they will be expected to provide tenants with access to information on request.

Finally, I am today announcing that we will be launching a £1 million Resident Experience Innovation Fund to support social landlords, tenants and other relevant organisations to work together to test and scale up innovative projects that aim to deliver better outcomes for social tenants.

Reinvigorating council housebuilding

To better protect much-needed social housing stock, boost councils’ capacity, and enable them to once again build social homes at scale, we need to further reform Right to Buy. Following the reduction in maximum Right to Buy cash discounts announced at Autumn Budget 2024 and our decision to allow councils to keep 100% of Right to Buy receipts, we consulted late last year on reforms to deliver a fairer and more sustainable scheme.

Having analysed feedback to that consultation over recent months, I am today announcing further reforms to the Right to Buy. These include:

- increasing the length of time someone needs to have been a public sector tenant to qualify for Right to Buy from 3 to 10 years;
- reforming discounts so they start at 5% of the property value, rising by 1% for every extra year an individual is a secure tenant up to the maximum of 15% of the property value or the cash discount cap (whichever is lower); and
- exempting newly built social homes from Right to Buy for 35 years, ensuring councils are not losing homes before they have recovered the costs of building them.

We will legislate when parliamentary time allows to bring these reforms into force. More immediately, we will reform the receipts regime and extend existing flexibilities on spending Right to Buy receipts indefinitely. Councils will also continue to be able to retain the share of the receipts that was previously returned to HM Treasury. In addition, from 2026-27, we will permit councils to combine receipts with grant funding for affordable housing to accelerate council delivery of new homes.

We are also acting to restore the capacity of council workforces to deliver. Working with the Local Government Association, the government has already established a new Association of Directors of Housing to help councils collaborate and share best practice. Today, I can confirm that we are launching the Council Housebuilding Skills & Capacity Programme, backed by £12 million of funding in 2025/26.

The Programme will enable the Local Government Association to provide centralised training and guidance to councils to upskill their existing workforces and to expand its successful Pathways to Planning programme to help recruit graduates ready to undertake training to become qualified surveyors and project managers. The Department will also work with Homes England to support councils to boost their engagement with the new Social and Affordable Homes Programme.

A renewed partnership with the sector

Ending England’s acute and entrenched housing crisis will be a painstaking and laborious effort that will require focus, energy, and determination over many years. We know that it cannot be accomplished by central government alone, which is why this government has prioritised working in close partnership with the sector.

The measures announced over recent weeks demonstrate the government’s commitment to providing Registered Providers with the grant funding support and regulatory stability they need to deliver. We now expect them to step up and do just that, so that together we kickstart a decade of social and affordable housing renewal.

Statement from

Ministry of Housing, Communities and Local Government



Linked statements

This statement has also been made in the House of Lords

Ministry of Housing, Communities and Local Government	>
Social and Affordable Housing Renewal	
 Baroness Taylor of Stevenage Parliamentary Under-Secretary of State Labour, Life peer	
Statement made 2 July 2025	
HLWS770	
Lords	