



Ministry of Housing,
Communities &
Local Government

Delivering a decade of renewal for social and affordable housing

JULY 2025



Five Steps to a Decade of Renewal

This plan sets in place the foundations for a decade of renewal in social and affordable housing. This renewal is focused on delivery of the biggest increase in supply in a generation, alongside a transformational and lasting change in the safety and quality of homes. Building on the record investment announced at Spending Review 2025, we are setting out five steps for renewal, and we call on all providers to step up their ambition to deliver with us. We will:



This country has not built enough social and affordable housing for decades. Over 165,000 children are living in temporary accommodation, and more than 1.3 million people are waiting on social housing registers. Homeownership amongst young people has halved in the last 35 years; the average household renting privately spends over 30% of their income on rent; and 15% of households live in poor-quality housing.

To deliver a decade of renewal and address these systemic problems, we need every part of the social and affordable housing sector working in lockstep. For the last decade, housing associations have delivered around 80% of new social and affordable housing. This plan delivers on the sector's asks to rebuild their financial capacity to enable housing associations and their investors to scale up development at pace. We also need to reinvigorate council housebuilding, as historic levels of housebuilding have only been achieved when councils have built at scale.

Since coming to office, the Government has listened carefully to social and affordable housing providers and tenants. We are committed to delivering the five steps below, and we ask the sector to meet our ambitions as we forge a path for a decade of social housing renewal. We will set out wider plans for housing as part of the Long Term Housing Strategy.

Step 1: Deliver the biggest boost to grant funding in a generation

To deliver the scale of housing the country needs, we have confirmed a new **10-year £39 billion Social and Affordable Homes Programme (SAHP)** to kickstart social and affordable housebuilding at scale across the country. This is the biggest long-term investment in social and affordable housing in recent memory.

Our new 2026-2036 SAHP will combine the best elements of previous programmes with new design elements to maximise delivery, and ensure it enables providers to build the types of homes the country needs. The core strategic objective of this new programme will be to **maximise supply** – particularly of **Social Rent homes**, with a target to deliver at least 60% of the homes under the programme as Social Rent. This objective ensures we are prioritising delivery of the most affordable homes to help hard working families and lift children out of poverty and homelessness.

It is challenging to forecast accurate long-term delivery, but we know that the opportunity of a 10-year programme means that social landlords can plan investment further ahead, and can find efficiencies to make grant go further. Therefore, our ambition is to deliver around 300,000 social and affordable homes over the programme's lifetime.

If we achieve this ambition and our target of at least 60% of the homes being for Social Rent, the new programme will deliver around **180,000 homes for Social Rent – six times more** than the number of grant-funded Social Rent homes delivered in the decade up to 2024. In addition to the grant-funded Social Rent homes this programme will deliver, we also expect more Social Rent homes to be delivered through Right to Buy receipts and section 106 agreements over the coming years. We have amended the National Planning Policy Framework to make clear that Local Planning Authorities should consider the particular needs of those who require Social Rent homes when undertaking housing needs assessments and setting policies on affordable housing requirements.

We will set initial targets for Homes England and the GLA after we have received bids from providers, and will review these targets through the lifetime of the new programme to drive progress towards our ambition. We will publish a full prospectus for the new programme in autumn 2025 and open for bids in the winter. The following parameters will apply to the programme:

- **At least 60% of homes delivered will be for Social Rent**, with the remainder available for other tenures including shared ownership, affordable rent and intermediate rent. Full details will be set out in the prospectus.
- **Up to 30% of the funding over the programme (up to £11.7 billion over the 10 years) will be delivered by the GLA** to use in London, with at least 70% available for the rest of England via Homes England, depending on bids.

- The programme will not have numerical targets or ringfenced budgets for particular regions or types of home beyond confirming the GLA's portion. However, as the Government committed to in the English Devolution White Paper, we will ensure that **Established Mayoral Strategic Authorities 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.
- We recognise that some types of social and affordable homes that are much needed can often cost more to deliver – such as **some homes built by local councils, supported housing, community-led and rural homes**. The new programme is designed to be flexible to support the greater diversity of supply needed, and we are asking providers to come forward with ambitious bids that reflect this diversity. This approach replaces the previous approach of setting numerical targets for particular types of homes (e.g. for rural and supported housing delivery). We will maintain the principle that all bids will be assessed for value for money based on their particular circumstances, and we will not pay any more grant than is necessary to meet the gap between the costs of building and the funds that can be raised by providers.
- **While the new programme will focus on new supply, it will also continue to support some regeneration schemes** that provide a net increase in homes on a site. The programme will also allow for a limited number of acquisitions of existing housing stock, to support wider delivery while more rapidly increasing the supply of social and affordable homes.
- We 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.

Alongside our grant programme, we will continue to **diversify investment into the sector**. Private sector and other investment is core to the social and affordable housing sector financial model. Private Registered Providers have borrowed around £105 billion from private markets, with some providers taking on equity arrangements. But we want to support social housing providers to access new types of investment and help newer social and affordable housing providers to enter the market, whilst continuing to ensure homes are safe and decent for tenants.

The government has, for the first time, provided a 10-year settlement on both rent policy and capital funding for new affordable housing, which gives investors much greater long-term certainty. We have also set out the building blocks of our major regulatory reforms, consulting on requirements the sector will face over the next decade, and backed this with grant for building safety remediation. The social and affordable housing sector will be entering a decade of unmatched certainty, unleashing opportunities for investors wanting a stable and dependable return. We want to work with investors on how to maximise this opportunity.

Step 2: Rebuild the sector's capacity to borrow and invest in new and existing homes

The financial capacity of housing associations and councils has weakened in the last decade, due to new essential building safety requirements, rising repairs costs and interest rates, and real-terms rent cuts imposed by the previous government. This government is committed to rebuilding this capacity.

- **Rents:** As set out at the Spending Review, we have reflected carefully on responses to our October 2024 consultation on a new long-term rent settlement. Any decisions on rent need to balance the cost to tenants with the need for an income stream which enables landlords to maintain homes to a decent standard, against which they can borrow and invest in new homes.

With those objectives in mind, **we will permit social housing rents to increase by CPI+1% each year** from April 2026. To give Registered Providers, lenders, and investors greater long-term certainty, and in light of the responses to the consultation we carried out last Autumn, we have also **doubled the length of the settlement** from five to ten years.

In response to our consultation last year, providers were clear that the level of investment in new and existing social and affordable housing that is needed to deliver on the government's ambitions would not be unlocked unless a rent convergence mechanism is reinstated. Such a mechanism would allow rents on Social Rent properties that are currently 'below formula' (i.e. lower than the usual maximum that may be charged when a property is let to a new tenant) to increase by an additional amount, over and above the CPI+1% limit, up to formula level. This would be far fairer than a higher across the board rent increase, as it would only ask those who currently pay lower rents to pay a bit more.

The government therefore announced at Spending Review that we will 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 this, we have published a focused consultation on how convergence will be implemented, with options for this being capped at £1 or £2 per week, with a final decision to follow at this year's Autumn Budget.

- **Building safety:** The first responsibility of any landlord is to keep their residents safe, and this includes the removal of dangerous cladding. We acknowledge that the costs are high, and social housing registered providers have had to bear much of the cost of cladding remediation themselves, unlike private providers. **At the Spending Review we confirmed we will change this, and for the first time will give social landlords equal access to government remediation funding schemes,** providing over £1 billion of new investment between 2026-27 and 2029-30.
- **Borrowing costs:** We know that providers need to borrow more to build more homes but there are constraints on their capacity to take on more borrowing. **We will make available £2.5 billion of low-interest loans over the Spending Review period to support the delivery of new social and affordable housing.** These loans are intended to complement commercial lending. Providers will be able to combine these loans with grant from the Social and Affordable Homes Programme, guaranteed lending from the Affordable Homes Guarantee Scheme, and Section 106 contributions. We will engage providers on designing and deploying these loans over the summer.



Step 3: Establish an effective and stable regulatory regime

Building new supply is vital but it is also critical that our four million existing social homes are safe, decent and warm for tenants. The Regulator of Social Housing's strengthened standards include requirements for landlords to have an accurate record of the condition of properties based on physical stock checks and to provide an effective, timely repairs service. Access to the Housing Ombudsman Service has been simplified and new powers given to it, to help speed up redress for tenants and make it more effective.

Social and affordable housing providers are already investing significant sums into maintenance and repairs (at over £11.5 billion a year). But they now need updated, modern standards to follow that are suitable for the next decade and beyond, and that prioritise the things that are most important for tenants. We have launched consultations on all major new standards and requirements, prioritising safety first while balancing costs to ensure providers can simultaneously drive up supply and offer social homes to more families.

The government is clear that homes must, above all, be safe. Safety is non-negotiable, and landlords must take urgent action to respond to issues when they arise. We have already set out what is required of providers on dangerous cladding. We have now confirmed the following new requirements:

- **Awaab's Law:** The Government has laid in Parliament the legislation to implement Awaab's Law, putting in place clear protections for tenants by making sure dangerous hazards are addressed quickly. Once approved by Parliament, the new requirements, which specify that social landlords need to address damp and mould hazards within strict, specific timeframes, and all emergency hazards within 24 hours, will commence in October 2025. We will extend these requirements out to other hazards in further phases in 2026 and 2027 to allow us to take a 'test and learn' approach. Social landlords will also continue to have a legal duty to remedy disrepair, and keep their homes fit for human habitation and free of dangerous 'category 1' health and safety hazards.
- **Electrical safety:** We have also laid regulations in Parliament requiring landlords to carry out checks on electrical installations at least every five years and testing of all electrical appliances that are provided as part of a tenancy. Once approved by Parliament, these regulations will come into force in November 2025 for new lets, and six months later for existing tenancies.

We are committed to ensuring that all social and affordable housing tenants can live in a warm and decent home. We have set out the following proposals:

- **Decent Homes Standard (DHS):** The DHS was last updated in 2006 and no longer reflects what is most important for tenant wellbeing, nor does it work for our ageing housing stock. We have published a consultation on an updated and modernised standard, with proposals that aim to have tenant safety at their core, but that remain proportionate and affordable for providers to deliver. Updates to the standard will include: removing outdated age limits and focusing on the actual repair of building components; updating the list of core facilities that should be provided in homes; and seeking evidence on whether to also introduce new measures like window restrictors. We will incorporate updated Minimum Energy Efficiency Standards (MEES) into the DHS to improve consistency and clarity of standards; and will place a new emphasis on keeping homes free from damp and mould. The consultation proposes that the new standard will come into force no earlier than 2035, to give landlords time to phase work, spread costs, and support spending on routine repairs, and new supply.

We are calling on everyone with an interest to offer their views and evidence on this proposed new standard, so we can make sure the final standard we publish works for both tenants and landlords. We are also consulting on how to apply the DHS to the private rented sector for the first time. Once this consultation has closed, we will publish our final standard before the end of the year, providing the certainty required to start delivering.

- **Minimum Energy Efficiency Standards (MEES):** We have published a consultation on a new Minimum Energy Efficiency Standard for social and affordable housing, to encourage building improvements that save tenants money on their bills, make homes warmer and encourage (but not require) the installation of low carbon heating. Our proposals would require landlords to meet an updated EPC fabric metric at band C, and either the new heating system or smart readiness metric. We are also consulting on a cost cap of £10,000 per home, to help providers manage the costs of upgrade works. As with the DHS, we want to consult openly and work with the sector in the coming weeks to make this transition achievable and avoid disadvantaging the over 70% of social and affordable housing providers who have already made progress towards EPC C. This is why we have also proposed a suite of exemptions (for the most expensive to treat homes), cost caps to avoid excessive spend on individual properties, and lengthened implementation timings for those already meeting EPC C under existing metrics, or who will do so before April 2028. We are proposing an implementation date of 2030 – though again we welcome views from all with an interest on this and the other proposals we have set out. Once this consultation has closed, we will publish the final standard before the end of the year.

We remain committed to ensuring that tenants' experiences and voices are at the heart of our social and affordable housing system:

- **Competence and conduct:** The new standard for the professionalisation of all social housing staff will come into force in October 2026, with a 3-year transition period before senior housing managers and executives must have or be working towards a relevant qualification (4 years for registered providers with fewer than 1000 homes). We will publish our direction to the Regulator of Social Housing to implement this in the autumn.
- **Access to information:** We will direct the Regulator of Social Housing this autumn to set new access to information requirements for Private Registered Providers. From October 2026, private registered providers will be required to proactively publish information relating to the management of their social housing. From April 2027, they will also be required to respond to information requests from tenants. We will also seek to extend FOI rights to tenants of Tenant Management Organisations to the same April 2027 timetable.
- **Innovation Fund:** In late summer we will be launching a £1 million Resident Experience Innovation Fund to support social landlords, tenants and other organisations to test and scale up innovative projects that aim to deliver better outcomes for social tenants.

We will ensure that social homes go to the families who need them the most, and that more specialist housing is available to those who need support to live happy and independent lives.

- **Allocations and use of existing social housing:** We will support councils to ensure that social housing is effectively supporting local needs and vulnerable households. We have already exempted veterans, domestic abuse victims and young care leavers from local connection tests to facilitate their access to social housing. We will be updating statutory guidance to reflect these changes and will keep this guidance under review. In addition, we intend to review how effectively social housing providers use their properties, and explore ways to reduce the time homes are left empty, encourage movement within the sector through mutual exchanges (particularly where homes are overcrowded and under-occupied) and support people to move into more suitable properties.
- **Supported housing:** Our stock of supported housing provides homes for the most vulnerable in society, and we are committed to improving both the quality and supply available. We will set out details of a new licensing regime to drive out rogue providers and improve standards for residents later this year following the consultation on the implementation of the Supported Housing (Regulatory Oversight) Act 2023. We also call on all providers to put ambitious bids for new supported homes into the new Social and Affordable Homes Programme.

Step 4: Reinvigorate council housebuilding

Councils have only delivered around 8,000 new affordable homes every year on average in the last five years and fewer than 40% of council homes sold off under Right to Buy since 2012 have been replaced. **We want to support councils to build at scale once again and ask all Council Leaders to examine what role they can play in reinvigorating council housebuilding.**

- **Right to Buy:** This Government is committed to retaining a route for longstanding council tenants to buy their home. But we also need to protect our council housing stock. We have already taken decisive action to reduce maximum cash discounts available to tenants, and allowed councils to keep 100% of Right to Buy receipts to help them build new stock. Following our recent consultation, we are now going further with a more comprehensive package of reforms to Right to Buy that will ensure that council tenants retain the ability to buy their own home, whilst giving councils the confidence to increase the delivery of much needed new council homes. These reforms include: increasing the time a tenant must have been a public sector tenant, from 3 to 10 years, before they are eligible for Right to Buy; 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 into force these reforms. We will also reform the receipts regime and extend existing flexibilities on spending Right to Buy receipts indefinitely. 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.
- **Borrowing costs:** We are aware that the discounted Public Works Loan Board (PWLB) rate for Housing Revenue Account (HRA) borrowing is due to end in March 2026. The government recognises the sector's call for certainty to enable long-term planning for the delivery of new social and affordable housing, and remains committed to supporting councils to deliver on our shared priorities. The government keeps all PWLB rates under review and will confirm its approach to the discounted HRA rate in the autumn.
- **HRA reforms:** We want to make it easier for councils to use their resources and land to build more homes. For those without a Housing Revenue Account (HRA), we are reviewing the threshold of homes they hold at which they need to open one. We will provide more information on any revised threshold shortly and we will also consider if other changes are needed to the rules governing HRAs to facilitate council housebuilding. While councils should focus on building through HRAs, we also encourage them to use other methods such as Local Housing Companies and partnerships with Housing Associations or private developers.

- **Skills and capabilities:** With the Local Government Association, the government has established a new Association of Directors of Housing to help councils collaborate and share best practice. We have also launched the Council Housebuilding Skills & Capacity Programme (CHSCP), backed by £12 million of funding in 2025/26. CHSCP will enable the LGA to provide centralised training and guidance to councils to upskill their existing workforces. As part of CHSCP, the department will also work with Homes England to support councils to boost their engagement with the new Social and Affordable Homes Programme. Finally, CHSCP will fund the LGA to expand its successful Pathways to Planning programme to help recruit graduates ready to undertake training to become qualified surveyors and project managers.



Step 5: Forge a renewed partnership with the social and affordable housing sector to build at scale

Delivering this decade of renewal of social and affordable housing is an ambitious but essential project. In a constrained economic context, we have developed an ambitious and balanced plan which responds to what the sector has said is needed, and puts social and affordable housing back on track after years of neglect.

In return, we are issuing a “call to arms” to everyone with a role in social and affordable housing – including local authorities, housing associations, investors, developers and housebuilders, regulators and of course central Government. Building on the clear plan set out here, we need everyone to step up and prove they can deliver at scale and at pace.

We call on social and affordable housing providers to work with us both to build new homes and invest in upgrading existing homes, and to unlock affordable housing that is delivered via section 106 agreements. These agreements play a vital role in the market, historically contributing nearly half of all affordable homes built each year. We recognise the ongoing challenges in the market, including the affordability and quality of properties made available by developers, and the willingness and capacity of social housing providers to purchase them. We 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.

Following the investment announced at the Spending Review and this plan for a decade of renewal, we will work intensively with housing associations, councils and other providers in the coming months to agree joint ambition in the delivery of more and better social and affordable homes, right across the country. We will reach out widely across the sector to engage in this work, and set out later this year our joint ambition to deliver. We will also work actively with tenant groups, including through our Resident Panel, to listen and ensure voices are heard.

