



Homes
England

The Housing and Regeneration Agency

Annual Report and Accounts 2025/26



HC 402



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Homes England Annual Report and Accounts 2025/26

Presented to Parliament pursuant to Paragraphs 11 and 12 of Schedule 1 of the Housing and Regeneration Act 2008.

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Any enquiries regarding this publication should be sent to us at

2nd Floor
The Lumen
St James' Boulevard
Newcastle Helix
Newcastle upon Tyne
NE4 5BZ

Telephone: 0300 1234 500
Email: enquiries@homesengland.gov.uk

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1. Chair's Foreword





Pat Ritchie CBE

Chair

Across England, too many people still struggle to find a home that is affordable, available and of a decent standard. Housing shapes almost every part of people's lives; their health, their job prospects, their education and their sense of security. But for many, these basics are still out of reach.

The scale of the challenge is clear. Over 1.3 million households are on social housing waiting lists. A whole generation has been priced out of home ownership. Nearly 176,000 children are growing up in temporary accommodation. These are real people and families, whose opportunities and life chances are being limited by the homes they can't access.

This is why Homes England exists: to step in where the market alone cannot deliver, and to help get more homes built. That means unlocking land, bringing in investment, improving quality and supporting regeneration that drives long-term growth.

What stands out most this year is that, despite very challenging conditions, Homes England has delivered strong results, with the highest number of completions since 2020. I'm proud of the organisation for keeping a clear focus on getting more homes built and maintaining momentum where it matters most.

This year has also been an important turning point. Homes England has fully implemented the government's 2025 Spending Review, putting in place the foundations needed to deliver more homes at greater pace and scale.

The launch of the Strategic Plan for 2025 to 2030 in December marks a clear shift from strategy to delivery. It sets out in simple terms how Homes England will work with partners to accelerate house building, unlock difficult sites and support long-term regeneration, creating places that people are proud to call home.

Alongside this, new national investment tools have been established, including the National Housing Bank, the new Social and Affordable Homes Programme and the National Housing Delivery Fund. Together, these represent a step-change in how investment is used to unlock delivery. Backed by tens of billions of pounds, they give partners more certainty and help turn ambition into real homes on the ground.

The publication of the Investment Prospectus in March 2026 shows how we will work in partnership with investors and places; bringing together land, grant funding, finance and expertise to drive delivery. The results can already be seen in housing supply, new starts and regeneration outcomes.

This has been a year of real change for the Agency. While undertaking one of the biggest transformations since it was set up, Homes England has still maintained strong delivery. That balance – keeping homes coming forward while changing how the organisation works – is a real achievement.

On behalf of the Board, we are very pleased to have appointed Amy Rees CB as our Chief Executive Officer. Alongside a strengthened leadership team, her focus is clear: turning ambition into results, building strong partnerships and keeping delivery moving at pace. Strong governance has also been put in place for the new National Housing Bank, with Peter Vernon appointed as Chair.

Working closely with local leaders and communities to deliver their priorities will be key to going further and faster. This year has seen the groundwork laid for a new regional model, launched in April 2026, which will support collaboration with local and combined authorities to meet their ambitions for growth.

Feedback from partners has shaped this approach, and there is a clear commitment to keep improving how Homes England works with others to get homes built.



National Housing Bank launch event.
From left to right: Simon Century, Amy Rees CB, Pat Ritchie CBE and Peter Vernon.
Image credit: Homes England

Looking ahead, with these foundations now in place, Homes England moves into the next year with greater clarity, confidence and focus on delivery.

Finally, I want to recognise the professionalism and commitment of colleagues across the Agency. This progress has only been possible because of their hard work during a demanding year.

This includes the leadership of Eamonn Boylan, who guided the Agency through a significant period of change with characteristic clarity and compassion.

Colleagues across the Agency, like so many others across the sector and beyond, have been devastated by the news of Eamonn's passing. At the time of writing, we continue to reflect on an immense loss, and our thoughts remain with Eamonn's family.

Many of the achievements in this report reflect his leadership, insight and commitment to communities, and his legacy will continue to shape Homes England's work for years to come.



2. Performance Report

The Performance Report provides a summary of Homes England and how we have performed during the year.

The report is broken down into 2 areas:

- Performance Overview, which sets out an overview of Homes England, our purpose, strategic direction, performance and risks.
- Performance Analysis, providing detail of our delivery performance, risks impacting delivery, a financial review, and work being undertaken in relation to sustainability and our climate-related financial disclosures.



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2.1 Performance Overview



This section provides an overview of Homes England, our purpose, strategic direction, performance and risks.

It also explains the adoption of the going concern basis in the preparation of this Annual Report and Accounts.



Performance Highlights

Enabled the **completion** of more than **40,000 homes**



Established **3 Strategic Place Partnerships (SPPs)** during the year, with the **West of England Mayoral Combined Authority**, **York and North Yorkshire Combined Authority**, and **East Midlands Combined County Authority**

By the end of 2025/26 we had established **10 SPPs** spanning a quarter of the population in England



Facilitated the **start of construction** for over



42,000 homes

Unlocked land that is capable of delivering almost

62,000 further homes



Remediation has been started on **361 buildings** and **completed** on

93 buildings

since the launch of the Cladding Safety Scheme in July 2023



Prevented
**£18.1
million**
of fraud



Supported over
**200,000
households**

with managing their
Help to Buy equity
loan accounts,
including guiding
around **30,000
households** through
the process of
repaying
their
loans



Exceeded our targets for
**affordable housing with
over 32,000
completions
and 33,000
starts**



Enabled
91,500 jobs

across the
sites we are
supporting or
investing in



Forecasting to **deliver**
£2.04
of social value
for every
pound
invested



Chief Executive's Statement



Amy Rees CB
Chief Executive

Homes England enters the next phase of its work with momentum. Housing remains one of the most important foundations of economic growth, social wellbeing and opportunity, and the demand for safe, affordable and well-designed homes continues to outstrip supply across the country.

The scale of this challenge is matched by the scale of the Agency's responsibility, and opportunity, following the government's 2025 Spending Review settlement.

The Spending Review represents the most significant expansion of Homes England's role and capability since its creation. It provides up to £46 billion in long-term funding, new flexibilities and expanded tools to operate at greater scale and intensity, placing the Agency at the centre of the

government's mission to transform housing supply, enable housing-led regeneration and deliver vibrant, sustainable and inclusive communities.

As a result, 2025/26 has been a year of purposeful change and delivery. We undertook a programme of transformation to ensure Homes England is fully equipped to deliver from April 2026 onwards, while remaining a credible, dependable and active delivery partner throughout the year. This included strengthening our regional operating structure, establishing the National Housing Bank as a subsidiary of Homes England, and launching the new Social and Affordable Homes Programme and the National Housing Delivery Fund, all while continuing to deliver existing programmes at pace.

When I set out my priorities in September following the Spending Review settlement, and as we began this period of organisational transformation, I was clear about the challenges of delivering this scale of change alongside our usual high levels of operational performance. What colleagues across Homes England have achieved this year is exceptional. It reflects sustained commitment, professionalism and collaboration across the Agency, and is the reason Homes England enters the next phase of delivery from a position of strength.

Despite significant organisational change, Homes England continued to deliver strongly against its core objectives in 2025/26, maintaining a relentless focus on building more homes and better places.



As set out in the Detailed Performance Review section of this Annual Report and Accounts, we exceeded our central targets for the number of homes unlocked and the number of new home starts, while sustaining delivery in a subdued market environment, by deploying £4 billion of delegated spend effectively.

During the year, we worked with over 2,000 partner organisations to unlock over 61,000 homes, enable over 42,000 housing starts, facilitate over 40,000 housing completions, and remediate an additional 62 unsafe buildings, all improvements on 2024/25 performance. We also stewarded a Help to Buy loan portfolio of £15.9 billion¹ and continued our support for over 200,000 households.

Performance was particularly strong for affordable housing, where registered providers of social housing accelerated delivery in the final year of the

2021 to 2026 Affordable Homes Programme. With additional bridge funding supporting continuity ahead of the new programme, we collectively delivered over 32,000 affordable homes and began construction on a further 33,000, demonstrating the value of long-term certainty and partnership.

The performance in unlocking homes and starts underscored Homes England's commitment and focus to accelerating delivery, with the Agency delivering its highest level of completions since 2019/20. Housing completions were within the expected range but did not exceed expectations in the same way as starts and homes unlocked due to slower market demand, reflecting developers' cautious approach through uncertain economic conditions. This represents timing delays rather than lost delivery, with completions expected to materialise in 2026/27.

1. As at 1 April 2025.



CGI of Beckton Riverside
Image credit: Berkley Group

Beyond housing numbers, Homes England continued to deploy targeted interventions to unlock complex development and regeneration opportunities, advancing major regeneration schemes including Forth Yards and Liverpool Central Docks, supporting early-stage infrastructure at Thamesmead and Beckton Riverside, and working with government through the New Towns Unit to shape a future programme of new communities.

Our land acquisition and preparation activity at nationally significant sites, such as Ripon Barracks and the South East Warrington Urban Extension, underpins delivery well beyond this reporting period.

With the strategic, financial and organisational foundations now in place, Homes England's focus shifts decisively to delivery - working at pace with partners, maximising the impact of public investment and turning ambition into outcomes on the ground.



CGI of Quayside West at Forth Yards
Image credit: Newcastle City Council

Organisational Overview

Who We Are

Homes England² (also referred to as ‘the Agency’) is the government’s housing and regeneration agency. We support the transformation of places and enable the delivery of housing and mixed-use schemes across England using our land, funding, legal powers, technical expertise and capacity. Our aim is to drive economic growth and bring confidence, pleasure and pride back to our towns, cities and rural communities, as we support the government in its ambition to deliver 1.5 million homes across this Parliament.

Our activities are designed to make a difference where the market alone cannot do so. Since 2018, Homes England has supported partner organisations to deliver over 296,000 new homes and unlocked land capable of providing over 559,000 homes.

We work together with over 2,000 partners to support the creation, regeneration, development and continued wellbeing of communities in England. These include local authorities, private developers, registered providers of social housing, financial institutions, and infrastructure providers.

Homes England holds an important stewardship role, as it manages the Help to Buy equity loan portfolio of over 173,000 households, as at 31 March 2026. We also play a central role in delivering the government’s building safety agenda. We

know thousands more residents and leaseholders feel safer in their home as a result of the Cladding Safety Scheme (CSS) which continued to expand its portfolio during 2025/26.

Our governance

Homes England is a non-departmental public body, sponsored by the Ministry of Housing, Communities and Local Government (MHCLG). Our Statutory Objects are contained in the Housing and Regeneration Act 2008, the legislation creating the Homes and Communities Agency, which in 2018 adopted ‘Homes England’ as its trading name to underpin its mission and purpose.

We are governed by a Board, appointed by the Secretary of State for MHCLG.

During 2025/26, the Homes England Board was led by our Chair, Pat Ritchie CBE. Our Corporate Leadership Team includes specialists in housing, regeneration, land and development, investment, strategy, finance and risk management.

More detail on our organisational structure can be found in note 10 of the Financial Statements and information on the composition of our Board and Committees is set out in the Corporate Governance Report contained within this Annual Report and Accounts.

2. Homes England is the trading name of The Homes and Communities Agency, an executive, non-departmental public body and statutory corporation created by the Housing and Regeneration Act 2008 (as amended by the Localism Act 2011). Homes England is sponsored by the Ministry of Housing, Communities and Local Government. This Annual Report and Accounts presents the audited, consolidated results of the 2025/26 financial year for the group of entities of which Homes England is the parent. The Homes England group is consolidated into the 2025/26 Annual Report and Accounts of the Ministry of Housing, Communities and Local Government.

Our Statutory Objects

These are set out in the Housing and Regeneration Act 2008, and are:

- to improve the supply and quality of housing in England
- to secure the regeneration or development of land or infrastructure in England
- to support in other ways the creation, regeneration or development of communities in England or their continued wellbeing
- to contribute to the achievement of sustainable development and good design in England

All with a view to meeting the needs of people living in England. Our Objects do not permit us to operate in Greater London and where we do so, this is under powers of the Greater London Authority, delegated to us by the London Mayor.

Our values

Homes England is committed to creating an environment where our people feel proud to work and everyone can flourish personally and professionally.

The Agency is a supportive environment which provides colleagues with opportunities to develop their skills, learn from others, and have access to the tools and infrastructure they need to deliver.

We know that our colleagues are our greatest asset; we recognise that our diversity will enable us to best understand the housing and place needs of the communities we serve and in turn help us achieve our mission to enable the delivery of high-quality, safe and sustainable homes and vibrant, inclusive communities.

Our values framework is at the heart of our Agency, representing our core beliefs and what we stand for.

We are...



Respectful

As the core principle, this runs through all our values and behaviours



Impactful

We combine our **commercial expertise with social purpose** to deliver value for money and maximise our positive impact



Accountable

We are **empowered to lead by example**, take responsibility for our actions and speak up for what's right



Innovative

We are **bold, creative thinkers** who embrace change, never stop learning and always look for a better way to do things



Inclusive

We **recognise and value everyone as individuals** and draw strength from our differences



Collaborative

We share information, align priorities, and use **our collective knowledge and experience to achieve great results**

A year of transition

2025/26 was a significant year of transition for Homes England, marked by major policy announcements, new programmes and changes to our operating model, alongside the continued delivery of our existing objectives and investment products.

The government's Spending Review in June 2025 set a new and ambitious direction for housing and regeneration in England. This included the announcement of a new Social and Affordable Homes Programme and the establishment of the National Housing Bank (the NHB), a publicly backed subsidiary of Homes England designed to accelerate delivery, unlock stalled sites and leverage private investment at scale. The NHB was developed at pace during the year, alongside preparatory work on the National Housing Delivery Fund, ahead of the NHB going live on 1 April 2026.

In parallel, we worked rapidly to establish delivery arrangements for the new Social and Affordable Homes Programme. Bidding opened in February 2026 for at least £27 billion of funding to be delivered by Homes England, forming part of the government's major £39 billion investment over 10 years to deliver the biggest increase in social and affordable housing in a generation. This required significant mobilisation across the Agency while maintaining continuity for existing partners and programmes.

2025/26 also saw important progress in strengthening our place-based delivery. As part of the development of the new regional operating model, the Agency appointed 5 executive regional directors and an Executive Director for Technical Capacity and Coordination. These appointments were a key step in supporting devolution, strengthening local leadership and ensuring Homes England has the technical capability required to respond to regional priorities and complex delivery challenges.

December 2025 marked a further milestone with the publication of our new 2025 to 2030 Strategic Plan, setting out a refreshed vision, mission and objectives for the years ahead. This was complemented by the publication of a new Investment Roadmap, providing greater clarity to partners and the market on how our evolving suite of products will support delivery and growth.

Throughout this period of change, we remained focused on delivering against the commitments set out in our 2025/26 Annual Business Plan, developed in the context of our 2023 to 2028 Strategic Plan. We continued to deploy our investment programmes, support partners across the public and private sectors, and maintain momentum on delivery. This ensured stability for the market while laying the foundations for the next phase of the Agency's strategy.

Taken together, 2025/26 was a year in which we balanced transformation with delivery: preparing for new responsibilities and ways of working, while continuing to support delivery of the homes and places the country needs.

Our Activities: How Homes England Intervenes to Boost Housing Supply

Homes England has a range of tools and support to accelerate the delivery of new homes, particularly affordable homes, and the regeneration of places. These range from flexible and targeted investments and innovative financing solutions, to access to land and strategic partnerships with investors, developers and local leaders.

We also support the housing sector to progress the critical themes of productivity, sustainability and design, together with supporting the shaping

and development of places through master development. We manage and administer building remediation and safety programmes and play an important stewardship role for Help to Buy customers.

Our interventions continue to evolve to incorporate new products and delivery vehicles, including the National Housing Delivery Fund and the National Housing Bank, which launched in April 2026.

Diagram: how Homes England supports the housing and regeneration market



Our Key National Projects and Strategic Place Partnerships

This map shows Homes England's key projects, Strategic Place Partnerships (SPPs) and regional structure. Over the course of the year, we progressed the development of our regional operating model, designed to strengthen place-based delivery and support devolution. From 1 April 2026, the Agency operates across 5 regions, each with a defined geographic focus and close alignment to national teams and programmes.



Overview of Performance and Risk

Overview of Performance

Homes England monitors performance through a suite of Key Performance Indicators (KPIs) which reflect the breadth of our strategic mandate.

Reporting of performance in this Annual Report and Accounts is set in the context of the strategic objectives and KPIs set out in the Homes England 2023 to 2028 Strategic Plan.

The KPIs:

- include measures of housing delivery
- gauge the degree to which we enable our partners and the sector to deliver

- track the support we provide for place-based regeneration and the wider socio-economic benefits stemming from our activities
- assess the corporate health of Homes England and promote further improvements in design quality and sustainability

Our performance highlights for 2025/26 are set out in the following table. A detailed overview of performance against our KPIs is included in the Detailed Performance Review later in this Annual Report and Accounts.

KPI	KPI description	2025/26 target	2025/26 performance	2024/25 performance
1	Brownfield land reclaimed	Baselining*	35 hectares	27 hectares***
2	Employment floorspace created	Baselining*	366,500m ²	680,000m ²
3	Number of jobs created	Baselining*	91,500	104,400
4	Total number of local and strategic authorities receiving in-depth capacity support and percentage of which report improved capacity to deliver their place-based ambitions	Greater than 90%	32 Not reported – too few responses	31 of which 65% reported improved capacity
5	Social value per pound of investment	£1.50 to £2.00†	£2.04	£2.25
6	Number of homes completed	41,521	40,332	36,956
7	Number of homes unlocked	53,727	61,744	79,011
8	Number of households supported into home ownership	Not applicable - Help to Buy scheme closed to new applicants in 2023/24		
9	Share of supported completions by LMVB builders	20% to 25%	11%	15%
10	Share of supported completions using Modern Methods of Construction (MMC)	Baselining*	34%	22%
11	Total value of private sector funds leveraged through Homes England's support	Baselining*	£22.6 billion	£7.4 billion
12	Share of supported schemes that meet or exceed the agreed standards for design quality (in line with Building for a Healthy Life)	Not reported – too few projects in scope of the KPI [▲]		
13	Share of supported completions** that are Energy Performance Certificate (EPC) rating B or above	Greater than 84%	97%	90%
14	Average percentage biodiversity net gain planned on supported schemes	Not reported – too few projects in scope of the KPI [▲]		
15	Percentage of homes within the embodied (upfront) carbon target range	Not reported – methodology agreed and implementation underway		
16	Share of partners who report overall satisfaction	Greater than 65%	69%	66%
17	Employee rating for diversity and inclusion	7.3 (out of 10)	7.4 (out of 10)	7.3 (out of 10)
18	Number of principal risks outside appetite at 31 March	0	4	5

* Baselining: collating data on metrics in their early stages of reporting to better inform future target setting.

** Excludes affordable housing completions as the Agency does not currently capture boundary data to enable cross-reference to EPC data.

*** Covers July 2024 to March 2025.

† Range per HM Treasury guidance on what constitutes good value for money. Assessed annually, based on investments made by Homes England in the preceding financial year. Measure linked to number and scale of projects approved in a given financial year.

▲ Projects require time to progress through the delivery stages necessary for this KPI, which was introduced in 2024/25. As schemes continue to advance, a growing number of eligible projects are expected to reach the necessary stages to enable reporting against this KPI.

Overview of Risk

Effective risk management underpins Homes England's governance and delivery framework, safeguards delivery of strategic objectives and ensures we responsibly manage public money. It enables informed risk-taking in a complex and evolving environment, allowing us to anticipate challenges, seize opportunities, and maintain confidence in our commitments.

Principal risks are those that are so significant they could materially impact the achievement of Homes England's strategic objectives. Principal risks are owned by the Corporate Leadership Team, with quarterly oversight from the Audit, Assurance and Enterprise Risk Committee and review by the Board.

This governance ensures strong accountability and supports decision making.

The Principal Risk profile is reviewed annually to ensure it reflects the Agency's evolving environment and priorities.

Throughout 2025/26, we maintained a proactive approach, strengthening mitigation measures to address emerging risks. During the year, the principal risk profile reduced from 13 to 12 Principal Risks, reflecting progress in managing exposures within a dynamic operating context.

At the end of quarter 4, four risks remained outside appetite, as detailed in the following table.

Principal risk	Q4 2025/26	Q4 2024/25
Business Continuity – risk that the Agency may not be able to continue operating and delivering services and products at acceptable predefined levels during a disruptive incident or restore operations to normalised levels within acceptable timeframes.	X	✓
Capability – risk that capability challenges may arise as a result of not fully aligning our people resource and of failing to attract, develop or retain appropriately skilled colleagues. This challenge may be exacerbated by the systemic constraints we operate within, the markets in which we compete for staff and the funding we have available.	✓	✓
Capacity – risk that capacity challenges may arise as a result of failing to attract or retain appropriately skilled colleagues or by having systems and or processes that do not enable us to operate at optimum productivity.	✓	✓
Change Delivery – risk of failing to deliver the prioritised and planned portfolio of activities.	✓	X
Change Culture – (previously 'Culture')* risk that the Agency's operating culture may inhibit the organisation's ability to adapt effectively to change and respond to emerging priorities. *This risk description was rearticulated during 2025/26.	✓	X
Cyber Resilience* – risk that the organisation is exposed to increased cyber threats, creating vulnerabilities across internal and external networks. This raises the likelihood of unauthorised access, data compromise, and operational disruption. *This risk description was rearticulated during 2025/26.	X	X
Data – risk of data being inaccurate, inaccessible, inconsistent or unreliable due to inadequate data management practices within the Agency.	X	X
Delivery Partners – risk that our delivery partners do not have the capacity, capability or willingness to work with us in delivering housing and regeneration outputs and initiatives.	✓	✓
Funding – risk of misalignment between the Agency's capital, resource and admin budgets, and the government's policy objectives.	✓	✓

Principal risk	Q4 2025/26	Q4 2024/25
Sustainability – risk of the Agency failing to deliver an integrated and effective approach to sustainability, including climate, environmental, social, and economic objectives, leading to impacts on people and the natural environment, reputational damage, or failure to meet statutory responsibilities and government targets, including Net Zero by 2050.	✓	✓
Third-party Supplier Disruption – risk of disruption to operations as a result of reliance on third-party suppliers within Help to Buy and other equity loans, leading to inadequate service delivery and poor customer outcomes.	✗	✗
Value for Money* – risk that we are unable to demonstrate Value for Money on public resources invested by the Agency. * This risk has been removed as a principal risk post-year end.	✓	✓

Former principal risk	Q4 2025/26	Q4 2024/25
Macroeconomic Conditions – risk that the Agency has not monitored, or is insufficiently prepared and empowered, to respond to changing macroeconomic conditions, which affects our ability to achieve strategic objectives, recovery expectations and to prevent customer detriment.	—	✓

✗ Risk outside appetite ✓ Risk within appetite — Risk removed during 2025/26

More detail on these risks, including the current position and how they are being managed, is set out in the Principal Risks Impacting Delivery section of the Performance Analysis.

The overall approach to risk management, including how we define risk appetite, is explained in the Governance Statement later in this Annual Report and Accounts.

Going Concern

The Financial Statements of Homes England have been prepared on a going concern basis, in accordance with the Government Financial Reporting Manual.

The Agency's net asset position takes into account liabilities falling due in future years which, to the extent that they may not be met from the Agency's other sources of income, may only be met by future grants or grant in aid from our sponsoring department, the Ministry of Housing, Communities and Local Government (MHCLG). Grants may not be issued in advance of need.

MHCLG has confirmed that funding will be made available to Homes England for the year ending 31 March 2027 and the required provision is included in the 2026/27 Supply Estimates that will be considered by Parliament in the usual way.

In addition, as set out in the Homes England Framework Document, the Agency is required to produce a rolling 5-year business plan and operates within delegated authority limits agreed with MHCLG.

The Board has also considered the establishment of the National Housing Bank as a wholly owned subsidiary of Homes England and concluded that this does not impact the appropriateness of adopting the going concern basis for the preparation of the Agency and Group Financial Statements.

As a result, the Board considers it appropriate to adopt a going concern basis for preparation of the Agency and Group Financial Statements.

2.2 Performance Analysis



This section highlights Homes England's performance against our strategic plan and key performance indicators. It expands on the Performance Overview and outlines the main factors which have influenced our delivery performance within the context of the market sector and wider economy.

The section also describes the principal risks impacting delivery of our objectives, provides a review of financial performance during the year, and highlights the work being undertaken by Homes England in relation to sustainability and our climate-related financial disclosures.



Detailed Performance Review

We are the government's housing and regeneration agency. Since 2018, we have supported partner organisations to deliver over 296,000 new homes and unlocked land capable of providing over 559,000 homes.

In 2025/26, we continued to build on our strong performance to progress the government's ambition to build 1.5 million homes during this Parliament. We further increased housing supply by unlocking 61,744 homes, enabling 42,433 starts, and facilitating 40,332 housing completions. We continued to drive the delivery of high-quality, safe, and affordable homes, at the same time as unlocking land, investment, and innovation. We worked nationally to set the conditions for scale, quality, and pace through major programmes, and regionally in collaboration with local leaders and partners to support local housing delivery plans.

We agreed a further 3 Strategic Place Partnerships with local leaders, a model recognised by government as central to its devolution offer. We also continued to manage the £15.9 billion³ Help to Buy equity loan portfolio, and played a central role in delivering the government's building safety agenda by leading national efforts to remediate unsafe buildings.

Homes England's interventions supported job creation, generated social value for every pound invested, and ensured homes completed on our land achieved high energy efficiency standards.

A Year of Business Change and Readiness

The Agency's strong business performance in 2025/26 was delivered alongside a programme of significant change.

At the 2025 Spending Review, the government announced longer-term funding arrangements for Homes England to accelerate delivery and increase new housing supply across tenures. This enables us to operate with greater scale and flexibility.

As a result, the following new funding will be made available via Homes England and its subsidiaries to deploy, over the next 10 years from April 2026:

- £27 billion of capital grant for a new 10 year Social and Affordable Homes Programme (SAHP)

- Up to £16 billion of debt, equity and guarantees deployed via a new National Housing Bank (NHB)
- A share of a further £5 billion of capital grant funding to unlock land, tackle viability challenges and support the provision of enabling infrastructure

The new responsibilities announced at the 2025 Spending Review required organisational transformation. As such, during 2025/26, we finalised our regional operating model and set up the new funding schemes ready to deploy in 2026/27. We also laid the foundations for the National Housing Bank to be able to operate as a fully integrated, wholly owned subsidiary of the Agency.

3. As at 1 April 2025.

We are now positioned to significantly scale up housing delivery; targeting a step-change in housing supply and playing a central role in supporting the government's housing and regeneration ambitions. We remain focused on deploying capital, expertise and partnerships to unlock complex sites, sustain market activity and accelerate supply of safe, high-quality homes across England.

For further information, see 'Establishing new institutions and schemes' later in this Detailed Performance Review.

A strategic refresh

In 2025, we also refreshed our strategic plan, overarching objectives and Key Performance Indicators (KPIs) to reflect the new levels of investment and delegation reforms, and to align with government priorities.

Homes England's refreshed mission and vision set a more outcomes-driven role for the Agency, reflecting the government's agenda and the ambition to deliver the homes the country needs.

The refreshed strategic plan, covering 2025 to 2030, continues to reflect our critical role in supporting the delivery of government housing and regeneration ambitions, including greater devolution, scaling up market capacity, and securing new private investment into the sector. It reflects our continued commitment to working in partnership with the sector to drive regeneration and social and affordable housing delivery, and continues to emphasise our drive for good placemaking and sustainability in design and place.

The strategic context for 2025/26 performance

Our refreshed strategy was published in December 2025, 9 months into the 2025/26 financial year. As such, reporting of performance in this Annual Report and Accounts is set in the context of the previous strategic objectives and KPIs, set out in the 2023 to 2028 Strategic Plan.

This includes our drive to increase housing supply, and the continued emphasis on place-based working, regeneration, sustainability, design quality and safety, and creating a sector that works in partnership to deliver.



Our Performance Framework

A comprehensive performance management framework underpins delivery of our strategic mandate, ensuring progress is actively steered towards achievement of our objectives. The framework connects strategy to execution by linking strategic planning, business planning, performance reporting, management reviews and evaluation activities.

The processes are also underpinned by a common set of KPIs, which reflect the breadth of our mandate. These KPIs extend beyond measures of new housing supply to encompass wider socio-economic benefits created by our activity. They also gauge the degree to which we enable partners to deliver, our impact on the sector and the organisational health of Homes England.

The KPIs are set out in the following tables:

Strategic Objective: Vibrant and successful places					
To support the creation of vibrant and successful places that people can be proud of, working with local leaders and other partners to deliver housing-led, mixed-use regeneration with a brownfield-first approach.					
KPI	KPI description	2025/26 Target	2025/26	2024/25	2023/24
1	Brownfield land reclaimed	Baselining*	35 hectares	27 hectares†	Not reported
2	Employment floorspace created	Baselining*	366,500m²	680,000m²	Not reported
3	Number of jobs created	Baselining*	91,500	104,400	Not reported
4a	Total number of local and strategic authorities receiving in-depth capacity support and percentage	No target	32	31	21
4b	(of which) report improved capacity to deliver their place-based ambitions	Greater than 90%	Not reported – too few responses	65%	94%
5	Social value per pound of investment	£1.50 to £2.00**	£2.04	£2.25	£1.98

Strategic Objective: Homes people need					
To facilitate the creation of the homes people need, intervening where necessary to ensure places have enough homes of the right type and tenure.					
KPI	KPI description	2025/26 Target	2025/26	2024/25	2023/24
6	Number of homes completed	41,521	40,332	36,956	32,324
7	Number of homes unlocked***	53,727	61,744	79,011	26,273
8	Number of households supported into home ownership	Not applicable - Help to Buy scheme closed to new applicants in 2023/24			622

* Baselining: collating data on metrics in their early stages of reporting to better inform future target setting.

** Range per HM Treasury guidance on what constitutes good value for money. Assessed annually, based on investments made by Homes England in the preceding financial year. Measure linked to number and scale of projects approved in a given financial year.

*** Metric restated in 2024/25 to recognise housing unlocked at point of contract, compared to point of disposal of site used in 2023/24 reporting.

† Covers July 2024 to March 2025.

Strategic Objective: A housing and regeneration sector that works for everyone

To play a vital role in building a housing and regeneration sector that works for everyone; driving diversification, productivity, partnership working and innovation.

KPI	KPI description	2025/26 Target	2025/26	2024/25	2023/24
9	Share of supported completions by low and medium volume builders (LMVBs)	20% to 25%	11%	15%	19%
10	Share of supported completions using modern methods of construction (MMC)	Baselining*	34%	22%	Not reported
11	Total value of private sector funds leveraged through Homes England support	Baselining*	£22.6 billion	£7.4 billion	Not reported

Strategic Objective: Sustainable homes and places

To ensure high standards of sustainability and design quality are delivered in homes and places.

KPI	KPI description	2025/26 Target	2025/26	2024/25	2023/24
12	Share of supported schemes that meet or exceed the agreed standards for design quality (in line with Building for a Healthy Life)	Not reported – too few projects in scope of the KPI** For further information see the 'Design quality and innovation' section later in this Detailed Performance Review			
13	Share of supported completions that are Energy Performance Certificate (EPC) rating B or above	Greater than market average of 84%	97%	90%	87%
14	Average percentage biodiversity net gain planned on supported schemes	Not reported – too few projects in scope of the KPI** For further information see the 'Addressing biodiversity decline' section later in this Detailed Performance Review			
15	Percentage of homes within the embodied (upfront) carbon target range	Not reported – methodology agreed and implementation underway. For further information see the 'Reducing the carbon emissions of constructing a home' section later in this Detailed Performance Review			

Achieving our plan

To sustain the organisational health required to achieve our strategy by operating as a high performing organisation.

KPI	KPI description	2025/26 Target	2025/26	2024/25	2023/24
16	Share of partners who report overall satisfaction	Greater than 65%	69%	66%	68%
17	Employee rating for diversity and inclusion	7.3 (out of 10)	7.4 (out of 10)	7.3 (out of 10)	7.2 (out of 10)
18	Number of principal risks outside appetite	0	4	5	4

* Baselining: collating data on metrics in their early stages of reporting to better inform future target setting.

** Projects require time to progress through the delivery stages necessary for this KPI, which was introduced in 2024/25. As schemes continue to advance, a growing number of eligible projects are expected to reach the necessary stages to enable reporting against this KPI.

Vibrant and Successful Places: Delivering in Partnership

Over the past 3 years, Homes England has established extensive relationships with places and evolved how we operate alongside local government partners.

Our place-based approach focuses efforts where they will have the greatest impact and policy alignment. We provide support to enable local leaders to plan, unlock and deliver on housing growth, regeneration and placemaking ambitions.

Our support brings together Homes England's skills, expertise, funding, powers and assets, alongside that of our public and private sector partners, to ensure the right tools and capabilities are in place to address local priorities and deliver value for money.

Desired outcomes

- more land reused and made available for regeneration
- key enabling infrastructure in place to unlock development
- local places supported to deliver on their regeneration ambitions
- mixed-use places that create value and benefit local communities

2025/26 focus

- adopting a targeted and partnership-based approach to place
- delivering strategic projects across the country
- deploying effective interventions to places and projects to unlock or accelerate delivery



During 2025/26, we actively facilitated the government's ambition to accelerate and deepen devolution, helping to bring to life the visions of local communities. Delivery was distributed across all regions of England, and supported growth in major cities, regeneration areas and smaller sites. To further enhance our impact in place, we finalised our regional operating model, effective from April 2026. This move ensures a fully joined-up approach to delivering sustainable homes and places informed by local and investment priorities.

Expanding Strategic Place Partnerships

As the government works towards delivering 1.5 million homes over this Parliament, effective partnership working is critical to turning ambition into delivery. Strong, long-term collaboration is essential not just in increasing housing supply, but in creating thriving places with the infrastructure, jobs and regeneration communities need to succeed.

Partnership working sits at the heart of our approach. By providing a clear framework for shared priorities and mutual commitment, partnerships enable us to work with local leaders over the long-term, aligning resources, capabilities and delivery to achieve better outcomes. Our flagship partnership model is the Strategic Place Partnership (SPP).

The SPP is a model developed by Homes England to enable greater collaboration and partnership with Mayoral Strategic Authorities (MSAs). They're underpinned by a memorandum of understanding, a shared business and delivery plan, and a joint governance structure.

During 2025/26, we agreed 3 new SPPs with the West of England Mayoral Combined Authority, York and North Yorkshire Combined Authority, and East Midlands Combined County Authority. This brings the total agreed to 10, with an additional 3 in development at 31 March 2026.

The SPPs in development include those with Tees Valley Combined Authority, Greater Lincolnshire Combined County Authority, and Hull and East Yorkshire Combined Authority. These 13 SPPs span 36% of the population in England and 26% of local housing needs. In addition, we continue to provide bespoke support to the Greater London Authority (GLA), in line with existing mayoral delegations⁴.

These partnerships facilitate joint focus on place-based delivery where we align funding, technical expertise and delivery support to help realise locally led housing and regeneration priorities. This includes supporting work on Local Growth Plans and accompanying spatial development strategies through our SPPs.

SPPs help us work better with local leaders by:

- agreeing shared strategic outcomes
- developing a joint list of opportunities
- aligning resources, skills and investment
- learning and sharing knowledge to build delivery capacity

4. Under the Localism Act 2011, Homes England's powers to operate in the capital ended in April 2012, with the GLA now undertaking this role. However, the Agency has a strong working relationship with the GLA and, subject to agreement with the Mayor of London and government, collaborates on a range of projects of regional and national importance where our expertise and resources can help to improve outcomes.

Strategic Place Partnership with York and North Yorkshire Combined Authority (YNYCA)

Formalised in September 2025, the partnership with YNYCA seeks to scale up existing collaborative working to unlock significant housing and regeneration plans for the area.

The SPP builds on successful projects like the regeneration of York Central, which will deliver up to 2,500 new homes on brownfield land, and new developments like Maltkiln and Elvington Garden Village.



Bringing together Homes England, our councils and key organisations through the York and North Yorkshire Strategic Place Partnership will help us all deliver on our shared vision to get building.

David Skaith

Mayor of York and North Yorkshire Combined Authority

Strategic Place Partnership with the West of England Mayoral Combined Authority (WECA)

Formalised in May 2025, our partnership with WECA will accelerate delivery of key strategic projects. It will build on existing projects like Bristol Temple Quarter and unlock new opportunities in the Bristol-Bath corridor and Western Innovation Arc.

Backed by £95 million in government support, Temple Quarter aims to deliver 10,000 new homes, 22,000 jobs, and 135 hectares of transformed space in central Bristol.

Strategic Place Partnership with East Midlands Combined County Authority (EMCCA)

Formalised in December 2025, the partnership will build on successful joint work to deliver significant regeneration projects like Broad Marsh in Nottingham, and developments like Infinity Garden Village in Derbyshire.

The redevelopment of Broad Marsh in collaboration with EMCCA and Nottingham City Council will see the creation of around 1,000 new homes, 20,000 square metres of retail, office and community space, and 2,000 new jobs for the city.

Plans for Infinity include up to 4,530 new homes, a 1,500-pupil secondary school, and over 300,000 square metres of mixed employment space.

Devolution and a greater focus on significant place-based delivery

Going forward, Homes England is expected to play an increased role in enabling the development and implementation of local leaders' visions in line with commitments set out by government in the English Devolution White Paper. The White Paper is clear that the support of the Agency is central to the government's offer to local leaders and that our resources will be a key part of local leaders' toolkits to achieve their housing growth, regeneration and placemaking ambitions.

The White Paper has committed the Agency to extend this partnership approach to all MSAs over time.

From April 2026, we will adopt a new regional operating model made up of 5 regions:

- North East, Yorkshire and Humber
- North West
- Midlands
- South
- London and East

This move will provide clearer local leadership, more tailored support and a fully joined-up approach to delivering new homes, sustainable places and local growth. This model is designed to ensure decisions are informed by local priorities and opportunities, whilst aligning with national programmes and investment priorities.

Homes England regional approach from 2026/27



Supporting the next generation of New Towns

Homes England continues to work as part of the New Towns Unit alongside the Ministry of Housing, Communities and Local Government (MHCLG) to support the development of a new towns programme. A public consultation, launched in March 2026, invited views on 7 locations which will undergo technical and place support to identify the interventions needed to unlock delivery at scale.

The locations span a diverse mix of proposals, from entirely new settlements to ambitious urban extensions. Each new town will have capacity to deliver at least 10,000 new homes, with some delivering 40,000 or more in the decades to come. Final locations will be confirmed in summer 2026, following the consultation exercise.

The new towns will create well-connected and affordable new communities, with homes, jobs,

schools, green space and transport links planned from the start.

As a planned new town, Tempsford is a unique opportunity to provide over 40,000 homes at the intersection of the East Coast Main Line and East West Rail, in the heart of the Oxford-Cambridge Growth Corridor. As a standalone new town, it provides an opportunity for exemplar development, working with local stakeholders to design a community which serves both Tempsford and the wider region. Taking an infrastructure-first approach, the proposed East West Rail station will provide excellent connectivity for new and existing residents. Tempsford itself will include significant job opportunities locally and will provide significant new amenities for both new and existing communities, including large country parks, schools, and health facilities.

Victoria North, Manchester

Victoria North is one of several developments shortlisted by the New Towns Taskforce. Over the next 2 decades, it will deliver 15,000 homes across 155 hectares of largely brownfield land north east of Manchester city centre, creating 7 distinct neighbourhoods. The first new residents moved into Collyhurst in September 2025.

The project is a joint venture between Manchester City Council and Far East Consortium, and as of 31 March 2026, supported by £60 million of funding from Homes England.

This is a complex brownfield regeneration project, and by 2046 will be home to 40,000 residents, supported by schools, health facilities, commercial areas and a new Metrolink stop.



Image credit: Manchester City Council, FEC

Q Accelerating Major Developments in the North: Central Docks, Liverpool

Central Docks is the largest of 5 neighbourhoods in the Liverpool Waters regeneration scheme, backed by £55 million from Homes England and £26 million from Peel Waters.

In partnership with Liverpool City Council, the investment will support the creation of a new 2 acre central park and vital infrastructure to unlock up to 2,350 new homes, including affordable and build to rent housing.

Work on the infrastructure and central park is expected to complete by late spring 2028.



Image credit: Peel Waters



Image credit: Moda Group

Q Bringing Investment to the Midlands: Stone Yard, Digbeth

In July 2025, Homes England, Aviva Capital Partners, Moda Group, NatWest, and the West Midlands Combined Authority, announced £200m funding to unlock 995 build to rent homes in Digbeth, Birmingham.

The funding agreement for the Stone Yard project showcases the strength of opportunity for regeneration through collaboration between the private and public sectors, driving the delivery of high-quality new homes.

Alongside new homes, the scheme will include community-focused features such as commercial units, landscaped public areas, and transport links.

Completion of phase one is expected in 2028.

Supporting local government with local delivery

Alongside SPPs, Homes England also takes a bespoke partnering approach with local authorities to provide project or place-specific support tailored to the scale of activity. During 2025/26, in addition to our 10 SPPs, we supported the housing and regeneration priorities of 22 individual local authorities, providing support ranging from investment and funding, to advice.

During 2025/26, some local government partners continued to experience challenges in providing sufficient planning capacity and capability to support housing delivery and regeneration. We worked closely with them and their partners to increase capacity and capability. This included our planning support through our Advisory Team for Large Applications (ATLAS) service.

The ongoing delivery and development of the ATLAS programme, delivered collaboratively with MHCLG, will continue to be a key enabler of this support in 2026/27. For further information, see ‘Expanding our Interventions’ later in this Detailed Performance Review.

A detailed survey of Homes England partners in 2025/26 demonstrated an increase in satisfaction amongst local government partners by 5 percentage points overall, with 71% of priority local government partners scoring 8 or above on overall satisfaction with Homes England. Local government partners reported that working with Homes England overall had supported increased delivery of the homes people need locally, with 82% of local government partners agreeing.

KPI 4

Purpose: To demonstrate our contribution and perceived effectiveness of our in-depth support to local and strategic authorities to deliver their place ambitions and local housing priorities.

KPI 4a. Total number of local and strategic authorities receiving in-depth capacity support from Homes England....

32

KPI 4bof which share who report improved capacity to deliver their place-based ambitions as a result⁵.

Too few responses to produce a statistically relevant result.



“

They’re willing to consider local circumstances, local challenges, local markets and bring what they and what the local partners think are needed to that situation. So I think they’re bringing customised solutions to different parts of England to facilitate housing delivery.

2025/26 Partner Perception Survey response

5. KPI 4b is not reported for 2025/26. In the 2025/26 Partner Perception Survey, the wording of the question on which KPI 4b is based was changed to ‘Based on the Homes England activity in your area, do you think that this has enabled increased delivery of the homes people need locally?’ Whilst similar in context to the previous year, it precludes a direct comparison with the results reported in 2024/25. Additionally, for the 2025/26 Partner Perception Survey, only 6 authorities responded to this question, making the number of responses too few to produce a statistically relevant result.

An example of our locally led approach is demonstrated by the Agency's role in Plymouth. This city is the second largest in the South West, with a population of 267,000, and grapples with social and economic challenges stemming from a historical reliance on maritime industries.

Plymouth City Council has set out an ambition to transform the city, capitalising on development at Millbay Docks and investment at His Majesty's Naval Base, Devonport. We partnered with the council to provide the technical and delivery

expertise to realise this ambition. A strategic vision and delivery strategy, published in March 2025, aims to attract new investment and developer interest to the area. The plan sets out a shared ambition to deliver 10,000 new homes in the city centre and surrounding area, 30,000 square metres of new commercial space, and 7,000 construction jobs linked to the regeneration programme. Our commitment to delivering this vision was formalised through a partnership memorandum of understanding, signed in July 2025.

Accelerating Urban Regeneration in the South, Plymouth Civic Centre

In 2025, Homes England agreed £18.4 million grant funding to enable the refurbishment of the Civic Centre building in Plymouth; a Grade II listed building previously empty for 10 years.

The plan includes using the lower floors for the creation of the new City College Plymouth's Blue Green Skills Hub, supporting 2,000 students. The upper floors will provide 144 apartments with stunning views of the city.



Image credit: BDP- Building Design Partnership

Maximising delivery on brownfield land

Homes England’s land interventions target the inefficient use of land, particularly brownfield sites that may be expensive or complicated to develop. Repurposing brownfield land reduces the demand for greenfield sites, encourages redevelopment and brings economic and social benefits. However, developing on these sites is more difficult and brings higher levels of risk, creating site viability issues and difficulty in attracting investment.

Prioritising brownfield development is a crucial element in supporting the government’s housing ambitions. Hence, we provide the sector with the investment, long-term stewardship and technical capability needed to progress brownfield schemes.

In 2025/26, the Agency reclaimed just over 35 hectares of brownfield land on our schemes, helping bring brownfield sites back to life.

In early 2026 we announced a £19 million infrastructure grant for the regeneration of Newcastle-under-Lyme town centre. The funding will enable Newcastle-under-Lyme Borough Council, with Capital&Centric, to deliver 328 new homes and commercial space through the redevelopment of a shopping centre and car park. This project demonstrates our commitment to support partners to unlock housing sites where brownfield infrastructure is a barrier to delivery.

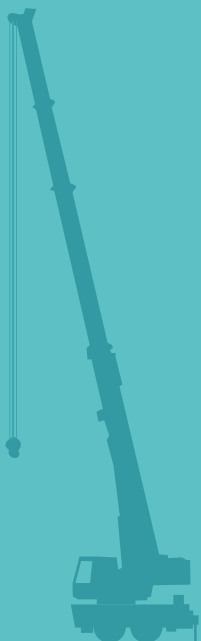
In April 2025, we announced the launch of a Brownfield Remediation Funding Programme, in partnership with Maslow Capital. This initiative aims to unlock underutilised land for sustainable housing development. The programme prioritises the regeneration of previously developed land for housing and provides developers with financial support for remediation activities. The initiative combines Maslow Capital’s expertise in structuring complex real estate finance solutions with our drive to accelerate brownfield regeneration and build new homes where they are needed most.

KPI 1 Brownfield land reclaimed.

Purpose: To support decisions to maximise delivery on brownfield land.

Measure: The number of hectares of brownfield land on schemes supported by Homes England.

We reclaimed just over
35
hectares
of brownfield
land for
supported
schemes



2024/25 27 hectares
(reporting from July 2024 to March 2025).

Brentford High Street, Hounslow

Our £48.5 million investment through the Home Building Fund, together with a further £75 million from Barclays, is supporting phase 2 of the regeneration of Brentford High Street.

Delivered by developer Ballymore, the development is injecting new life into a previously neglected and overlooked waterfront area of West London. Phase 2 is estimated to be completed in 2028.

Once completed it will deliver 876 modern apartments, 96 of which are affordable for social rent, 14,000 square metres of retail space, open green spaces, walkways, and restored canal ways to enable new docks for narrowboat living.



Image credit: Ballymore Group

Demonstrating the wider social benefits delivered by Homes England

Homes England’s place-based interventions not only deliver homes and unlock housing capacity, but create employment opportunities, provide vital local facilities and generate wider social value.

Both housing and regeneration have a direct impact on economic output, whether through new construction activity or the services provided by new buildings and infrastructure. Building the right homes in the right places can also have a longer-term impact on economic activity by facilitating labour mobility and improving overall productivity growth. We continue to develop research to improve our understanding of the role housing schemes can play in supporting productivity growth, and target our interventions appropriately. In 2025, we published our research on housing affordability and productivity. The research provides new evidence to demonstrate that building new homes close to productive and growing economic clusters in areas facing affordability challenges, can have a material impact on productivity.

In 2025/26, we enabled the delivery of an estimated 366,500 square metres of commercial floorspace and created over 91,500 employment opportunities, including jobs created through construction, infrastructure and new commercial floorspace.

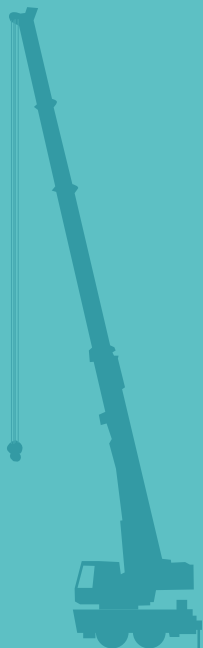
KPI 2
and 3

Employment floorspace and number of jobs created.

Purpose: To evidence how we are building productive places and communities by tracking the scale of commercial property space and an estimate of the number of full time equivalent jobs that could be created in sites supported by Homes England.

Measure: An estimate of the amount of employment floorspace and the number of jobs we anticipate that will be created as a result of funding deployed.

We enabled delivery of
366,500m²
of commercial
floorspace and our
funded activity created
91,500
employment
opportunities through
the construction of
new homes, spend on
infrastructure and new
commercial floorspace.



2024/25 680,000m² of commercial floorspace and 104,400 employment opportunities.

Increasing social value is core to our purpose and underpins our delivery. We continue to approve projects that have high value for money, unlock opportunities for businesses and people, and foster long-term productivity in places.

In September 2025, we undertook an assessment of the social value forecast to be generated through Homes England investments made in the preceding financial year, 2024/25. The 1,400 projects approved that year are forecast to deliver around 99,950 homes, and £6.7 billion of social value against £3.3 billion of net public sector investment.

This yields £2.04 of social value per pound of investment. This means that for every £1 we approved in 2024/25, we expect to generate £2.04 in social value. This demonstrates a continued investment in high social value projects expected to deliver just above the 2022/23 baseline figure of £1.98 per pound of investment.

By way of example, our equity investment in the Impact & Places Partnership with Swiss Life Asset Managers and Capital&Centric, is projected to generate £3.70 of social value per pound of investment over the next 10 years. This is through the planned completion of more than 2,250 homes in regions of England where demand for housing is most acute.

Independent impact evaluations show that the programmes delivered by Homes England since 2013 have delivered between £1.10 to £5.90 of social value per pound of investment.

KPI 5

Social value per pound of investment.

Purpose: To quantify and value the expected impact on people’s wellbeing as a result of our funding.

Measure: A forecast of expected social value impacts per pound of investment calculated bottom-up, project-by-project, as a result of Homes England funding. We aggregate the forecast social value across the lifetime of all our projects approved during the relevant financial year to estimate Homes England’s impact. We consider social, environmental, and economic impacts, both positive and negative, that are evidenced and attributable to our interventions.

For every £1 of funding we approved in the preceding financial year, 2024/25⁶, we expect to generate

£2.04

in social value.



Target £1.50 to £2.00 (Range per HM Treasury guidance on what constitutes good value for money.)

6. The assessment of social value is completed annually, in September, and is based on the investments made by Homes England in the preceding financial year. The measure is linked to the number and scale of projects approved in a given financial year, and will fluctuate year on year.

Delivering Homes People Need

Homes England aims to facilitate the creation of the homes people need, accelerating delivery and intervening where necessary to ensure places have enough homes of the right type and tenure. We play a vital role in supporting the government's ambition to deliver 1.5 million new homes before 2030.

We work to

- create more homes of the right type in the right places
- ensure more land is available for new homes and barriers to development are removed

2025/26 focus

- accelerating housing delivery
- delivering strong in-year programme performance
- supporting delivery of lifetime programme targets
- building the capacity and capability of our partners to boost housing supply



During 2025/26, we deployed a range of interventions to deliver the homes people need. We enabled work to start on 42,433 homes and facilitated the completion of 40,332 homes, demonstrating significant increases over 2024/25, and the highest we've delivered in a single year since 2019/20. We also unlocked housing development opportunities with a capacity for a further 61,744 homes.

A challenging market backdrop

Economic growth was weak in 2025, with momentum slowing in the second half of the year. Gross Domestic Product grew by just 0.1% in the final quarter. Although inflation trended downward from July 2025, it remained elevated at 3.4% in December 2025, above the Bank of England's target of 2%. At the beginning of 2026, the expected continued easing in inflation was disrupted by unrest in the Middle East which has triggered revisions to forecasts. Rising energy costs risk higher inflation and led markets to lower their expectations for further cuts in 2026, creating an uncertain outlook.

Labour market conditions also softened in 2025. Wage growth moderated more quickly than inflation, narrowing the gap between earnings and prices, and signalling reduced household resilience. At the same time, business confidence weakened in response to ongoing economic uncertainty.

Against this backdrop, the housing market showed a mixed performance. Activity was strong at the start of 2025, however, momentum weakened later in the year amid uncertainty around the fiscal outlook. By the end of 2025, house price growth had slowed to 2.4%, down from 3.1% in 2024.

Despite the subdued economic environment, transaction volumes recovered as easing mortgage rates and slower house price growth supported demand, with residential transactions exceeding one million, the highest level since 2022.

However, new-build activity continued to lag pre-pandemic levels. The number of active sites remained at around 1,900, slightly below the 2,000-plus levels seen in late 2023.

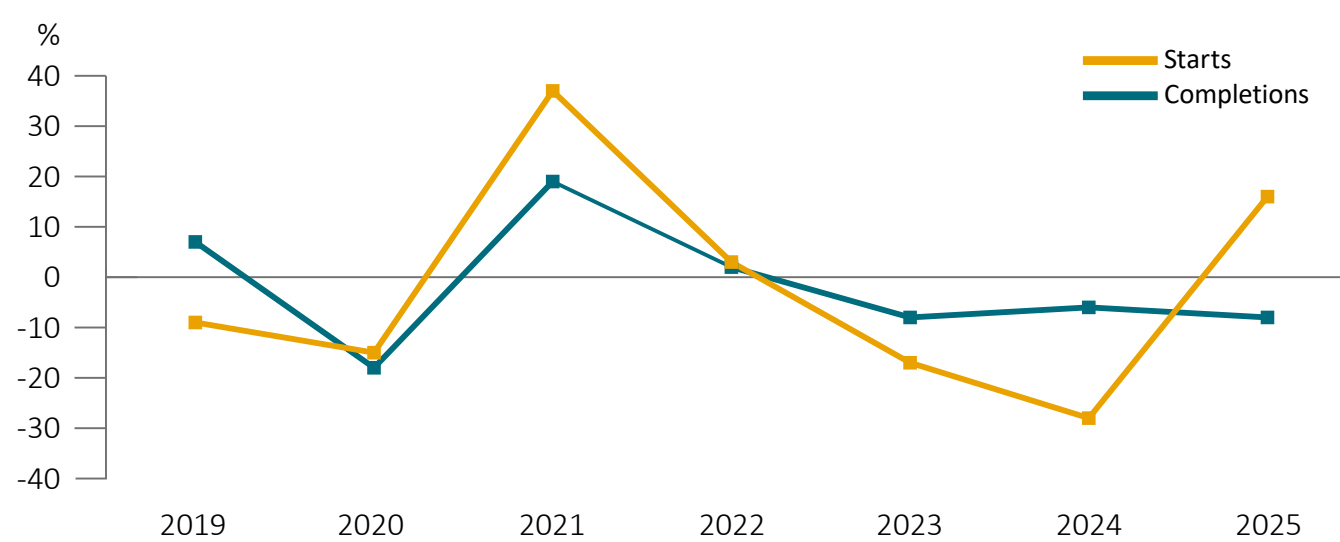
Developer sentiment remained cautious, and supply-side constraints continued to weigh on delivery. Developers faced ongoing supply chain fragility, rising construction costs and planning delays.

According to data from MHCLG, new housing starts in England increased 15% by the end of calendar year 2025 compared to 2024, and

completions declined by 8%. Overall, 2025 closed as a year shaped by weakening economic momentum, a softening labour market and a housing sector caught between easing mortgage pressures and persistent structural challenges. While sales activity recovered and some regions demonstrated resilience, the combined effects of subdued growth, rising costs, ongoing skills shortages and planning delays left housing delivery at its lowest level in nearly a decade.

At the time of reporting, with geopolitical uncertainty threatening to suppress demand and prolong inflationary pressures, the outlook moving into 2026/27 remains cautious with potential impact on the housing sector, customer sentiment, build cost inflation and interest rates.

Chart: Year on year % change in housing starts and completions in England



Source: MHCLG: permanent dwellings started and completed, England, updated post-31 March 2026 as further information becomes available.

Sustaining housing supply in a subdued market

In the challenging market environment, the Agency played an important role in sustaining supply. During 2025/26, we delivered a strong performance, successfully deploying £4 billion of delegated spend to drive housing delivery, regeneration and economic growth. Our activity enabled 42,433 housing starts, up by 11% compared to 2024/25, and exceeded our central delivery target by 14%.

We also facilitated 40,332 housing completions in 2025/26, up by 9%. Although below our central delivery target, the number is within our target ranges and compared favourably with sector-wide delivery performance. From March 2025 through to September 2025, the full year housing completions forecast tracked our central delivery target. After which, we experienced slippages across several development schemes, largely related to early-stage scheme delays. Schemes previously forecast to deliver completions in 2025/26 slipped into future years, reflecting in part the cautious approach taken by developers and Registered Providers when bringing homes to market in uncertain conditions. Delays were also driven by planning issues, highways and utilities matters, and financial resilience and viability pressures.

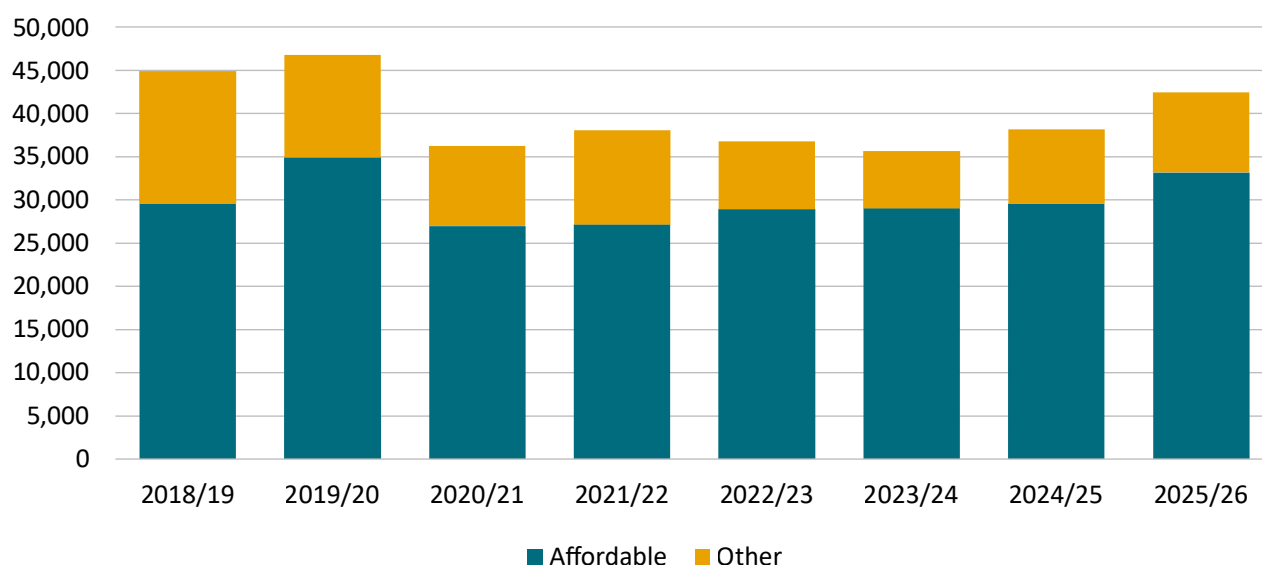
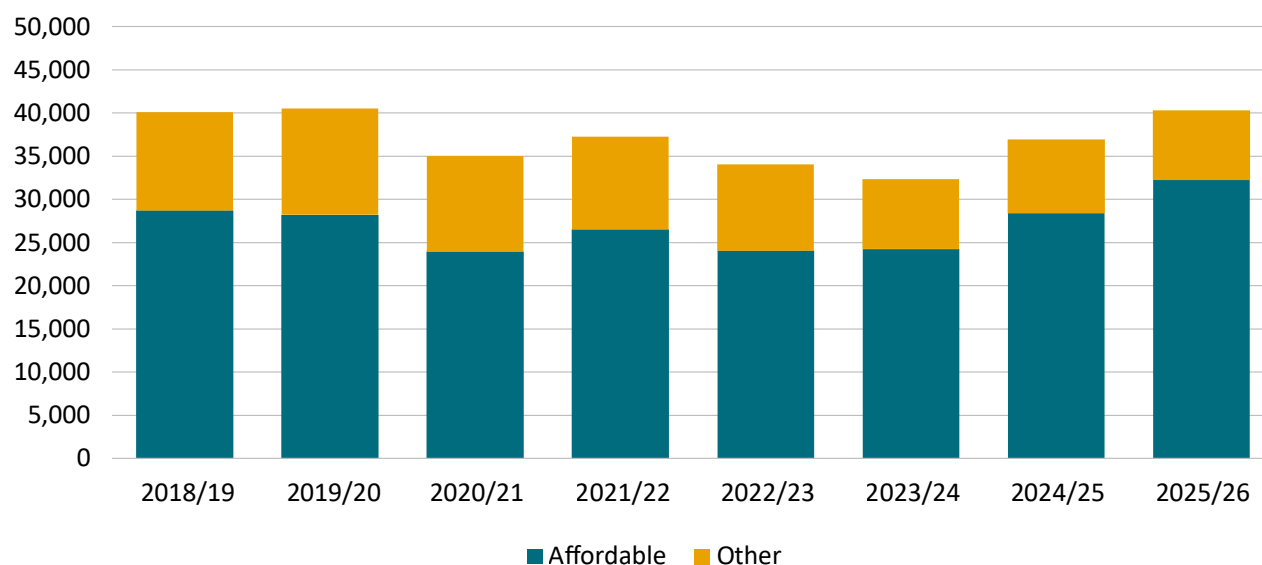
Despite the challenging environment, we sustained significant increase in delivery over 2024/25, and delivered the highest numbers of both starts and completions since 2019/20.

Our performance on completions was driven by delivery of affordable housing, which increased by 14%, to 32,243 homes in 2025/26. Delivery was robust as Registered Providers maximised delivery during the final year of the Affordable Homes Programme 2021 to 2026. See ‘Driving Growth in Affordable Homes’ later in this Detailed Performance Review.

Overall, the market indicated a housing sector under sustained pressure, where the delivery of homes remained subdued and multiple barriers limited the sector’s ability to respond without intervention. As several existing programmes are now closed to new business, completions are expected to reduce further in 2026/27. This reflects the natural cycle of the affordable housing programmes, with delivery peaks mid-programme followed by a period of tapering off ahead of the next cycle. The Affordable Homes Programme 2021 to 2026 is in its tapering phase, with delivery of the new SAHP not yet sufficiently scaled to offset this.

Table: 2025/26 Outturn

Housing Delivery	Performance Metrics	Outturn	Target	Outturn v Target	2024/25 Outturn
Starts	Total number of housing starts directly supported	42,433	37,141	114%	38,144
Completions	Total number of housing completions directly supported (KPI 6)	40,332	41,521	97%	36,956
Housing Unlocked	Total housing unlocked by Homes England interventions (KPI 7)	61,744	53,727	115%	79,011

Chart: Homes England Official Housing Starts 2018/19 to 2025/26***Chart: Homes England Official Housing Completions 2018/19 to 2025/26***

* The charts are based on Homes England's official housing delivery numbers and, as such, are updated post-31 March 2026 as further information becomes available.

To support the construction of new homes, the Agency played a vital role in acquiring land and progressing stalled developments. We invested in roads, utilities and other essential infrastructure, necessary to unlock housing development opportunities for our partners to build more

homes on these sites. In 2025/26, we unlocked 61,744 homes. This strong performance was driven in part by several large schemes, including the Sturry Link Road on the outskirts of Canterbury in Kent which unlocks the potential for over 6,000 homes.

We worked with partners to bring challenging sites to market and acted as a catalyst for housing development and urban regeneration. A prime example is Beaulieu Park Station in Boreham, Chelmsford. The £175 million new station was officially opened in October 2025. Funded by Homes England, Essex County Council, Chelmsford City Council, the South East Local Enterprise Partnership, Countryside and L&Q, its construction will unlock further development land and growth across the wider region.

The Agency provided £225 million of infrastructure grant funding towards both Beaulieu Park Station and a section of the Chelmsford North East Bypass. This enables over 10,000 new homes, the majority of which are being delivered as part of Chelmsford Garden Community.

In December 2025, we awarded a £23 million grant to Transport for London as part of our ongoing support to help transform 2 major brownfield sites at Thamesmead Waterfront and Beckton Riverside. The grant will fund a new bus link to connect new housing, and will enable up to 30,000 new homes and 2 new communities, spanning about 145 hectares of brownfield land across the 2 London boroughs of Newham and Greenwich.

Our delivery in 2025/26 was distributed across all regions, and supported growth in major cities, regeneration areas and smaller sites. Our programmes and interventions acted to sustain housing supply across England.

Driving growth in delivery of affordable homes

Working closely with our partners, Homes England provided significant investment in affordable housing to help more people to have a home of their own. Across 2025/26 we delivered 32,243 affordable homes (up 14% from 2024/25) and started the build of a further 33,171.

During 2025/26, we completed the final homes under the Shared Ownership and Affordable Homes Programme 2016 to 2021 (SOAHP). Through the life of this programme we supported over 300 partners and successfully delivered over

132,000 affordable homes and £4.9 billion of grant across England.

Our SOAHP grant funding supported Athol House in Northumberland. Led by strategic partners Karbon, Athol House delivered 34 apartments for affordable rent and shared ownership in an area with an identified shortage of affordable and accessible retirement housing.

The scheme, completed in 2025, involved regeneration of a brownfield site and is Karbon's first development, designed for people aged over 55, to use a low-carbon alternative to gas. The scheme provides a range of communal facilities, including a residents' lounge and terrace, and the apartments exceed accessibility and adaptability standards required of new homes.

Our Affordable Homes Programme 2021 to 2026 is now fully committed. Broadland Housing Association, one of our Continuous Market Engagement (CME) partners, used our funding to deliver affordable homes in a Norfolk coastal community, where high levels of private holiday rentals made it difficult for residents to find a home they can afford.

Purdy Street, Salthouse provides 5 homes for affordable rent to local people. The design of the scheme is sympathetic to the conservation area and uses timber frame Modern Methods of Construction (MMC). All homes are built to net zero standards with solar panels, air source heat pumps and enhanced air tightness combined with mechanical ventilation and heat recovery systems, reducing the running costs for residents.



Purdy Street, Salthouse, Norfolk
Image credit: Broadland Housing Association

Q Chatterley Court, Stoke on Trent

Delivered in 2025 by Stoke-on-Trent City Council, Chatterley Court is a supported accommodation scheme providing 113 high-quality, affordable homes across one and 2-bedroom properties.

Backed by £7 million in grant funding, the development has successfully transformed a vacant brownfield site into a thriving residential community.

During construction, the scheme helped to boost local employment, with approximately 75% of employees on site living within a 10 mile radius. The scheme aligned closely with Stoke-on-Trent's strategic priorities, helping to meet local housing need while delivering safe, modern homes that enable residents to live independently.



Image credit: Stoke-on-Trent City Council



Image credit: Stoke-on-Trent City Council and Equans

At the 2025 Spending Review, the government announced the new Social and Affordable Homes Programme (SAHP) 2026 to 2036. Bidding into the 10-year programme opened in February 2026, kickstarting the biggest grant programme in a generation aimed at delivering higher levels of social and affordable housing.

As the Agency transitioned between programmes, delivery was supported by £2 billion of bridge funding from the new SAHP, with £1.2 billion allocated to Homes England. The funding provided continuity of affordable housing delivery and provided more certainty and confidence to our delivery partners.

To help our local authority partners build capacity and capability to deliver affordable housing, we introduced the Council Housebuilding Support

Fund. The fund is designed to provide support for councils to increase the speed and size of bids into the Social and Affordable Homes Programme. Across 2025/26, we awarded £8.9 million to 44 councils in the opening round.

Delivering high-quality specialist homes

Alongside the provision of affordable housing, we supported the delivery of specialist homes for vulnerable people, including those with a history of rough sleeping and young people at risk.

In 2025/26, over 395 homes were delivered through the Single Homelessness Accommodation Programme (SHAP) and the Rough Sleeping Accommodation Programme (RSAP) specifically for people at risk of homelessness.

These homes were also supported by revenue funding, helping to address gaps in homelessness pathway provision, by providing tenancy sustainment support alongside safe, secure accommodation. Schemes delivered in 2025/26 include West Farm in Dorset, and Gatehouse Road in Aylesbury.

West Farm provides specialist accommodation for young people aged 18 to 25 with high support needs, offering a six-bed hub with 24/7 on-site support. This scheme promotes safety, empowerment, and independent living through tailored support, life-skills development, and meaningful activities. Located in a unique rural setting that brings a Dorset Council asset back into use. It is the first scheme of its kind in the area and demonstrates a strong commitment to expanding local provision and ending youth homelessness.



Accommodation at West Farm, Dorset
Image credit: Dorset Council

Gatehouse Road, Aylesbury

Delivered by Buckingham Council and Fairhive Homes, Gatehouse Road in Aylesbury provides 7 fully furnished, self-contained homes that offer a safe and supportive environment for people moving on from rough sleeping.

Residents receive tailored support, helping them build practical life skills, access essential services and progress towards independent living.

Built to high energy efficiency standards, the homes feature private outdoor space, modern ventilation and safety systems, and shared amenities that create a comfortable and secure setting for long-term stability.



Image credit: Fairhive Homes Limited

Accelerating delivery through the New Homes Accelerator

Launched by the Chancellor in 2024, the New Homes Accelerator (NHA) is a partnership with MHCLG, Homes England and the Greater London Authority (GLA), working to unblock and accelerate the delivery of housing developments.

The NHA provides developers, landowners, local planning authorities and councils with targeted government-backed support, addressing both site-specific delays and policy and systemic barriers to accelerate the delivery of homes within this Parliament.

The NHA has helped accelerate more than 125,000 homes to the next stage of the development process. This includes 51,320 homes being advanced on 16 sites in England, with system-wide work helping to unblock around a further 78,000 homes. This includes joint work with other partners including Natural England, The Environment Agency, Network Rail, National Highways and the Building Safety Regulator (BSR). On 29 January 2026, the NHA announced a further 7 sites for targeted support, with combined capacity of around 11,400 homes.

One of the successes of the NHA has been the reform work with the BSR. To tackle the significant delays that sites reported they faced in progressing through Gateway 2⁷ approvals, the NHA invested £2 million of funding, supporting BSR to establish the Innovation Unit (IU). By bringing expertise in-house, and establishing account managers, the IU has significantly reduced processing times, whilst BSR has cleared the legacy new build caseload. Feedback from the sector is very positive.

In January 2026, the government announced an expansion of the NHA, with a second phase to help unblock housing that now includes smaller sites with fewer than 500 homes. Applications are reviewed regularly by an expanded NHA team

across Homes England and MHCLG, and more sites are being adopted to accelerate delivery this Parliament. This will include sites supported through planning challenges by the Advisory Team for Large Applications Service (ATLAS). For information on ATLAS refer to 'Leveraging our expertise to enable delivery of new homes' later in this Detailed Performance Review.

As part of the second phase of the NHA's work, it has expanded operations in London by launching NHA LDN and ATLAS LDN, a new planning service supporting London boroughs. Both are led by the Greater London Authority on behalf of the Mayor of London. These new services will help to accelerate the delivery of sites which are facing significant delays or obstacles to progression, but if supported could deliver homes in this Parliament.



We're stripping away the barriers blocking new homes being built and our New Homes Accelerator means 125,000 will now go ahead. But we're just getting started.

This next phase will see spades in the ground even faster as we build the 1.5 million homes this country needs.

Housing Secretary, Steve Reed

7. A mandatory regulatory stage prior to commencing construction on higher-risk residential buildings.

Delivering lifetime programme targets

Homes England's interventions are delivered through a range of programmes, which have lifetime performance targets. An assessment of programme performance as of March 2026 showed that we are tracking to achieve the lifetime targets for the majority of our 11 largest commissioned programmes.

Against a backdrop of relatively high interest rates and a challenging market, the Home Building Fund is expected to commit £1.9 billion against the total allocation of £2 billion. However, new homes delivery from the fund is expected to significantly exceed business case requirements, delivering up to 70,000 homes against a target of 54,000.

The establishment of the NHB means that some funds will close to new activity on 31 March 2026, earlier than expected, for example the Home Building Fund – Infrastructure Loans (HBF-IL). As a result, not all funds will be able to commit the total allocation of funding.

Only the Local Authority Accelerated Construction programme, which funds infrastructure development to help local authorities advance housing projects on surplus land, is expected to deliver slightly fewer homes than targeted. However, the parameters and conditions of the fund have significantly changed over the life of the fund, with the remaining starts and completions on the most challenging sites subject to several factors including cost inflation, construction challenges, and local authority capacity.

Funding for the Land Assembly Fund and Single Land Programme is secured through the government Spending Review. Funds are managed to an agreed annual net position and as such they have no fixed end point or lifetime budget limit. Income generated through these programmes is used to fund expenditure and reinvest in new acquisition activity.



Table: Lifetime programme performance

			Delivery			Financial		
	Investments	End	Lifetime objective	Delivery to date	Lifetime forecast	Funding allocation	Actual expenditure	Forecast outturn
Affordable Housing	SOAHP 2016-21	2023/24	130,000 starts	132,540 starts	132,540 starts	£4.9bn	£4.9bn	£4.9bn
	Affordable Homes Programme 2021-26	2026/27	89,000 to 103,000 starts	103,921 starts	108,700 starts	£8.01bn	£8.01bn	£8.03bn
Market Diversification	Home Building Fund	2033/34	54,300 starts 9,300 homes unlocked	13,368 starts 8,500 homes unlocked	69,207 starts 8,505 homes unlocked	£2bn	£846.9m	£1.9bn
	HBF Short Term Fund	2028/29	43,000 starts	54,583 starts	58,607 starts	£2.2bn	£2.02bn	£2.3bn
Infrastructure	HBF - Infrastructure Loan	2026/27	100,000 to 116,000 homes unlocked	74,568 homes unlocked	107,465 homes unlocked	£1.5bn	£197.7m	£1.5bn
	HBF Long Term Fund	2022/23	160,000 homes unlocked	162,957 homes unlocked	162,957 homes unlocked	£1.7bn	£1.6bn	£1.7bn
	Brownfield, Infrastructure and Land	2028/29	40,000 homes unlocked	60,813 homes unlocked	61,886 homes unlocked	£1.092bn	£436.8m	£1.092bn
	Brownfield, Infrastructure and Land - London	2028/29	To be agreed	13,366 homes unlocked	16,545 homes unlocked	£150m	£70.4m	£149.9m
	Housing Infrastructure Fund	2029/30	283,496 homes unlocked	285,850 homes unlocked	285,850 homes unlocked	£3.5bn	£2.4bn	£3.5bn
	Local Authority Accelerated Construction	2028/29	Up to 10,000 starts	7,942 starts	9,679 starts	£137m	£137m	£137m
Land	Land Assembly Fund	N/A	34,000 starts	6,303 starts	40,000 starts	Recycling fund - £657m secured at Spending Review 21		
	Single Land Programme	N/A	No targets set post Public Sector Land			Recycling fund - £817m secured at Spending Review 21		

Establishing new institutions and schemes

At the 2025 Spending Review, the government announced that the Agency's funding will be brought together under 2 new funds, the Social and Affordable Homes Programme (SAHP) and the National Housing Delivery Fund (NHDF), to radically simplify our core interventions.

The new SAHP was announced with a 10-year, £39 billion budget and an ambition to deliver 300,000 homes across England and the Greater London Authority. We expect to receive £27 billion of capital grant across 10 years (with payments from April 2026), to support the delivery of new social and affordable homes, with 60% of funding directed to delivery of homes for social rent.

The NHDF is a new single fund that supports a variety of financial interventions, including equity, debt, land acquisitions, enabling infrastructure, grant, low interest loans, and guarantees. It consolidates and builds on previous funds, and launched in April 2026. The 10-year fund of up to £19 billion provides greater flexibility and operational autonomy so we can tailor investments to fit with schemes, partners, and places.

The debt, equity, low interest loans and guarantees elements of the NHDF will be deployed via the National Housing Bank (NHB), with the aim to deliver more than 500,000 new homes. The NHB is a subsidiary of Homes England. It will facilitate

greater investment into the sector by enhancing the ways in which we are able to deploy debt, equity, and guarantees, as well as providing us with greater investment autonomy so that we can act faster and tailor interventions to the needs of partners and places. It will also offer low interest loans below market interest rates to unlock capital investment in social and affordable housing. The aim of the NHB is to:

- support SMEs to accelerate housebuilding and grow their businesses
- increase access to finance through lending alliances with the private sector and bring in over £53 billion of private capital
- unlock large complex sites
- scale up investment into partnerships with institutional investors and developers
- support Registered Providers to recapitalise to enable investment in new homes

Investment strategy and prospectus

In March 2026, the Homes England Board formally approved the Agency's Investment Strategy for both Homes England and the NHB, which sets out how we will deploy our capital and guarantees across the NHDF and SAHP. This is accompanied by our Investment Prospectus, which provides our partners with a complete picture of our funding products, tools and expertise available across the Agency and the NHB.



The following tables give more detail on the impact of the 2025 Spending Review on our major housing delivery and building remediation programmes operating in 2025/26.

Affordable housing

Our Programmes		Position from 31 March 2026
Shared Ownership and Affordable Housing 2016 to 2021	An £4.9 billion capital grant programme	Closed to new bids in 2021 with final homes completed in 2025/26
Affordable Homes Programme 2021 to 2026	An £8 billion capital grant programme	Fully committed
NEW Social and Affordable Homes Programme 2026 to 2036	A 10-year £27 billion capital grant programme	Bidding opened February 2026

Land and development

Our Programmes		Position from 31 March 2026
Single Land Programme	Accelerates disposal of public sector land for housing	These are recycling funds where income generated is used to fund expenditure and reinvested in the fund New acquisitions to be delivered through the new NHDF
Land Assembly Fund	Acquires and develops land requiring complex and significant investment	

Infrastructure and regeneration

Our Programmes		Position from 31 March 2026
Housing Infrastructure Fund	£3.5 billion capital grant programme for local authorities outside London for roads, schools, utilities, and other infrastructure supporting new housing	Fund fully contracted and closed to new business
Home Building Fund: Long Term Fund	£1.7 billion loan finance for non-housebuilding activity to unlock large sites	Fund closed to new projects and at portfolio management stage
Local Authority Accelerated Construction Fund	£137 million grant funding for non-housebuilding activity to support local authorities to develop surplus land holdings	Fund fully contracted and at portfolio management stage
Home Building Fund: Infrastructure Loans	£1.5 billion for private sector loans to transform brownfield land, improve public transport, build schools and provide infrastructure to accelerate new homes	Fund in portfolio management stage New loans to be made through the NHDF funding provided to the NHB
Brownfield, Infrastructure and Land	£1.1 billion to tackle market failure in building housing on challenging sites, with an additional £150 million for projects in London	Fund fully allocated and moved to portfolio management stage under the new NHDF

Market diversification

Our Programmes		Position from 31 March 2026
Home Building Fund: Short Term Fund	£2.2 billion for developer loans and equity investments focused on SMEs and MMC	A mature fund closed to new transactions and at portfolio management stage
Home Building Fund	£2 billion to support small and medium sized housing developers, leverage greater levels of institutional investment into the sector, and encourage growth in modern methods of construction	Fund in portfolio management stage New loans to be made through the NHDF funding provided to the NHB

Building remediation

Our Programmes		Position from 31 March 2026
Building Safety Fund	Acting as a delivery partner to provide grants to replace unsafe cladding	In close-out phase, with final completion expected in 2028
Cladding Safety Scheme	Formally delegated by MHCLG to Homes England to address the remediation of life-critical fire risks from unsafe cladding on residential buildings over 11 metres tall in England	2025 Spending Review confirmed funding parity for both social and private sector buildings and responsibility for the delivery and oversight of funded and non-funded buildings in the social sector formally consolidated within the CSS



Transforming our Help to Buy Customer Experience

Help to Buy equity loans have helped over 387,000 households secure their own home through loans totalling £24.7 billion, of which almost 85% were first time buyers. By the end of 2025/26, over 200,000 of these loans had been repaid.

We work to

- deliver excellent customer service for those we have supported into homeownership

2025/26 focus

- optimising the experience of homeownership customers



Since the most recent Help to Buy scheme closed to new applicants in 2023/24, we focused on custodianship of the remaining Help to Buy portfolio of £15.9 billion, ensuring value for money. During 2025/26, we helped over 200,000 households manage their Help to Buy equity loan accounts, including guiding around 30,000 households through the process of repaying their loans.

For further information refer to the Financial Statements section within this Annual Report and Accounts.

In 2026/27, we will continue to support our customers and provide excellent customer service. We are committed to transforming the Help to Buy product by improving our digital capabilities, streamlining our processes to optimise efficiency for customers managing their loan, and preparing for the re-procurement of our mortgage administrator. Other areas of focus include simplifying our terminology to make it easier for customers and conveyancers to communicate with us, and improving the guidance published on GOV.UK.

The customer experience and achieving value for money of public funds, remains at the heart of what we do.

Making Homes Safe - Delivering Building Remediation

Everyone deserves a safe, secure, and decent home. The Grenfell Tower tragedy in 2017 exposed the devastating consequences of failure in building safety, with proceeding commitments from government, irrespective of tenure, to remediate all dangerously clad buildings over 11 metres. Homes England, through both a delivery agency (Cladding Safety Scheme) and a delivery partner model (Building Safety Fund), has led national efforts to remediate unsafe buildings with a real focus on maximising sector collaboration and transparency, ensuring that leaseholders and residents are placed at the heart of remediation.

We work to

- progress the remediation of buildings, ensuring residents are safe in their homes

2025/26 focus

- accelerating the remediation of buildings with unsafe cladding

The Building Safety Fund

The initial, non-recoverable grant funded programmes included the Building Safety Fund (BSF) and Private Sector Cladding Remediation Fund (PSCRF). Homes England acts as MHCLG’s delivery partner on these funds, delivering funding on behalf of MHCLG to applicants outside London for buildings over 18 metres in height. The PSCRF is in its final phase with all 39 buildings having construction work on site and over 95% (37) complete at the end of 2025/26. On BSF, 94% (171) of our 181 applications had construction work on site and 80% (144) complete by the end of 2025/26.

In 2024/25, the BSF moved into its close-out phase. Although the volume of active applications decreased, the complexity of the remaining projects rose, necessitating grant variations to ensure building safety. While delays from the Building Safety Regulator impacted progress on-site and at completion, we worked closely with MHCLG to mitigate these issues. Despite these challenges, construction successfully completed on 144 applications. With 6 already handed over, we are working with MHCLG to manage the final administrative handover to them of the remaining 138 completed projects. The final construction completion across the wider programme is currently projected to be achieved in 2028.

Building Remediation Funds, Lifetime Targets		
Metric	Achieved at 31 March 2026	Fund lifetime forecast
PSCRF applications - work on site	39	39
PSCRF applications - work complete	37	39
PSCRF grant paid	£146 million	£151.2 million
BSF applications - work on site	171	181
BSF applications - work complete	144	181
BSF grant paid	£1.04 billion	£1.4 billion

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To say that the building looks stunning is perhaps an understatement. As a result of the cladding works, the insurance has reduced to a third of what it was prior to remediation... This could not have been achieved without your help and that of Homes England.

Applicant to the BSF on behalf of Leaseholders, Grand Ocean, Brighton

Cladding Safety Scheme

The scope of the Cladding Safety Scheme (CSS) continued to expand during 2025/26, with wider elements of the building remediation portfolio increasingly adopting CSS systems and processes. Following the 2025 Spending Review, which confirmed funding parity for both social and private sector buildings, responsibility for the delivery and oversight of funded and non-funded buildings in the social sector was formally consolidated within the CSS.

Further cohorts of buildings transferred into the scheme from the BSF and the Greater London Authority. In September 2025, Homes England received delegation to deliver remediation for buildings over 18 metres within London, resulting in all new building applications being routed through the CSS. A total of 235 buildings transferred in 2025/26, with a further 41 expected in 2026/27.



As of 31 March 2026, 30 months after the launch of the CSS in July 2023, 1,174 buildings had been deemed eligible for support. Of these, 1,133 progressed to grant funding agreement stage, 361 started works, and 93 completed remediation. The number of buildings progressing in the programme as of 31 March 2026 exceeded original expectations, driven by strong sector engagement and improved certainty for future programme delivery.

Cladding Safety Scheme, Lifetime Targets			
	Business case	Achieved at 31 March 2026	Total forecast
Completions	2,907*	93	2,509
Expenditure	Circa. £5 billion*	£660 million	Circa. £8 billion

*Prior to social sector buildings being brought into scope

During 2025/26, the Agency also expanded digital and reporting access to over 400 local authorities, regulators, national bodies, Mayoral Strategic Authorities and the Greater London Authority, supporting local decision-makers in accelerating

remediation activity. This work continues through formalised data-sharing arrangements with government departments and other partners to drive efficiencies and strengthen collaboration across the sector.

 **Cladding Safety Scheme**

Over one million leaseholders will be impacted by the work of the Cladding Safety Scheme.

In July 2025, the programme was opened to the social sector. This means an additional 2,000 buildings will work through the programme over the next 6 to 8 years. This removes the financial burden from the housing sector, enabling them to deliver their share of the government’s new homes ambition.

We take resident and leaseholder engagement seriously, and their feedback is built into our end-to-end processes through an integrated leaseholder and resident survey. Following another successful year, we know thousands more residents and leaseholders feel safer in their home. Based on feedback, an exemplar building is Liberty Court, located in Thanet; a 12 metre residential building with 9 flats requiring full cladding replacement across 1,050 square metres, at a cost of around £650,000.



Everything went smoothly, communications with owner were great & kept updated.

...appreciate the support of the scheme with that we feel more safe in our homes.

Resident feedback, Liberty Court, Thanet

Continuing to Support the Diversification of the Housing Sector

Homes England aims to support the development of a housing and regeneration sector that works for everyone; unlocking investment and driving diversification, productivity, partnership working, and innovation. We remain focused on ensuring housing delivery remains resilient to market and operational challenges, providing greater certainty to developers to accelerate delivery in future years.

Desired outcomes

- a more diverse sector with greater competition
- a more productive housebuilding sector with more private sector investment in housing, regeneration and commercial property

2025/26 focus

- increasing sector capacity and pace of delivery
- progressing innovation in the sector

As the government’s housing and regeneration agency, we play a significant role in tackling the housing challenges the country faces. Working with over 2,000 partner organisations we use our land, funding, legal powers, technical expertise and capacity to transform places and unlock housing and mixed-use schemes at scale. We work with local government, housebuilders, housing associations, infrastructure providers, landowners and institutional investors. Our ambition is for a dynamic, diverse, resilient and efficient sector.

Despite progress made over 2024 to 2025 in supporting the sector, there is still a significant gap to fill to get the housing sector operating at a level closer to delivering 300,000 to 350,000 new homes per annum.

During 2025/26, the housing sector continued to face a range of challenges. New housing supply was held back by several structural challenges, including an increasingly complex planning system, capacity, land costs, and project viability. Whereas, a desire by social housing providers to expand construction of new affordable homes was constrained by high debt levels, and large maintenance and repair costs for existing stock.

The sector also faced challenges associated with skills and labour shortages which are a

compounding factor in viability and timely scheme completion. The sector found it difficult to absorb these pressures, reflected in persistently high levels of construction related insolvency.

With the government’s ambition to deliver 1.5 million homes over 5 years, it is important that we continue to focus on creating a diverse and inclusive market that adds capacity and resilience to the sector. This includes attracting institutional investors, and supporting those housebuilders classed as small and medium-sized enterprises (SMEs).



During 2025/26, we continued to play a central role in supporting innovation across the housing and regeneration sector and leveraged nearly £23 billion of private sector funds in support of housebuilding.

Supporting smaller housebuilders to increase sector capacity

Small and medium sized housebuilders are crucial to the government's ambition to build 1.5 million homes in this Parliament. However, as the number of smaller housebuilders continue to decline, diversifying the sector is a necessary step to a sustained uplift in housing delivery. The market continues to prove challenging for these developers who face a range of issues from attracting investment, accessing finance, increased competition in accessing and acquiring land, planning risk and site viability.

During 2025/26 the Agency operated multiple programmes to provide a range of financial products for the SME sector. Our Home Building Fund and Home Building Fund – Short Term Fund supported SMEs to access funding and develop the track record needed to successfully obtain private sector finance. The funds, overall, performed well in 2025/26 contributing to 4,970 housing starts and over 4,100 completions.

In October 2025, we awarded a £7 million loan from the Home Building Fund to support SME developer, Forge New Homes, to deliver 58 homes at Welbeck Gardens in Bolsover, Derbyshire. We also funded a build to rent scheme in Liverpool, supporting SME housebuilder Q1 Property Ltd to develop a small brownfield site. The scheme will deliver 9 family homes for rent.

With lower cash reserves, the ability of SMEs to complete projects and move rapidly to new sites is impeded, compared to larger developers. In May 2025, the government announced the allocation of £100 million⁸ to support smaller housebuilders through a new SME accelerator loan. It provides development finance alongside a second loan to fund land acquisitions for follow-on sites. This gives SMEs the flexibility and confidence to work on multiple housing projects at the same time.

We agreed the first Accelerator Loan in January 2026. The £3.38 million loan was awarded to Yorkshire Homes to fund a 21-home scheme in Dalton, Thirsk, and to support the purchase of land for their next development.

Financial support for the SME sector will be strengthened further with the launch of the National Housing Bank (NHB) in April 2026. The NHB will provide us with greater delegation to deliver innovative solutions, such as the Accelerator Loan, and to provide flexible finance solutions to support the SME housebuilding sector.



The Accelerator Loan is a game changer for SME housebuilders like us. Currently, limited market funding options force SMEs to work site by site, completing one project before starting another. This new financial flexibility will enable us to secure land ahead of time, creating a consistent pipeline of development rather than stop-start projects.

Zach Cribb, Director at Yorkshire Homes

Partnership working also supports SMEs to grow and deliver more homes. An example includes joint funding in April 2025 from Homes England and HSBC UK to enable Wyatt Homes to grow its output to build over 300 homes a year across developments in the south of England.

8. The £100 million allocation for 2025/26 was from the £700 million extension to the Home Building Fund.

In January 2026, Homes England announced a joint £165 million finance facility with HSBC and NatWest to support Allison Homes. The refinancing package enables the company to accelerate land acquisition and development, and increase the supply of affordable, high-quality homes across its regions. This financing is a prime example of how we work collaboratively with both public and private partners to provide housebuilders with further growth capital.

KPI 9

Share of supported completions by low and medium volume builders (LMVBs).

Purpose: To measure the share of homes delivered through contracted schemes in the current financial year, where we contract directly with LMVBs.

A LMVB is a developer who delivers fewer than 2,000 homes per year and is not a subsidiary of a parent company delivering more than 2,000 units per year.

11% of homes delivered in 2025/26 were delivered by LMVBs, where we contracted directly with the LMVB.



2025/26 target	2024/25	2023/24
20% to 25%	15%	19%

During 2025/26, 11% of our total housing completions were delivered by smaller builders. However, the majority of our completions are affordable homes delivered by registered providers who are not classed as LMVBs. When looking at private sector home completions only, the percentage delivered by LMVBs is almost 50%. In 2025/26 alone, we targeted funding to 103 LMVBs who delivered over 4,450 homes. This demonstrates how our range of interventions made available to LMVBs is increasing their capacity to deliver homes.

Unlocking capacity through innovative land solutions

Availability of land for housing development remained a major barrier to delivery in 2025/26. The continuation of high land prices and other inflationary drivers increased caution among developers in bringing new schemes forward.

The Agency continued to support partners, local leaders and the housing sector to understand where shortages of deliverable and developable land impeded delivery. In addition to strategic land acquisitions and disposals, we also leveraged wide-ranging expertise, brokerage support, and planning and enabling support, to identify and bring forward land for housing and regeneration. By preparing sites for development, we can increase the capacity of private developers to accelerate housing delivery.

During 2025/26, we acquired 12 sites with capacity for around 6,500 homes. Our approach is demonstrated in Frimley Green, Surrey, where the freehold sale of land off Sturt Road completed in August 2025. The site was brought to market with full planning consent and a clear path to delivery. Persimmon Homes will build out the site, delivering 160 new homes.



Our acquisition of 34 hectares of land within the residential allocation known as the South East Warrington Urban Extension (SEWUE), created opportunity for up to 4,200 new homes with supporting infrastructure. We negotiated with multiple stakeholders to successfully complete the acquisition, alongside local community engagement. The strategic purchase brought our total landholding within the SEWUE to around 250 hectares, giving us control of the development of the allocation in the Warrington Borough Council's Local Plan.

Local housing delivery plans tend to allocate fewer, larger sites. Insufficient small sites coming through the planning system, together with increased competition for smaller scale sites, disadvantaged SMEs who rely on smaller sites and struggle to navigate lengthy approval processes. We offer a flexible and scalable range of land interventions

designed to unlock and accelerate land for housing development, including for SME partners. For example, our joint venture, PlacePoint Housing Partnership LLP, aims to pilot selling a proportion of de-risked land parcels⁹ to SMEs to help increase the availability of land and stimulate growth among smaller developers.

We are a significant public sector landowner with a varied and complex land and property portfolio. At the end of 2025, we had around 9,000 hectares of land across 1,400 parcels, and 936 active sites across England (excluding London).

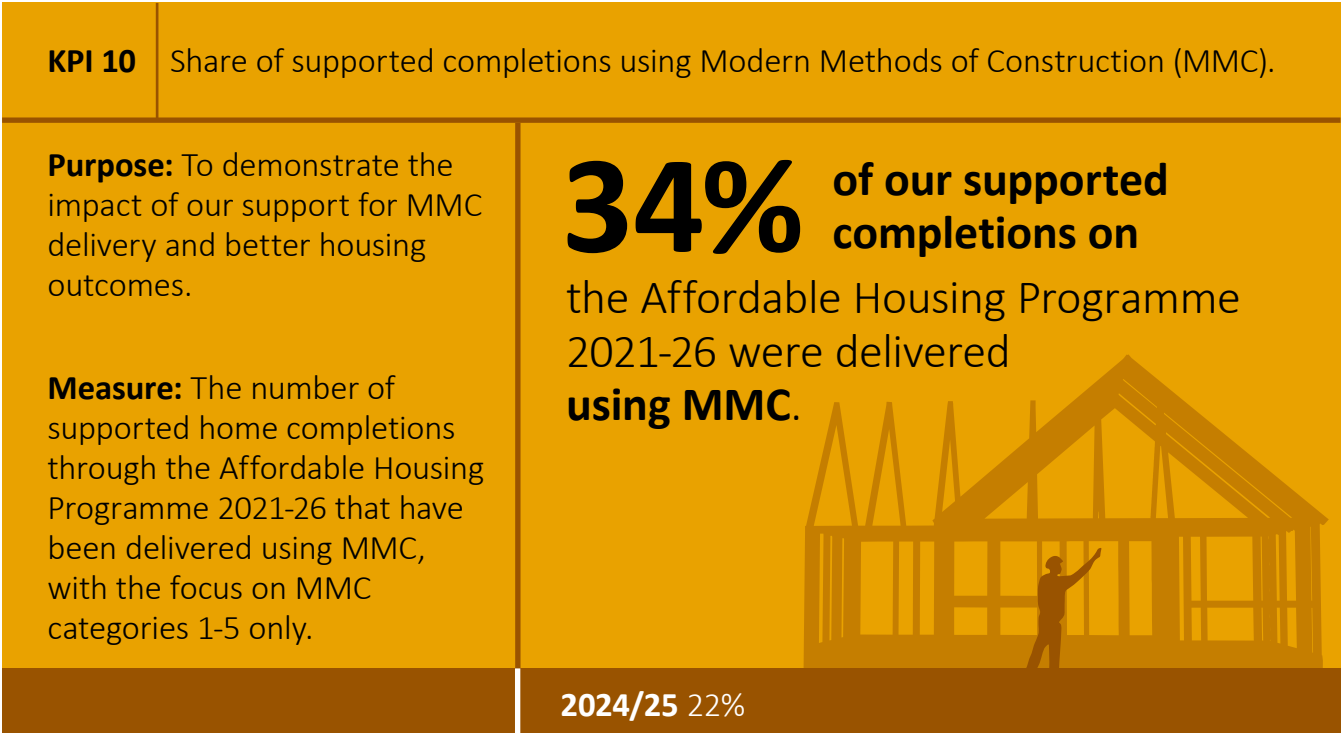
Through our Land Hub, we unlock development opportunities for housing developers with a clearer route to viable sites. The Land Hub is an online tool, featuring land available to buy from the Agency.

9. A defined piece of land with distinct boundaries.

Enhancing productivity by supporting Modern Methods of Construction

Homes England continue to play a central role in supporting innovation across the housing and regeneration sector. Modern Methods of Construction (MMC) remains a critical component of this approach, offering the potential to accelerate delivery, improve quality and productivity, and deliver higher energy efficient and sustainable homes at scale.

Over 2025/26, we have strengthened our support for MMC through our full suite of delivery programmes, including land, debt, equity, and affordable housing grant. These interventions are designed to address persistent challenges in the sector, including low productivity, skills shortages, supply chain constraints, and underinvestment in innovation. By working in partnership with industry, we are helping to de-risk new approaches to construction and create the conditions for a more diverse and resilient housing market.



In 2025/26, 34% of homes completed through the Affordable Housing Programme were delivered using MMC, an increase from 22% in the previous year. This reflects both increased adoption across the sector and improvements in data capture and reporting. Together, these demonstrate continued momentum in embedding MMC within housing delivery.

Through targeted lending and equity investment, we are enabling housebuilders and manufacturers to scale their operations and adopt more productive construction techniques.

For example, supporting SME builders through the Greener Homes Alliance with Octopus Real Estate, and providing development finance to MMC housebuilders such as Greencore Homes. In parallel, our PlacePoint partnership with Vistry supports the increased use of MMC within a major national developer, demonstrating how modern methods can be integrated into large-scale delivery models.

Across England, MMC is increasingly being prioritised by government authorities, including the Liverpool City Region Combined Authority and the West Midlands Combined Authority, as a key lever to accelerate delivery, improve productivity, and support large scale regeneration.

Prisoners building homes

Through the use of affordable housing funding, the Agency supports the delivery of high-quality homes built using MMC, while simultaneously contributing to prisoner rehabilitation. The Prisoners Building Homes programme, a joint MHCLG and Ministry of Justice initiative, exemplifies this model in practice. The programme provides prisoners with construction skills and formal qualifications, improving their prospects of employment on release and helping to reduce reoffending. It supports multiple objectives, including increasing housing supply, advancing net zero through low carbon homes, strengthening the modular housing sector, and delivering tangible social value through safer communities and improved life chances.

One such exemplar is the Marshall Walk development in Bristol, a pioneering affordable housing scheme delivered by Bristol City Council and funded by Homes England. Twelve day-release prisoners contributed to the construction through the Prisoners Building Homes programme. The scheme, built on a previously underutilised brownfield site in Knowle West, comprises 12 high-quality, zero-carbon modular homes manufactured by Zed Pods Ltd. The homes are designed as self-contained one-bedroom social-rented properties, with 50% allocated to individuals transitioning from homelessness.

A key feature of the development is its sustainability and energy efficiency. Each home includes triple glazing, heat pumps, and solar PV systems, ensuring low environmental impact and reduced energy costs for residents.



Q Royal Manor, Portland, Dorset

Royal Manor Place is a 41-home affordable housing development on the Isle of Portland, Dorset. The development is being delivered by Magna Housing on a former school site acquired from Homes England, with funding from the Affordable Housing Programme.

Using modern methods of construction, by modular manufacturer Rollalong, the homes achieve high-thermal performance, excellent airtightness, and low energy demand.

Sustainable features such as solar photovoltaic (PV) systems and energy-efficient heating solutions contribute to reduced running costs and support Net Zero readiness.



Image credit: Edward Jezeph

Maximising our role as master developer

Homes England continues to play a key role in enabling the sector to deliver new housing at scale, as one of a few organisations with the skills, expertise and resource to take on the role of master developer. The role provides the opportunity to increase the pace of delivery, embed design quality and bring in stakeholders at the right stage of the project.

We acquired Ripon Barracks from the Ministry of Defence (MoD) in 2025, to unlock the development of 1,300 new homes, a primary school, local centre, commercial area and country park. We act as the master developer to coordinate delivery of the essential infrastructure needed before construction can begin. This includes the planning of site-wide drainage, supporting road networks, and other key enabling works. We also used our expertise and resource to lead the planning process, with approval granted in August 2025.

“

The support for masterplanning has been particularly helpful. It's enabled us to advance strategic masterplanning work that we probably wouldn't have been able to fund otherwise – or at the very least, it sped up the process.

2025/26 Partner Perception Survey response

Working in partnership with institutional investors to support delivery

Homes England provides significant access to finance for housing developers through direct lending, lending alliances, equity investment and equity partnerships. These partnerships have the potential to unblock urban regeneration and accelerate housing delivery. We have a range of partnerships and equity investments in place with delivery partners, investors and registered providers.

In 2025/26, we progressed our investment partnerships with the English Cities Fund (ECF), the Greener Homes Alliance and the Housing Growth Partnership. We also leveraged £22.6 billion of private sector funds in support of housebuilding.

In September 2025, we entered into a long-term joint venture with Countryside Properties, part of Vistry Group plc. The joint venture, named PlacePoint Housing Partnership LLP, is backed by a combined £150 million of capital investment by Homes England and Vistry.

PlacePoint's focus is on accelerating the development of large sites across England by bringing forward vital new infrastructure and managing construction of new communities of between 400 and 3,000 homes each.

In November 2025 we entered into a new joint venture with Swiss Life Asset Managers and Capital&Centric, called The Impact & Places

Partnership. The partnership aims to deliver £860 million of new homes over 10 years in regions where demand for housing is most acute.

Many of our partnerships involve investor groups focused on high sustainability and design standards, a willingness to build delivery capacity through masterplanning and SME developers, and accelerate delivery using MMC. Our partnerships demonstrate how shared investment models can unlock delivery, support innovation, and accelerate outcomes.

“

Attracting institutional investment into the housing sector is critical to build the new homes the country needs and contributes to the government’s ambition to build 1.5 million new homes in this parliament.

Simon Century
Chief Executive Officer, National Housing Bank

KPI 11	Total value of private sector funds leveraged through Homes England’s support.	
Purpose: To quantify the value of private sector funding.	We leveraged £22.6 billion of private sector funds in support of housebuilding. 	
Measure: An estimate, at the point of project approval, of the funds that will be provided by private sector partners to support any project that is sponsored, funded or contracted by Homes England.		
	2024/25 £7.4 billion	

Leveraging government-backed financial credibility

During 2025/26, Homes England continued work on the expanded Affordable Homes Guarantee Scheme 2020, operated on behalf of MHCLG. The scheme enables housing providers to access low-cost financing to decarbonise and improve the decency of their existing homes, as well as build much-needed new ones. The expansion of the scheme continues to be welcomed by the sector and resulted in a further increase in demand for scheme funding in 2025/26, with £1.15 billion of loans advanced to support the delivery of new affordable homes and the improvement of thousands more.

The Agency also operates the Private Rented Sector Guarantee Scheme (PRSGS) on behalf of MHCLG. This scheme aims to help boost the development or conversion of purpose-built homes for private rent, and overall investment into this growing sector. In March 2025 the scheme reopened to new applications and the bond programme was relaunched in December 2025, with the first 2 loans from the re-opened scheme being funded in December 2025 totalling £181.9 million.

Through leveraging government-backed financial credibility, both schemes help lower borrowing costs for housing providers and widen access to debt financing. During 2025/26, this helped increase the supply of affordable and high-quality private rental homes.

Leveraging our expertise to enable delivery of new homes

We work closely with our delivery partners to deliver capacity and capability support and address systemic barriers in the housing development process. During 2025/26, we continued to deepen engagement with the housing sector, using feedback from developers and local partners to shape our interventions and programmes. From our capacity offer to the sector to CEO roundtables and our stakeholder engagement to Partner Perception Surveys, we bring together professionals to share knowledge, forge links and catalyse opportunities to accelerate housing delivery.

By expanding our capacity offer to deliver a more targeted programme for partners, informed by their feedback, we improved partner confidence in addressing local delivery barriers. We also facilitated peer-to-peer learning and development of new relationships to further enable collaboration.

During 2025/26, the Agency hosted regionally targeted events in Yorkshire and the Humber, North East and South East regions, bringing together senior local government colleagues for an open discussion on overcoming delivery challenges in large-scale development. The events brought together partners with a range of large-scale delivery experience with the intention of facilitating peer-to-peer learning and network development. According to 59% of partners surveyed after the events, the discussions helped build new knowledge and approaches to support overcoming delivery challenges, and 41% indicated potential application in their areas. Partners also valued the opportunities for collaboration to address common challenges around viability, governance, and effective stakeholder alignment.



We also produced a market-led podcast series to support the launch of the new Social and Affordable Homes Programme, bringing together experts from across the sector to share solutions to accelerate specialist areas of housing delivery. The episodes were published in March 2026 and form part of our online archive of resources available to partners to support future delivery.

Building planning capacity

Slow and complex planning processes continued to be one of the biggest challenges faced by our partners. Planning delays increase costs, reduce overall delivery and can make viability of schemes a significant challenge.

A key part of our capacity offer is the bespoke support packages we are able to provide to local planning authorities through the Advisory Team for Large Applications (ATLAS) service. ATLAS, a joint initiative with MHCLG, moved under the remit of Homes England in 2025 but remains closely linked to the wider support offered by MHCLG's Local Government Capacity and Capability Programme.

ATLAS aims to unblock complex, stalled developments of schemes of over 1,500 homes, through a range of centrally coordinated activity. This includes direct advice, grant and revenue funding, and other enabling support. It seeks to build capacity to deliver, improve relationships, resolve critical blockages, improve quality and accelerate the planning process.

Homes England brings diverse expertise, including urban design, digital, conservation, heritage, landscape architecture, ecology, community engagement and environmental sustainability. On 31 March 2026, ATLAS was supporting 37 sites, across 33 local authorities, with capacity for more than 150,000 homes.

ATLAS is part of the New Homes Accelerator (NHA). See 'Homes People Need' earlier in this Detailed Performance Review.

Q Kings Hill, Warwickshire

We are supporting Warwick District Council to bring forward a stalled 2,500 home scheme at Kings Hill, which obtained outline planning consent in 2021.

The ATLAS Team developed a support package with the local planning authority covering masterplanning, planning performance agreements, stakeholder management, preparation of development briefs and affordable housing provision.

Public consultation on the masterplan and design code commenced in March 2026.

Building skills and workforce capacity

Persistent shortages of skilled labour and acute gaps in key trades adds to further strain in the housing sector, leading to extended build times and increased costs.

Working in partnership with the National House Building Council (NHBC) and Keepmoat Homes, we provided land on our Northstowe site for a multi-skills training hub. The hub will train up to 200 apprentices each year, over a 10 year period, in bricklaying, groundworks, and site carpentry. This model is expected to be replicated on other sites, including Barking Riverside, and demonstrates how we are investing in the next generation of the construction workforce to help tackle the skills shortage in the sector and create employment opportunities.

“

Homes England are a facilitator for delivery, there's no question about it. They're an enabler and they unlock development and they create means and tools and a platform for doing difficult things in the housing market.

2025/26 Partner Perception Survey response



Apprentices working at an existing, smaller NHBC Training Hub in Cambridge
Image credit: National House Building Council (NHBC)

Driving Sustainable Homes and Places

We are committed to driving high standards of sustainability and design quality in homes and places that reflect community priorities.

Desired longer-term outcomes

- more energy efficient, carbon efficient and resource efficient homes and places
- more integrated neighbourhoods with access to nature and amenities
- distinctive places that reflect local character and enhance the natural environment
- streets, public space, and blue and green infrastructure that are designed for people to use

2025/26 focus

- championing a culture that ensures our people and partners have the mandate, skills and tools to achieve sustainability and design outcomes
- embedding sustainability and design outcomes in our processes, decision-making, and partnerships
- building sustainability and design requirements into new housing funds

Great places are more than just good housing. Equally important is good design and a long-term approach to creating high-quality neighbourhoods. For us, this means resilient infrastructure that's adaptable and sustainable. It means resilient homes that can respond to changing future circumstances, and resilient places that offer everyone an excellent environment for living. Our sustainability and design teams provide expert, bespoke technical advice and support to our projects and partners where design and sustainability ambitions are clearly articulated.

Design quality and innovation

Homes England continues to work with partners to assess design quality across our housing interventions. Our key measure of design quality is based on the considerations of Building for a Healthy Life (BHL), a toolkit produced by Design for Homes and written in partnership with Homes England. The BHL assessment helps those involved in new developments to think about the qualities of successful places and how these can be best applied to the individual characteristics of a site.

We require BHL assessments for all schemes being delivered using a building lease agreement, and encourage the use of BHL for other types of disposals. We use BHL to assess schemes throughout the project process, embedding the 12 considerations as early as possible. We conduct annual BHL reviews of completed schemes to inform our understanding of how we can use BHL to best effect.

During 2025/26 we continued to provide support through site visits, bespoke project advice, and our design surgery process. Our Master Development and Design Team supported project managers to identify and interpret design risks and opportunities for projects, ensuring place making matters were considered as early as possible. One example is Meadow Lane in Nottingham. A review via the design surgery supported the evolution of a scheme that balances commercial and housing delivery with place making qualities, such as aspects of the riverside and connectivity.

We continue to evaluate a sample of our completed schemes annually to assess the quality of homes against the 12 considerations of BHL. This allows us to identify what is working well and can be promoted as best practice, and what needs further, careful attention and future improvement. The 2025/26 review revealed an increase in good practice around the use of soft landscape¹⁰, planting, and the likes of play areas, to create distinctive places for people. Examples include Brookleigh in mid Sussex and Paradise Lane in Hemel Hempstead.

KPI 12	Share of supported schemes that meet or exceed the agreed standards for design quality (in line with BHL).
Purpose:	To ensure that our sites deliver positive design outcomes for building and places, from acquisition through to delivery.
Measure:	The percentage of schemes that have met or exceeded the pre-disposal assessment BHL score at ‘reserved matters’ ¹¹ .
Not reported for 2025/26	as the number of projects in scope ¹² of the KPI were too few to produce a statistically meaningful average.

 Paradise Depot, Hemel Hempstead, Hertfordshire

Being delivered by Dacorum Borough Council and Bugler Developments, with £7 million grant funding from Homes England, the Paradise Depot scheme consists of 56 social rent homes.

The scheme is located on a former depot site adjacent to Hemel Hempstead Hospital and within close proximity to the town centre. It includes a purpose-built central facility for essential community and charity services, including supporting local homelessness.

The homes are being built with air-source heat pumps, EV charging, and energy-efficient designs. Completion is expected in January 2027.

10. Soft landscape refers to the likes of trees, plants and grass.

11. 'Reserved matters' is when details of a development are not included in an outline planning application, but need to be approved by the local planning authority before the development can proceed.

12. Projects require time to progress through the delivery stages necessary for this KPI, which was established in 2024/25. As schemes continue to advance, a growing number of eligible projects are expected to reach the necessary stages to enable reporting against this KPI.

Driving higher standards of building performance

Encouraging our partners to improve the energy efficiency of new homes contributes to ensuring higher standards of sustainability. This in turn lowers both carbon dioxide emissions and residents’ energy bills. We use Energy Performance Certificate (EPC) ratings as a measure of building performance where robust project boundary data exist.

In 2025/26, 97% of home completions supported by Homes England met Energy Performance Certificate (EPC) rating B or above.

It must be noted that this performance excludes affordable housing completions, as the Agency does not currently capture affordable housing boundary data to enable cross-reference to the EPC data.

The Agency recognises that while this is not the most comprehensive measure of energy efficiency, the KPI is an interim measure while work continues to stand up a new KPI on embodied carbon. Further detail is available in the next section on reducing the carbon emissions of constructing a home.



Duncombe Barracks, York

York’s first housing development built to Passivhaus¹⁴ standards was funded through an Affordable Homes Programme grant from Homes England. Delivered by Caddick, the 7 shared ownership homes are part of the Duncombe Barracks development, a former brownfield site north of York city centre.

The development is delivering high efficiency homes expected to result in lower energy use and reduced running costs. The homes are designed to be net zero carbon in operation, generating as much energy as they use.

KPI 13

Building performance – share of supported completions that are EPC rating B or above.

Purpose: To understand the estimated operational carbon efficiency of those home completions supported by Homes England.

97%
of our supported completions¹³ have an EPC rating of B or above.



Target greater than market average of 84%

2024/25 90%
2023/24 87%

13. Excludes affordable housing completions as the Agency does not currently capture boundary data to enable cross-reference to EPC data.

14. The Passivhaus standard is designed to deliver comfort, quality and lower running costs, providing a range of proven approaches to deliver Net Zero-ready buildings.

Reducing the carbon emissions of constructing a home

During 2024, Homes England developed a methodology to enable reporting of embodied upfront carbon generated from the construction processes and materials used in building a home. Work continues to stand up the systems and process required to report KPI 15 on embodied carbon. This will provide a greater understanding of how we can design and build future housing and infrastructure in a much more carbon efficient way, supporting the UK Net Zero target. Further detail is included in the Sustainability Report section within this Annual Report and Accounts.

Brampton Court Hotel in Torquay exemplifies how we support sustainable delivery and unlock complex sites. This scheme, supported by a grant from the Affordable Housing Programme, delivered high-quality housing by repurposing a redundant hotel. The project balanced the ambition to retain and reuse the existing structure, and all its embodied carbon, with the need to provide new homes. The development was delivered in partnership with Armada Property UK Ltd, who employed local workers, trades and subcontractors on the project.

Brampton Court Hotel, Torquay

Brampton Court is the first social housing scheme delivered by Torbay Council under its Hotels to Homes initiative. It supports both housing supply and regeneration of place.

The project successfully converted a former hotel into 14 high-quality apartments for social rent, while establishing a model of delivery that can be replicated for future schemes.



Image credit: Torbay Council

Addressing biodiversity decline

Biodiversity net gain (BNG) is an approach that requires developments to have a positive impact on biodiversity. The ‘net gain’ is achieved when developers create new habitats or retain and enhance existing ones on the development site. The mandatory target for BNG is 10%.

KPI 14

Average percentage biodiversity net gain planned on supported schemes.

Purpose: To measure how we enhance habitats through supporting biodiversity.

Measure: The average percentage BNG predicted to be achieved by schemes subject to planning applications submitted by Homes England, based on a measurement of the biodiversity baseline value of the site pre-development compared to the predicted biodiversity value of habitats post-development.

Not reported for 2025/26 as the number of projects in scope¹⁵ of the KPI were too few to produce a statistically meaningful average.



At South West Rugby Sustainable Urban Extension (SWRSUE), we are acting as master developer with responsibility for delivering the key strategic infrastructure to unlock the site. The first piece of infrastructure is the Homestead Link Road, which is a 2 kilometre single carriageway that includes over 14 hectares of public open space.

We planned this space to comprise sustainable drainage systems (SuDS) features, woodland and orchard planting, meadows and informal paths. This is part of a vital green corridor connecting to the wider environment, including existing areas of ancient woodland, that will benefit both people and wildlife. The project achieved a Building with Nature Design Award in November 2023, due to the holistic approach and high-quality design of the green infrastructure.

The public open space involved a complex BNG assessment but provided a significant number of BNG units. A number of the BNG units will offset the ecological impacts of the highway itself, with the remaining (surplus) hedgerow and habitat units being banked for use in the future phases of the SWRSUE. The project is expected to start on site in early 2027.

15. Projects require time to progress through the delivery stages necessary for this KPI, which was established in 2024/25. As schemes continue to advance, a growing number of eligible projects are expected to reach the necessary stages to enable reporting against this KPI.

Achieving Our Plan: Corporate Health

We enable delivery of our strategic objectives by ensuring we are a high performing organisation with effective and efficient processes, robust governance and risk management, satisfied partners and colleagues who feel supported in their work.

Desired outcomes

- an agency that works for its partners
- an agency that reflects the communities it serves
- an agency that effectively manages risk

2025/26 focus

- fulfilling statutory and regulatory obligations that give us license to operate
- creating a Brilliant Place to Work
- supporting effective delivery and optimising operational efficiency
- managing risks and maintaining controls to ensure value for money



Our focus is on achieving value for money for the taxpayer and ensuring we drive efficiencies and prioritise resources, whilst fulfilling statutory and regulatory obligations.

Strengthening our organisation and our workforce, and modernising how we work, is crucial to preparing Homes England for its expanded remit announced in the 2025 Spending Review. We continue to upgrade systems, processes and organisational capability to support the government's housing ambitions and to operate with greater scale and flexibility.

Enabling effective engagement with our partners

A detailed survey of Homes England partners in 2025/26 showed that 69% of our partners are satisfied with the support provided by Homes England, with an additional 19% neutral. This is the highest level in 4 years.

Nearly 600 organisations from across the housing and regeneration sector shared feedback with us. This included partners at differing levels of maturity in their relationship with Homes England.

While overall satisfaction remained stable, there were notable increases in satisfaction amongst our housing association and local government partners. The survey findings provide valuable insights to inform our future policies and strategy, shape future investments, and address the barriers most affecting delivery.



They are a very helpful partner for us, both in looking at how broad schemes across multiple sites might fit together, and where there might be commercial opportunities, or opportunities that we can assemble together between the Local Authority – the Combined Authority in West Yorkshire and Homes England.

2025/26 Partner Perception Survey response

KPI 16

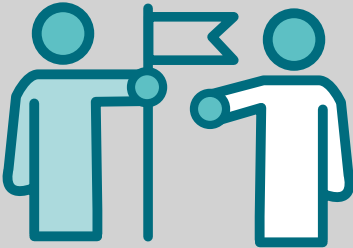
Share of partners reporting overall satisfaction with Homes England.

Purpose: To measure how satisfied our partners are with Homes England based on their understanding of our role and remit, and to provide an indication as to whether we are functioning effectively and enabling positive engagements with our partners.

A partner is any housing developer, local authority or other organisation who has transacted with us in the past 3 years.

69%

of our partners are satisfied with Homes England.



2025/26 target >65%

2024/25 66%

2023/24 68%

Building a brilliant place to work

Homes England strives to be an employer of choice, investing in people and culture, with a continued focus on capability.

In November 2025, we launched our annual employee engagement survey. Our colleagues rated Homes England 7.4 out of 10 to the question of whether they feel able to bring their whole self to work. Over 80% of respondents scored above a neutral response, of 6 and above. It is our belief that being a truly inclusive employer, where everyone can bring their whole selves to work, is vital to our continued success.

We actively champion diversity and inclusion through our values. In May 2025, we published our second Equality, Diversity and Inclusion (EDI) Report and action plan. We remain committed to accelerating progress through this plan to drive the meaningful change our colleagues expect from us and more.

Further information on EDI is available in the Remuneration and Staff Report within this Annual Report and Accounts.

KPI 17

Average colleague rating for Homes England being a diverse and inclusive employer.

Purpose: To demonstrate whether Homes England colleagues feel we are an inclusive employer and whether we foster a positive working environment and experience.

Our colleagues rated Homes England

7.4 (out of 10).

2025/26 target 7.3

2024/25 7.3

2023/24 7.2

Managing risk

We use a structured approach to proactively identify and manage risks that could affect the achievement of our strategic objectives. Principal risks are identified and managed with a focus on improvement actions to address key concerns.

At the end of 2025/26 there were 4 principal risks outside of risk appetite. These risks relate to data management, third-party supplier disruption, cyber resilience and business continuity. Our progress in addressing organisational risk, improving internal controls and building resilience ensures we can deliver confidently and credibly in a more complex operating environment.

Further information is available in the Principal Risks Impacting Delivery section within this Performance Report.

KPI 18

Number of principal risks outside risk appetite.

Purpose: To identify and monitor all principal risks outside the appetite agreed upon and set by our Board which could materially impact the successful delivery of our strategic objectives.

At the end of 2025/26

4 principal risks

were assessed as being outside appetite.

Q1: 6

Q2: 6

Q3: 7

Q4: 4

2025/26 target 0

2024/25 5

2023/24 4

Principal Risks Impacting Delivery

Principal Risks Summary

Principal risks are those risks that could materially impact the achievement of Homes England’s strategic objectives.

The Corporate Leadership Team (CLT) owns and is collectively responsible for identifying and managing these risks, with the Board providing oversight over the principal risk profile. Our principal risks are set out in the table below:

Principal risk	Current position
Business Continuity - risk that the Agency may not be able to continue operating and delivering services and products at acceptable predefined levels during a disruptive incident or restore operations to normalised levels within acceptable timeframes.	This risk has moved outside appetite. Progress has been made across the last 12 to 18 months, with systems and controls being put in place to mitigate disruptions across the Agency. However, the assessment of the quarter four 2025/26 position considers the interrelationship between business continuity, cyber resilience and disaster recovery, and there is lower confidence regarding continuity of critical services, should an incident be prolonged. An improvement programme is underway to strengthen business continuity capability and provide greater assurance over the timely recovery of critical services in the event of a major disruption. Ongoing work to build resilience and further embed consistent testing across key dependencies will support the Agency in meeting its defined recovery expectations.
Capability - risk that capability challenges may arise as a result of not fully aligning our people resource and of failing to attract, develop or retain appropriately skilled colleagues. This challenge may be exacerbated by the systemic constraints we operate within, the markets in which we compete for staff and the funding we have available.	This risk remains within appetite. We have established resource plans in place including plans to ensure we have the capabilities required to operate the National Housing Bank from April 2026. Regional executive directors are providing the expertise needed to embed our regional operating model, and permanent appointments have been secured for key executive-level positions.
Capacity - risk that capacity challenges may arise as a result of failing to attract or retain appropriately skilled colleagues or by having systems and or processes that do not enable us to operate at optimum productivity.	This risk remains within appetite and has not had any adverse impact on delivery. Workforce stability has been maintained and capacity pressures have been effectively managed through resource planning, prioritisation of delivery commitments and targeted recruitment. A key focus for 2026/27 will be strengthening strategic workforce planning to ensure we remain adaptable and resilient.

Principal risk	Current position
Change Delivery - risk of failing to deliver the prioritised and planned portfolio of activities.	This risk has moved to within appetite. We have made strong progress in embedding the core controls needed to support the effective delivery of change, including enhanced governance, clearer reporting, and strengthened oversight. These improved controls have been applied across our integrated change programme, encompassing the establishment of the National Housing Bank, implementation of the regional operating model, delivery of a significant Social and Affordable Homes Programme, and operation of the new National Housing Delivery Fund.
Change Culture (previously 'Culture')* - risk that the Agency's operating culture may inhibit the organisation's ability to adapt effectively to change and respond to emerging priorities. *This risk description was rearticulated during 2025/26	This risk has moved to within appetite. To support the Agency's ability to adapt to change and respond to emerging priorities, senior leaders are being empowered to drive organisational change. A Leadership framework has been collaboratively developed following our Culture enquiry and formally endorsed, providing clarity on expected standards, capabilities and behaviours. Continued investment in senior leadership development is planned throughout 2026/27 to further strengthen capability and sustain progress.
Cyber Resilience* - risk that the organisation is exposed to increased cyber threats, creating vulnerabilities across internal and external networks. This raises the likelihood of unauthorised access, data compromise, and operational disruption. *This risk description was rearticulated during 2025/26.	This risk remains outside appetite because the external threat environment is constantly evolving and potential impacts could be significant. We have strengthened our control environment through ongoing investment in security capabilities, enhanced monitoring, and targeted threat detection measures. However, the complexity of our technology environment, together with the need for investment in modern systems, limits our ability to mitigate this risk.
Data - risk of data being inaccurate, inaccessible, inconsistent or unreliable due to inadequate data management practices within the Agency.	This risk remains outside appetite due to reliance on manual data processes and restricted data visibility, reflecting the Agency's developing data maturity. A central data platform now provides a secure, integrated environment for reporting and analytics, supported by a conceptual data model and data and reporting governance frameworks to guide future changes. These improvements are enhancing our capability and promoting more consistent use of data. Planned activity through 2026/27 will further strengthen data management and support movement toward a within-appetite position.
Delivery Partners - risk that our delivery partners do not have the capacity, capability or willingness to work with us in delivering housing and regeneration outputs and initiatives.	This risk remains within appetite. While many of our delivery partners continue to face challenging market conditions, the Agency's strong relationships and collaborative ways of working help us navigate these challenges. Although we can't fully control these external constraints, our shared commitment to delivery means we are well placed to keep progressing towards our delivery objectives.

Principal risk	Current position
Funding - risk of misalignment between the Agency's capital, resource and admin budgets, and the government's policy objectives.	This risk remains within appetite. In 2025/26, the Agency secured budget for core delivery programmes and to advance key priorities, including establishing the National Housing Bank (operational from 1 April 2026), implementing a regional operating model, designing the National Housing Delivery Fund and scaling up to deliver an expanding Social and Affordable Homes Programme. These outcomes were enabled through close collaboration with the Ministry of Housing, Communities and Local Government (MHCLG) and effective cross-directorate coordination.
Sustainability - risk of the Agency failing to deliver an integrated and effective approach to sustainability, including climate, environmental, social, and economic objectives, leading to impacts on people and the natural environment, reputational damage, or failure to meet statutory responsibilities and government targets, including Net Zero by 2050.	This risk remains within appetite and reflects the Agency's ongoing commitment to strengthening corporate sustainability. Our strategic plan outlines our ambition to 'Foster innovation and create market conditions to support a dynamic, diverse and sustainable built environment and housing sector.' To support effective management of this risk, in 2025/26 we have launched the Sustainable Placemaking Passport, an assessment tool that tracks how our interventions contribute to our 9 core sustainable placemaking outcomes. Further detail can be found in the Sustainability Report and in the Task Force on Climate-Related Financial Disclosures (TCFD) Report, later in this Performance Report.
Third-party Supplier Disruption - risk of disruption to operations as a result of reliance on third-party suppliers within Help to Buy and other equity loans, leading to an inadequate service delivery and poor customer outcomes.	This risk remains outside appetite due to ongoing operational performance, incidents and reporting challenges. Customer facing service delivery has shown greater stability, however the contractual model limits our ability to directly manage service performance. A combination of short-term improvements and longer-term strategic measures are underway, to strengthen service delivery and to mitigate this risk more effectively.
Value for Money* - risk that we are unable to demonstrate Value for Money (VfM) on public resources invested by the Agency. * This risk has been removed as a principal risk post-year end.	This risk remains within appetite. VfM risk is actively mitigated through robust programme evaluations and VfM assessments for high-value projects, utilising the robust 5-case business model framework. The Agency expects to achieve £2.04 of social value for every £1 of funding approved during the preceding financial year, 2024/25, representing strong value for money. More information on social value can be found in the Detailed Performance Review.

Former principal risk	Current position
Macroeconomic Conditions - risk that the Agency has not monitored or is insufficiently prepared and empowered to respond to changing macroeconomic conditions, which affects our ability to achieve strategic objectives, recovery expectations and to prevent customer detriment.	This is no longer a principal risk. Over the past year the Agency's ability to anticipate and respond to changes in macroeconomic conditions has strengthened. This risk has remained within appetite for several consecutive quarters, reflecting the effectiveness of the mitigations implemented and the continued vigilance in monitoring emerging threats. Looking ahead, we will maintain our focus on proactive management and monitoring of this risk as part of our business-as-usual activity.

Financial Risk

Impact of macroeconomic uncertainty

Homes England produces quarterly economic forecasts based on scenarios developed by Oxford Economics to support the assessment and management of financial risk.

The forecasts consider central, upside and downside scenarios, reflecting a range of possible economic and housing market outcomes. The scenarios are based on Oxford Economics' quarter four forecast and information available at March 2026.

The forecasts reflect potential economic and housing market impacts that could be foreseen at the reporting date, taking into account geopolitical uncertainty at that time.

Annual movements are based on financial year averages, except for house prices which are measured from final quarter to final quarter across consecutive financial years.

The forecasts detail the following:

■ Central scenario:

Assumes the global economic outlook is subdued and growth slows to 0.4% in 2026/27 with inflation remaining above target. Uncertainty in the housing market has an impact on confidence and demand with slower activity contributing to weaker house price growth. House price growth under this scenario is forecast at 0.5% in 2026/27 before increasing in future years.

■ Upside scenario:

Assumes stronger economic growth and improved market confidence, supporting faster growth in housing demand and supply. Housing transactions, house prices and completions are expected to recover quicker than under the central scenario, with the higher activity underpinning stronger house price growth of 3.1% in 2026/27 and continuing to increase in future years.

■ Downside scenario:

Assumes weaker economic conditions as a result of prolonged geopolitical uncertainty, this leads to consumer confidence deteriorating and a pause in business investment. Within the housing market, lower incomes and higher unemployment increase selling pressure. In this scenario, house price growth is forecast to fall by 7.2% in 2026/27, and by 2.8% in 2027/28, with growth of 0.1% forecast in 2028/29.

These scenarios are applied by Homes England to its portfolio of assets, to assess the financial implications on the portfolio and for the delivery of the Agency's objectives.

Valuation of Homes England's assets may be estimated with reference to key market indicators, such as house price growth, economic growth and unemployment. This is particularly relevant for financial assets measured at fair value, land and property assets and forward-looking expected credit loss models for assets held at amortised cost.

Generally, the UK economy has been more resilient than expected since the year end reporting date, but the outlook remains uncertain, and so it is still beneficial to apply these scenarios to our portfolios to aid users of the accounts in understanding the potential risks posed by future macroeconomic uncertainty. This is covered further within 'Potential impact on asset valuations from alternative economic scenarios', later in this section.

Impact on Help to Buy portfolio

The Help to Buy portfolio is particularly sensitive to market risk from changing house prices. Decreases in house prices lead directly to a reduction in the market valuation of Homes England's home equity loan portfolio. Large falls in house prices could lead to a disproportionately large reduction in the market value due to the Agency's equity ranking behind the mortgage from the primary lender.

Regional and property type concentration exists within the home equity loan portfolio, and divergences in house price between regions are a source of additional market risk (for example, an adjustment to the prices of London flats).

A fall in house prices may also lead to a reduction in the ability of customers to remortgage or to redeem their equity loan share, either due to being constrained by loan to value requirements or the removal of products from the marketplace. This would lead to a slowing in the redemption rate on the equity loan portfolio which, in turn, would result in a higher yearly interest fee income return on the portfolio and interest fee income being generated over a longer time period.

As movements in house prices are directly related to the market value of the Agency's home equity loans, a fall in house prices may result in an increase in customers redeeming in order to crystallise the lower equity value. However, refinancing options in the marketplace are likely to be limited in this scenario, reducing customers' ability to exit.

The Agency performs a market risk analysis (note 14c) which considers how the valuation of this portfolio would change with movements in house prices and a further sensitivity analysis (note 14d) which looks at the key modelling assumptions and illustrates the effect of varying them.

Impact on recoverable investment portfolio

For the recoverable investment portfolio, comprising loans, debt and equity, the main type of security held is land. Falling land values would therefore result in increasing Expected Credit Loss (ECL) estimates on loans held at amortised cost. As the ECL calculation (via a loss floor of 35%) already includes a level of prudence which would cover some the effects of potential lower land security values, the impact on the ECL of falling land values would not be significant. If land prices were to decrease by 10%, it is estimated that this would result in an increase in the ECL of £0.9 million (see note 16d). Falling house prices, particularly if combined with increasing developer costs, would

result in loans becoming less viable, leading to an increased risk of default. This may in turn lead to a further increase in the ECL estimate for loans held at amortised cost.

Falling house prices would likely be combined with falling demand for housing, resulting in delays to delivery on the recoverable investment portfolio, and could impact project viability if sales cannot be recycled into the funding required to maintain project development.

Potential impact on asset valuations from alternative economic scenarios

To aid users of the accounts in understanding the potential risks posed by future macroeconomic uncertainty to the assets managed by the Agency, we have used the scenarios developed by Oxford Economics to estimate the impact on the Agency's key asset classes. By applying relevant metrics from these scenarios, we can model the potential impact of ongoing market uncertainty on assets disclosed in the 2025/26 Financial Statements.

Home equity loans (including Help to Buy)

For home equity loans, the principal driver influencing changes to the valuation of assets are house prices. To demonstrate the potential impact on the portfolio of house price changes, the forecast house price movements used to inform the Agency's downside economic scenario have been applied to the valuation. These forecasts predict a reduction in house prices from quarter 4 in 2025/26 to quarter 4 in 2026/27 of 7.16%.

For the portfolio that exists at 31 March 2026, the estimated effect would be a decrease in the valuation of the portfolio from £13.49 billion to £12.51 billion, a decrease of £0.98 billion.

Loans

For loans measured at amortised cost, the ECL reflects a weighted average of the outcomes which might be expected under each of the 3 scenarios. To assess the impact of each scenario individually, we have examined the outputs from each scenario-specific ECL calculation.

In addition, we have considered whether the credit risk stages of assets, based on an assessment of Significant Increase in Credit Risk (SICR), might change under each scenario.

We have modelled the impact under each scenario if all assets were moved to stage 2 (indicating a significant increase in credit risk for all assets), with the modelling for the downside scenario producing an increased ECL of £90 million under these assumptions.

	ECL as applied in the Financial Statements (£m)	ECL if SICR stages are adjusted to stage 2 for 100% of portfolio (£m)
Upside scenario	20.6	43.3
Central scenario	28.0	54.1
Downside scenario	59.5	90.0

For loans measured at fair value through profit or loss (FVTPL), the fundamental contractual nature of these loans and primary exposure to variation in returns is comparable with loans measured at amortised cost.

As a result, the ECL percentages estimated for the loans measured at amortised cost are considered to be a suitable measure to estimate loss allowances on loans measured at FVTPL. The valuation of loans measured at FVTPL was £423.3 million at 31 March 2026.

	Estimated ECL on loans measured at FVTPL using ECL percentages applied to loans measured at amortised cost (£m)	Estimated ECL on loans measured at FVTPL using ECL percentages applied to loans measured at amortised cost, assuming all assets move to Stage 2 (£m)
Upside scenario	6.2	13.0
Central scenario	8.4	16.2
Downside scenario	17.8	27.0

Land

The carrying value of the Agency's land and property portfolio at 31 March 2026 is £1,027 million (net realisable value £1,229 million).

Subjecting this value to metrics for upside, central and downside scenarios, shows the land and property portfolio at 31 March 2027 as below:

	Estimated value at 31 March 2027 (£m)	Base value at 31 March 2026 (£m)	Increase / (reduction) since 31 March 2026 (£m)
Upside scenario	1,050	1,027	23
Central scenario	1,030	1,027	3
Downside scenario	966	1,027	(61)

Over the next 12 months, the lowest point in the scenarios occurs in quarter 4 of 2026/27 in the downside scenario, as shown in the table above.

Further analysis of the sensitivity of significant valuation modelling assumptions, which include more severe scenarios, has been carried out in note 18b of the Financial Statements. Given current macroeconomic uncertainties, it is possible that key contributing economic factors could have a greater impact than the scenarios presented.

Fiduciary, Economic Crime and Fraud Risk (Financial Crime)

Homes England manages Fiduciary, Economic Crime and Fraud Risk as part of its day-to-day operations. We focus on preventing issues where we can, identifying them early, reporting them promptly and taking action to reduce their impact.

Due to the scale and complexity of the Agency's activities, we expect that some errors, losses or fraud attempts will occur each year, and we manage these risks with that expectation.

The Public Sector Fraud Authority (PSFA) sets financial performance metrics for all government departments and arm's-length bodies. In 2025/26, the PSFA set a joint MHCLG and Homes England target of preventing and recovering fraud loss from operational activity of £4.6 million.

Through the effective operation of internal controls, the Agency was able to prevent £18.1 million of fraud from entering the Agency's systems, and detect £2.5 million of fraud within our systems. None of the fraud cases were significant enough to have a material impact on the Agency's work.

The PSFA also set a performance ratio on the amount spent in achieving the prevention and recovery target. In 2025/26 the requirement was to spend no more than one third of the joint £4.6 million MHCLG and Homes England target. To achieve the prevention of fraud to the value of £18.1 million, the Agency spent £0.6 million. This figure is a combination of staff costs, data sources, and system investment.

Homes England is operating within Fiduciary Risk appetite in 2025/26.

The Agency has not identified any customer who matches the government's UK financial sanctions regime guidance. The risk of exposure is deemed to be low, as customers (and related parties) are predominately UK-based.

Future Risks

Given the scale of Homes England's investment of public funds and its role in operating where the private sector is less willing to take risk, the Agency remains exposed to changes in the macroeconomic and geopolitical environments.

Inflationary pressures, interest rate movements and broader market conditions all impact housing delivery, development viability, and investor confidence. These impacts may be exacerbated by specific events which increase costs and constrain delivery across housing and regeneration.

As a delivery agency operating in a policy area of high priority to government, Homes England is also susceptible to changes in government policy, priorities, or approaches to the housing and regeneration sector. These factors may affect the scale, focus, or timing of the Agency's programmes and interventions, as well as the amount of funding made available to it.

These potential risks and uncertainties are monitored on an ongoing basis and are regularly reviewed and reported through established governance and risk management arrangements.

As the government devolves more decision making to local and regional authorities, Homes England faces risks linked to differences in capability, capacity, and financial resilience across these organisations. To operate effectively in this increasingly complex environment, we are evolving our operating model and decision-making processes, introducing a stronger regional focus.

The specific needs of local authorities will vary depending on their own skill levels, funding availability and housing needs and aspirations.

Recognising and responding to these different needs will be essential to achieving the Agency's objectives and supporting government priorities.



Financial Review

For the financial year 2025/26, Homes England's performance against its budgetary control totals is summarised in the following table:

Financial Performance	2025/26				
	Outturn	Budget (Main)	Budget (Supplementary)	Variance (Supplementary to Outturn)	Variance (Supplementary to Outturn)
	£m	£m	£m	£m	%
Capital Financial Transactions					
Expenditure					
Programme	605.7	930.5	659.9	(54.2)	(8.2%)
Receipts					
Programme	(432.1)	(475.9)	(358.4)	(73.7)	20.6%
Net Capital Financial Transactions	173.6	454.6	301.5	(127.9)	(42.4%)
Capital non-Financial Transactions					
Expenditure					
Administration	(1.5)	3.9	3.9	(5.4)	(138.5%)
Programme	3,331.4	3,582.4	3,346.3	(14.9)	(0.4%)
Receipts					
Programme	(155.2)	(236.1)	(160.5)	5.3	(3.3%)
Net Capital non-Financial Transactions	3,174.7	3,350.2	3,189.7	(15.0)	(0.5%)
Resource					
Expenditure					
Administration	119.8	120.1	120.1	(0.3)	(0.2%)
Administration – depreciation and amortisation	11.1	13.5	11.7	(0.6)	(5.1%)
Programme Resource – non-ringfenced	84.8	99.0	97.6	(12.8)	(13.1%)
Programme Resource – ringfenced	26.0	32.5	31.0	(5.0)	(16.1%)
Receipts					
Administration*	(298.3)	(72.0)	(72.0)	(226.3)	314.3%
Programme Resource**	(59.6)	(54.0)	(69.0)	9.4	(13.6%)
Net Resource	(116.2)	139.1	119.4	(235.6)	(197.3%)
Total					
Expenditure	4,177.3	4,781.9	4,270.5	(93.2)	(2.2%)
Receipts	(945.2)	(838.0)	(659.9)	(285.3)	43.2%
Net Total	3,232.1	3,943.9	3,610.6	(378.5)	(10.5%)

* The Agency is permitted to retain up to £72 million of resource administration income per year. Any income generated in excess of this must be surrendered to HM Treasury. In 2025/26, £226.3 million was surrendered. The income is predominantly generated through interest receipts from the Help to Buy equity loan portfolio and Investment programmes.

** The Agency is permitted to retain £54 million of resource programme income. Resource income above the £54 million cap is converted to the capital non-Financial Transactions budget through the Supplementary Estimates process, for deployment on Development programmes. Excess receipts after the Supplementary Estimates process cannot be converted and are surrendered to HM Treasury.

Financial Performance in 2025/26

Homes England agrees its annual budgets with the Ministry of Housing, Communities and Local Government (MHCLG) and HM Treasury at the start of each financial year through the Main Estimates process.

Budgets are illustrated gross, showing both expenditure and receipts, but are delegated and managed on a net basis. Any subsequent refinements or changes are made through the Supplementary Estimates process mid-way through the financial year.

Budget ranges are provided in the Agency’s Annual Business Plan to capture delivery volatility caused by project specific issues and/or by market, or wider economic conditions. Several of the Agency’s key programmes generate income as well as incur expenditure.

Programme budgets for 2025/26 were refreshed through the Supplementary Estimate process. MHCLG confirmed the revised budgets in the final quarter of the 2025/26 financial year and formally delegated the revised budgets in March 2026.

Although the Agency was able to update spend and income budgets at the Supplementary Estimate, it was not possible to adjust the corresponding Key Performance Indicators (KPIs) unless new funding was provided in the year to increase delivery targets. As a result, performance against the Agency’s KPIs is reported against the unadjusted start-of-year Annual Business Plan figures. While there are no KPIs that relate solely to financial performance, a number of KPIs are influenced by these budget changes and are therefore affected by this approach.

The Agency is delegated separate budgets for programmes and administrative costs. Within both programme and administrative budgets, funding is classified as either Capital or Resource.

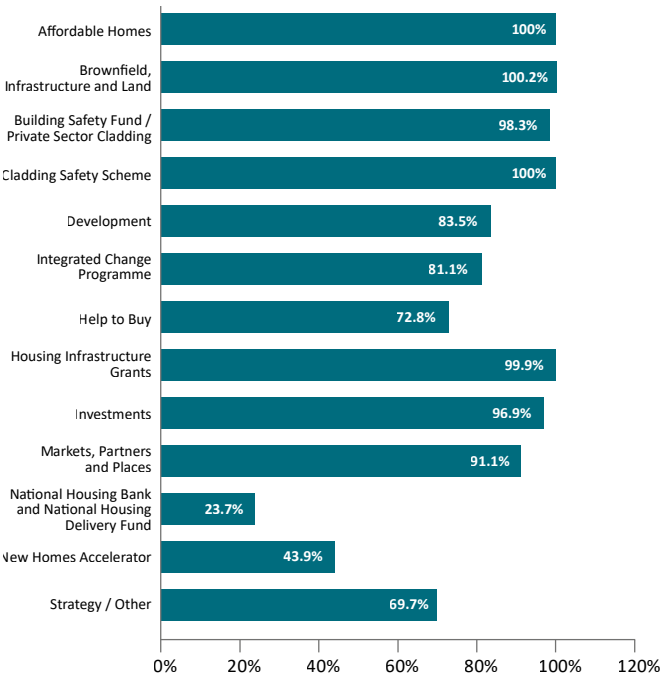
Capital budgets are split into 2 further categories, Financial Transactions (FT) which predominantly covers loans and equity, and non-Financial Transactions (non-FT) which provides funding for grant programmes and most land transactions.

Resource refers to the operational costs incurred to run the various programmes.

Against revised Supplementary Estimate budgets, the Agency utilised 97.8% (£4.2 billion) of its total delegated expenditure budget. Alongside this, the Agency generated 143.2% (£945.2 million) of its total income budget.

A breakdown by programme is set out in the following chart:

Chart: Gross expenditure as a percentage of budget



Overall, most Agency programmes performed well against budget. Key points to note are set out as follows.

Over £1.9 billion of Affordable Housing grants were awarded in 2025/26 (net of reclaims), deploying 100% of the delegated budget for this programme. This comprised £1.8 billion for the Affordable Housing 21-26 Programme and £167 million in bridge funding. This bridge funding was made up of £100 million acceleration from 2026/27 and a £67 million top up from the Competition and Markets Authority (CMA).

During 2025/26, the CMA concluded a consultation following an investigation of 7 major housebuilders. A voluntary remedy payment of £100 million was made by the housebuilders, and the CMA proposed that this funding be routed into affordable housing programmes. £67 million was the Agency's share of the £100 million remedy payment.

This additional funding recognises Homes England's ability to bring in new projects quickly and to accelerate bids for new social and affordable housing projects.

The Cladding Safety Scheme (CSS) was formally launched in July 2023 following a pilot scheme. Following the 2025 Spending Review, which confirmed funding parity for both social and private sector buildings, responsibility for the delivery and oversight of funded and non-funded buildings in the social sector was formally consolidated within the CSS. Further cohorts of buildings transferred into the scheme from the Building Safety Fund (BSF) and the Greater London Authority.

The Agency's CSS programme utilised 100% of its capital budget in 2025/26. During 2025/26, the scheme has managed 961 buildings in the portfolio, making 557 eligible, achieving 248 starts on site and 62 completed works.

Development (land) programmes operate on a net basis (gross expenditure less gross income) across all individual funding types including capital non-FT, capital FT and resource.

The net position is managed within each funding type, with flexibilities utilised to balance expenditure against the Agency's net budgets. This approach enabled the Development portfolio to successfully acquire all available sites within the year.

The Integrated Change Programme (formerly Evolve) spent £8.3 million (81.1%) of its combined capital and resource budget in 2025/26 to support system enhancement and transformation.

Help to Buy spent 72.8% (£3.9 million) of its £5.3 million expenditure budget. The underspend was driven by procurement delays with the Help to Buy transformation project.

Significant infrastructure expenditure was made during 2025/26, totalling £419.5 million. Most of this (£411.2 million, 98.0%) relates to grant expenditure, land asset additions and related programme expenditure made through the Housing Infrastructure Fund.

The Agency's Investment programmes support the delivery of housing and regeneration schemes across England. In 2025/26 they deployed 96.9% of their expenditure budget. 120.7% of the income budget was achieved due to an overperformance on receipts.

The Markets, Partners and Places (MPP) directorate spent £23.4 million (103.1% of its delegated resource programme budget) in 2025/26 on project development activity.

This overspend position reflects the strategic utilisation of underspend from across the wider Agency. The MPP programme work supports the development of a robust future pipeline for capital spend. The investments have been focused on an agreed set of priority places to support government regeneration objectives.

This directorate also has a number of ring-fenced budgets that, if unspent, cannot be redeployed. These include budgets for Cambridge, the Advisory Team for Large Applications (ATLAS) service, New Towns and Barrow which spent £9.7 million (71.0% of delegated budget).

In 2025/26 the Agency was delegated a resource programme budget of £15.1 million for set up costs for the new National Housing Bank, National Housing Delivery Fund and Low Interest Loans. £3.6 million (23.7%) of this budget was utilised. The budget (which was delegated part-way through the financial year) was based on early, high-level estimates of set up costs.

A resource programme budget of £1.6 million was delegated to support the New Homes Accelerator programme. Launched in 2024, the New Homes Accelerator was designed to remove delays and barriers to homebuilding by providing targeted support, boosting planning capacity and addressing both site specific and system-wide delays. £0.7 million (43.9%) of this budget was utilised.

The Agency was delegated a resource administration operating budget of £120.1 million, of which £119.8 million was spent in year (99.8%). A further capital administration budget of £3.9 million was delegated to the Agency, which was not spent in year, primarily due to credits from adjustment to office lease terms.

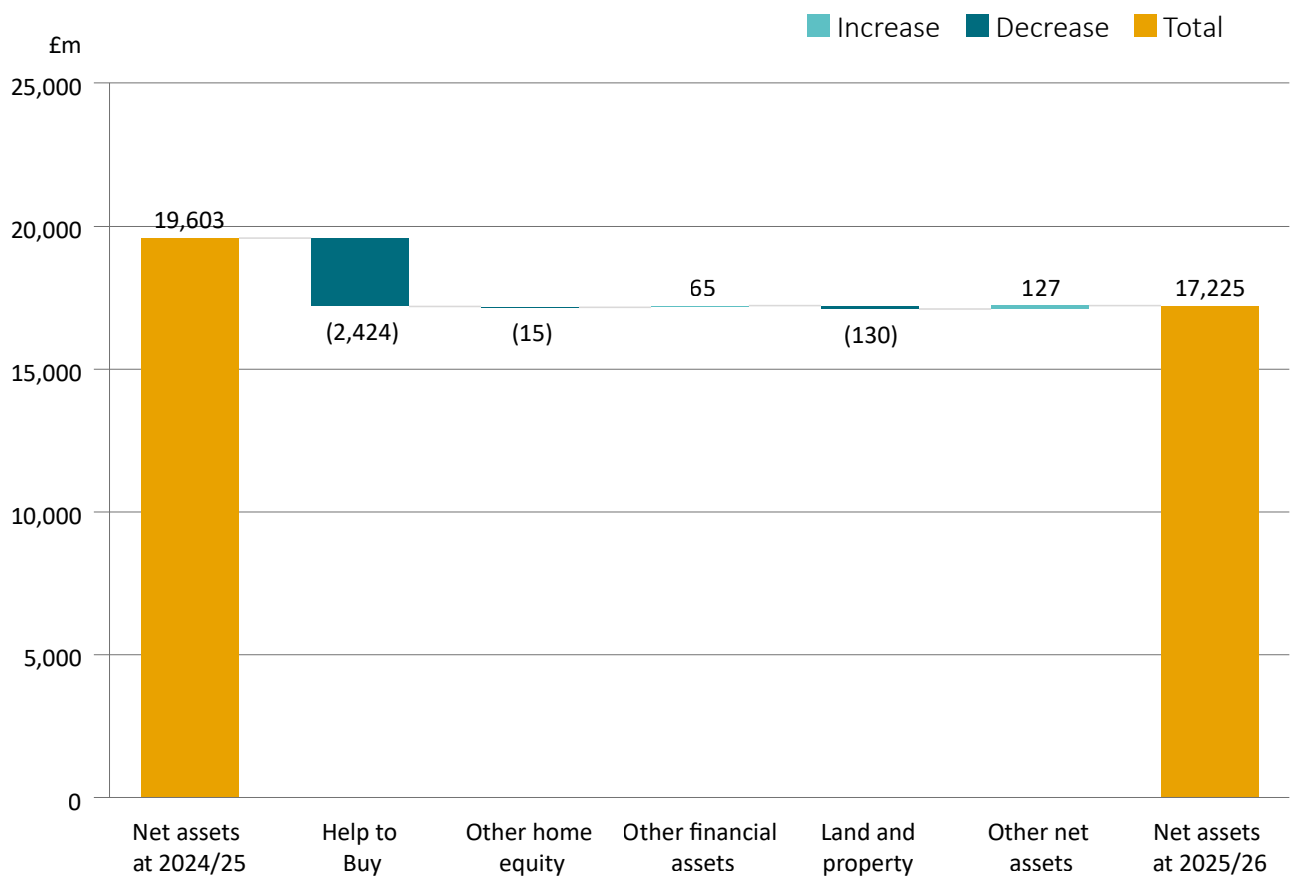
Administration income relates to interest accruing from Agency investments and is used to support operating costs incurred in the day-to-day running of Homes England. In 2025/26 the Agency generated £298.3 million in administration income, considerably more than £72.0 million it was allowed to retain.



Change of Assets in 2025/26

In 2025/26, Homes England’s balance sheet reduced by around £2.4 billion (12%), from approximately £19.6 billion in 2024/25, due largely to a reduction in Help to Buy assets. This reduction reflects the closure of the programme and the redemption of Help to Buy loans.

Chart: Change in net assets during 2025/26



Changes in Level of Administration Costs

Homes England was delegated a resource administration budget of £120.1 million in 2025/26, which represents a £5 million increase compared to 2024/25. The increase was driven by a 3.25% annual pay uplift in addition to an increase in employer's National Insurance contributions from 13.8% to 15%, which came into effect on 6 April 2025.

The Agency deployed 99.8% of its 2025/26 resource administration budget settlement compared to 98.6% in 2024/25.

Loan Portfolio Performance

Since 2012, Homes England has deployed over £5 billion of loans to support the unlocking and acceleration of housing projects across the country. The risk profile of projects supported by the Agency is higher than average market risk, and HM Treasury-approved lending programmes assume average capital loss rates of 20%.

Agency-financed development projects will generate a 108% return on this strategy, comprising earnings of 16.5% balanced with cumulative capital losses on repaid loans and impairments to date on outstanding loans of 8.5% (less than 1% per annum since 2012).

This compares favourably to private sector lending returns; it is materially better than the programme recovery rates and has unlocked nearly 239,000 homes since 2012.

For investment loans which were fully repaid as at 31 March 2026, of the £3.4 billion of funding provided, £3.7 billion (including capital and interest) has been recovered. Overall, there have been losses, including interest, of £29.0 million on these loans, which represents only 0.9% of the amount of funding provided.

For investment loans which are still outstanding as at 31 March 2026, of the £2.3 billion of funding provided, £0.6 billion has been recovered cumulatively to 31 March 2026. It is expected that a further £1.9 billion will be recovered on outstanding exposures at 31 March 2026 (excluding receipts from any future interest accruals after the reporting date).

The loan portfolio performance is illustrated in the charts overleaf.

Loan Portfolio Performance Charts

Chart: Performance of investment loans fully repaid at the reporting date

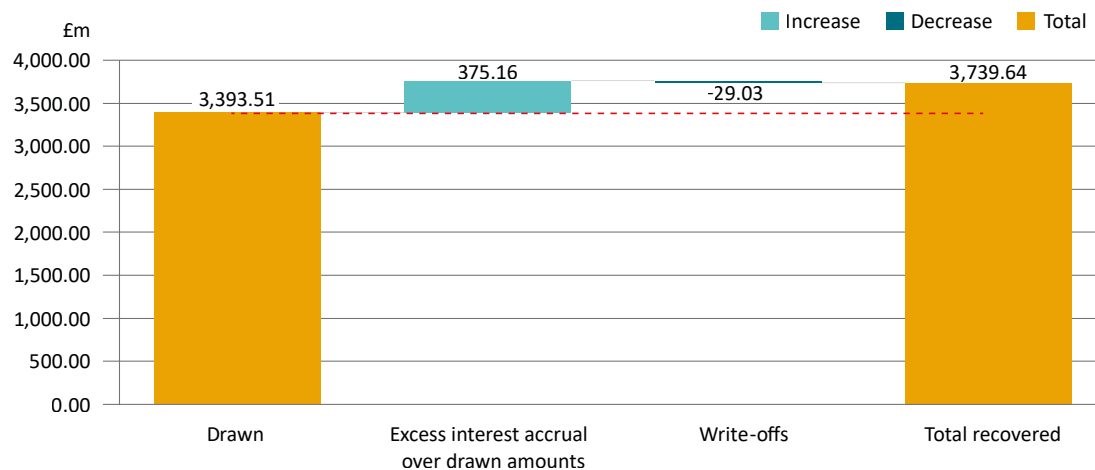


Chart: Investment loans outstanding at the reporting date

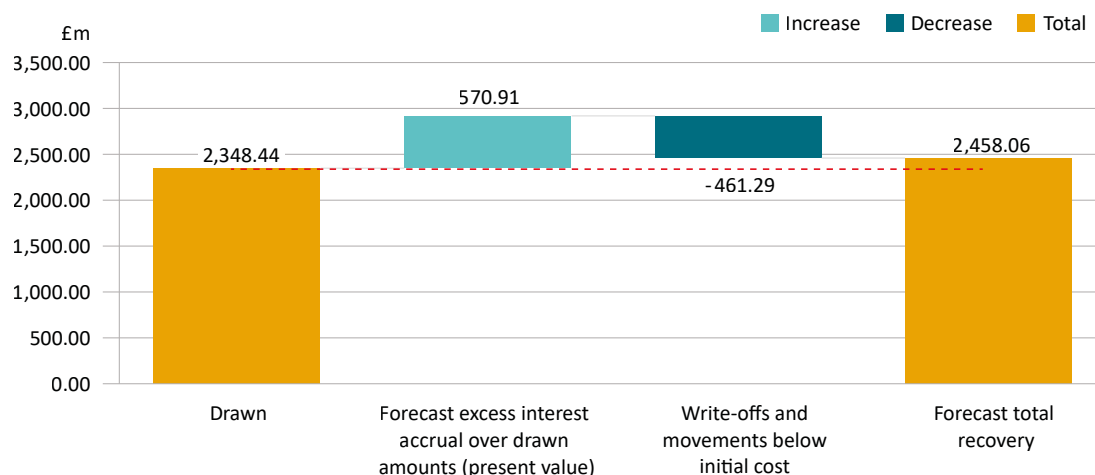
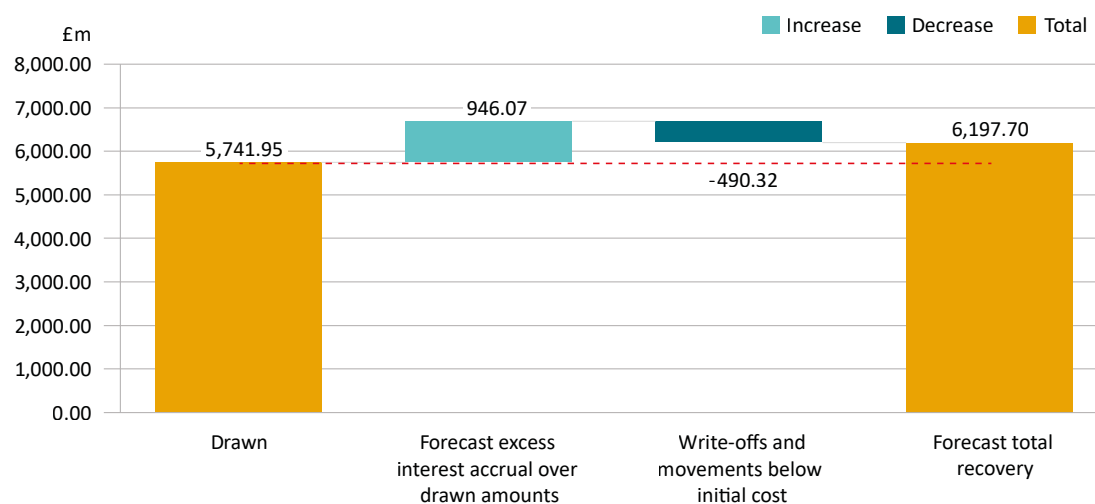


Chart: Combined position for all loans, repaid and outstanding



Operating Expenditure

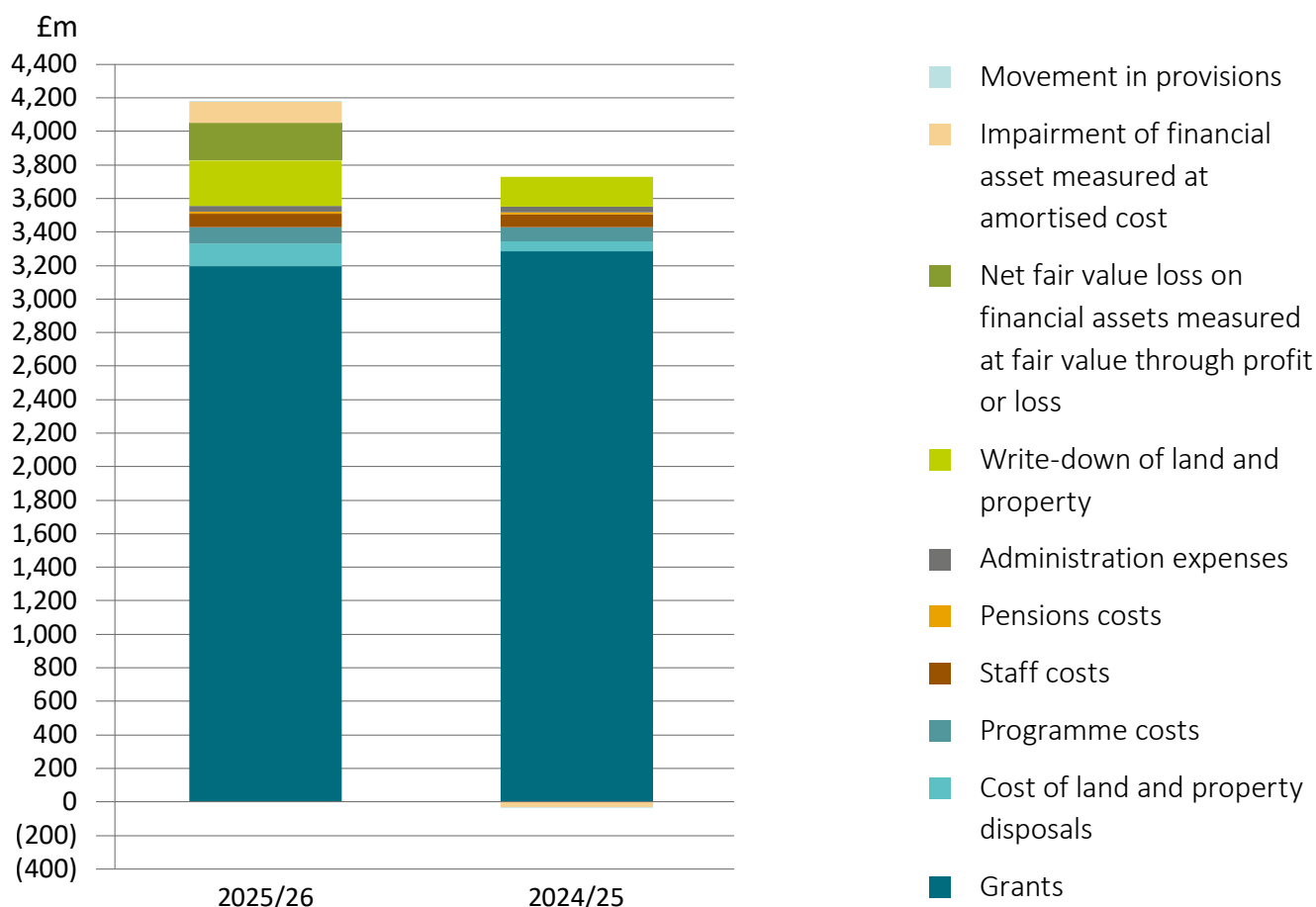
Operating expenditure totalled £4,178 million in 2025/26, an increase of £481 million (13%) from 2024/25. The increase is due in large part to the effect of market conditions on our portfolio of assets, which has resulted in:

- an increase in net fair value losses on financial assets measured at fair value through profit or loss - this is predominantly associated with the Help to Buy portfolio, where the valuation methodology is directly influenced by underlying house price movements and house prices have decreased year on year from March 2025 to March 2026. See note 11e of the Financial Statements
- an increase in impairment of assets measured at amortised cost – see Losses and Special Payments note within the Parliamentary Accountability and Audit Report section

- an increase in write-downs of land and property assets of £93 million – whilst write-downs arise for a variety of different reasons, common themes include increases in build and infrastructure costs combined with relatively flat sales expectations, increases in the scope of development costs and in the cost of finance, and other regulatory impacts. Write-downs may be temporary in nature and reversals may occur in future years if asset values increase. See note 18 of the Financial Statements for further detail

Further detail about the impact of macroeconomic conditions on the valuation of our portfolio of assets can be found in the Financial Risk section of the Performance Report.

Chart: Analysis of the components of operating expenditure



Operating Income

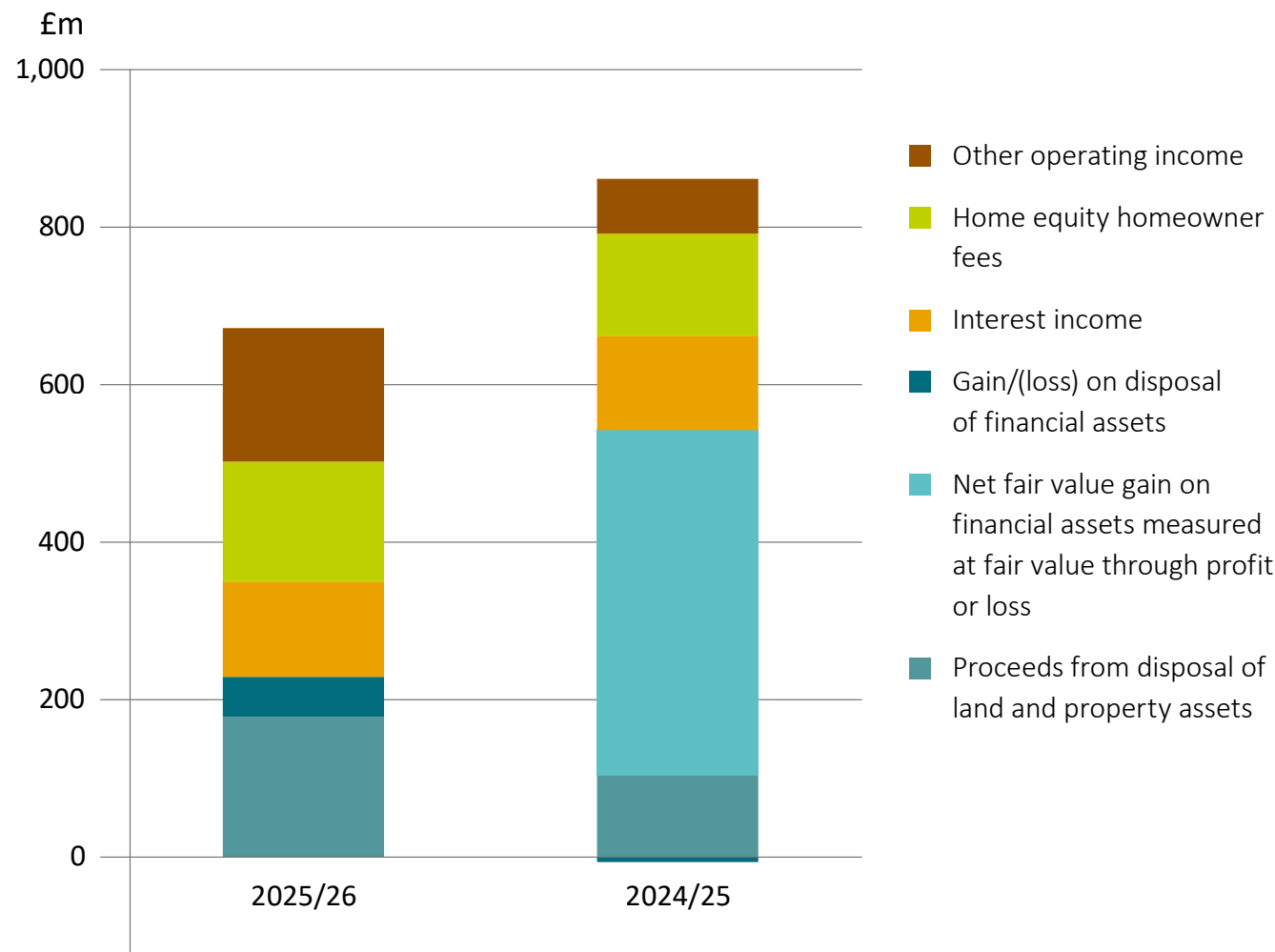
Operating income totalled £672 million in 2025/26, a decrease of £184 million (21%) since 2024/25. This is mainly driven by a £438 million decrease in net fair value gains on financial assets measured at fair value through profit or loss.

This is predominantly associated with the Help to Buy portfolio, where the valuation methodology is directly influenced by underlying house price movements and house prices have decreased year on year from March 2025 to March 2026.

This decrease is partially offset by smaller increases across other categories, including:

- an increase in other operating income of £100 million
- an increase in proceeds from disposal of land and property assets of £74 million
- an increase in the gain/(loss) on disposal of financial assets of £56 million
- an increase in home equity homeowner fees of £22 million
- an increase in interest income of £2 million

Chart: Analysis of the components of operating income



Help to Buy: Equity Loan Repayment Statistics¹⁶

The table below summarises the number of Help to Buy: Equity Loans issued each financial year and the cumulative repayment of those loans at the end of 2025/26:

Financial year	Number of loans issued	2025/26			2024/25		
		Number of repaid loans	Original cost of loans repaid (£m)	Receipt from repaid loans (£m)	Number of repaid loans	Original cost of loans repaid (£m)	Receipt from repaid loans (£m)
2025/26	0	0	0	0	N/A	N/A	N/A
2024/25	0	0	0	0	0	0	0
2023/24	124	4	0.3	0.3	2	0.2	0.2
2022/23	26,045	1,614	98.4	97.9	679	41.7	41.3
2021/22	32,697	6,061	337.2	356.8	2,671	150.3	159.1
2020/21	55,619	23,876	1,530.7	1,670.0	9,867	625.9	679.8
2019/20	51,471	25,465	1,627.8	1,786.0	20,825	1,319.7	1,446.2
2018/19	52,454	30,019	1,885.5	2,055.0	25,950	1,614.7	1,753.7
2017/18	47,949	32,257	1,977.5	2,133.6	30,231	1,848.0	1,987.5
2016/17	39,964	29,389	1,646.8	1,784.8	28,054	1,570.3	1,695.1
2015/16	33,755	26,291	1,235.3	1,398.0	25,321	1,188.6	1,336.9
2014/15	27,793	22,667	987.0	1,149.8	22,139	964.5	1,118.7
2013/14	19,407	16,070	657.0	792.1	15,698	641.2	769.8
All years	387,278	213,713	11,983.5	13,224.3	181,437	9,965.1	10,988.3

Homes England no longer issues Help to Buy: Equity Loans. The repayment statistics show that between April 2013 and March 2026 a total of 387,278 households had bought homes with a Help to Buy: Equity Loan. By March 2026, a total of 213,713 households (55.2%) had repaid their loan.

The repayment statistics also show that Homes England has received £13,224 million from these 213,713 households, when the original cost of the loans was £11,984 million. The realised gain on disposal of £1,241 million reflects the Agency's share of increases in the value of homes between the time the loan was issued and repaid.

16. In order to report the most up to date information possible, and in the public interest, data within this table is based upon management and other information available within Homes England, and is updated as further information becomes available.

Sustainability Report

Introduction

Sustainable Placemaking continues to be at the heart of Homes England's mission. Our vision emphasises the role of sustainable placemaking in enabling housing delivery and economic growth.

The Sustainability Report considers Homes England's progress over the past financial year and describes how we have continued to embed sustainability in our corporate structures, our delivery mechanisms and our project activity.

In particular, progress is documented against the sustainability outcomes adopted by the Agency. These outcomes, grouped around themes of resilient, healthy and inclusive places have been adopted across a range of interventions, including development project activity and other interventions such as the funding we administer.

It also looks at our performance against the government's Greening Government Commitments (GGCs). These GGCs set out the actions to be taken by organisations like Homes England to reduce environmental impact including progress on managing greenhouse gas emissions, waste, water, managing nature recovery and sustainable purchasing. While our performance has improved against most metrics, there are still some areas where further work is needed to improve performance. For example, further work will be needed to reduce our greenhouse gas emissions.



Enabling Sustainability:

This section sets out how, through our corporate leadership, we are managing and advancing sustainability issues.



Sustainable Placemaking Outcomes:

These sections look at the resilient, healthy and inclusive outcomes we have defined and how these help achieve better quality housing and placemaking.



Our Sustainability Performance:

This section shows our performance, as measured against a series of Greening Government Commitments, set by the government.



Next Steps:

As we move into a new reporting year, our focus will turn to delivery against our new 2025 to 2030 Strategic Plan and the sustainable placemaking opportunities outlined within it.

The UK is a signatory to a series of 17 internationally defined United Nations Sustainable Development Goals (SDGs). By delivering against our sustainability outcomes we can help deliver against the SDGs. In this Sustainability Report we show where our work links to the achievement of SDGs.

Enabling Sustainability

We recognise that everyone has a role to play in delivering sustainable development. Often this means working with a wide range of stakeholders, from local communities and residents of the places we help create, to partner organisations and our own employees. However, to help drive sustainability it's also important that we have support of our corporate leadership.

Locally led, nationally enabled

Sustainability is strongly linked to place. What works in one place might not work in another. Different social, economic and environmental opportunities may be prioritised, and as a national organisation we need to engage with local communities and leaders to enable the right solutions to placemaking challenges.

Across the year we have been collaborating with local government, combined authorities and local mayoral strategic authorities to deliver housing and regeneration by working towards shared objectives. This has included holding workshops on sustainability and social value topics with a number of Strategic Place Partnerships (SPPs).

More information on SPPs can be found in the Performance Report section of this Annual Report and Accounts.

Corporate leadership

The Corporate Governance section of this Annual Report and Accounts shows the Agency's governance structure and describes how committees have operated over the year. It also describes our senior management structure.

Homes England's Board has the responsibility of ensuring we meet our Statutory Objects. These Objects, set out in the Housing and Regeneration Act 2008, include 'to contribute to the achievement of sustainable development and good design in England'. The Board receives reports from the Corporate Leadership Team and is supported by committees.

In 2024/25 the Board designated 'Sustainability' a principal risk, and in 2025/26 has continued to have oversight of how this risk is managed. Our Corporate Leadership Team (CLT) have also played an important role in advancing sustainability over the course of the year. A review of Board and CLT activity on sustainability and climate change is included in our Task Force on Climate-Related Financial Disclosures (TCFD) Report.



Social value

Social value is about understanding, capturing and measuring the social, environmental and economic impact of our interventions on the wellbeing of society. Social value is considered at every stage of the Agency's 'end-to-end' process of housing and regeneration, including forecasts of the social value we expect to be delivered by a scheme at the point of funding approval, procurement, contracting, planning, delivery, monitoring and evaluation amongst others. KPI 5: Social value per pound of investment measures the forecast social value through economic appraisal at the point of funding approval. It is calculated bottom-up, project-by-project – see the Performance Report section of this Annual Report.

We know that to deliver against our sustainability outcomes, across the healthy, resilient and inclusive topics set out this Sustainability Report, we must actively engage with the communities that live, work or use the places we help develop. We try to understand, embed and deliver locally relevant social value through a range of tools and approaches, led by our Community Engagement Team. These tools include:

- internal community engagement advice notes and case studies
- development of social value strategies to embed social value into project workstreams
- delivering our place-based indicator exercise in a growing number of different project settings and with different partners; place-based indicators are agreed and owned by local communities and measure issues and opportunities, specific to a place, using a 'Social Impact Form' as a standard way to capture the delivery of locally relevant social value that impacts people's lives

Aligning capital and sustainability innovation

As a group we invest in land and infrastructure using public money, and we may also provide other financial products such as grants, equity, guarantees and loans to partners engaged in delivering housing. We also collaborate with partners and investors that put public and private capital into projects alongside our contribution. We work with partners who are willing to match our ambition for both pace and innovative delivery.

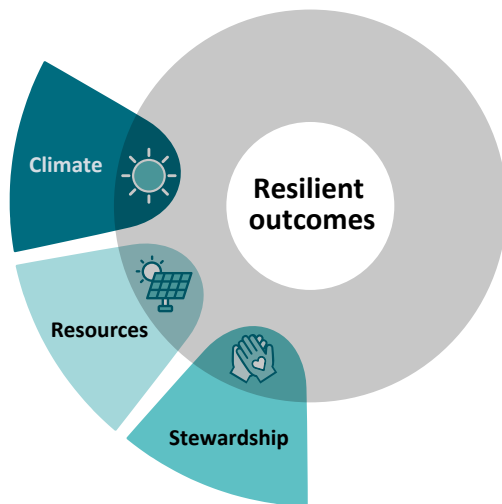
We recognise that due diligence is an important element of this and the Agency, over the 2025/26 financial year, has increasingly checked the environmental, social and governance impact of our investments. We request that potential investor partners share their approach to sustainability and innovation and any relevant frameworks. For example, alignment with recognised mandatory or voluntary industry regulations such as the UN Principles for Responsible Investing (PRI) or TCFD. Our commitment to sustainability allows us to work in partnership with similarly focused housebuilders. For example, we partnered with Greencore Homes, providing £8 million of development finance towards 42 environmentally friendly and low carbon homes at Milton Heights, in Oxfordshire.

As well as providing homes for affordable and social rent and more affordable routes into ownership, the Affordable Homes Programme includes objectives such as improvement of energy efficiency and sustainability of new affordable housing, use of modern methods of construction, and use of the National Design Guide, which gives guidance on nature, resources and a range of other sustainability criteria. As we move towards new funding offers, through for instance the Social and Affordable Housing Programme, we continue to embed sustainability.

We recently published our new Investment Prospectus that includes 6 new investment principals, including sustainability and quality, to guide investment decisions and ensure that capital is aligned to positive environmental and social outcomes.

Sustainable Placemaking Outcomes: Resilient Outcomes

2025/26 has been another year where we have seen environmental changes, like heatwaves and droughts in parts of England, while social and economic trends continue to evolve. Our resilient outcomes encompass climate, resources and stewardship outcomes.



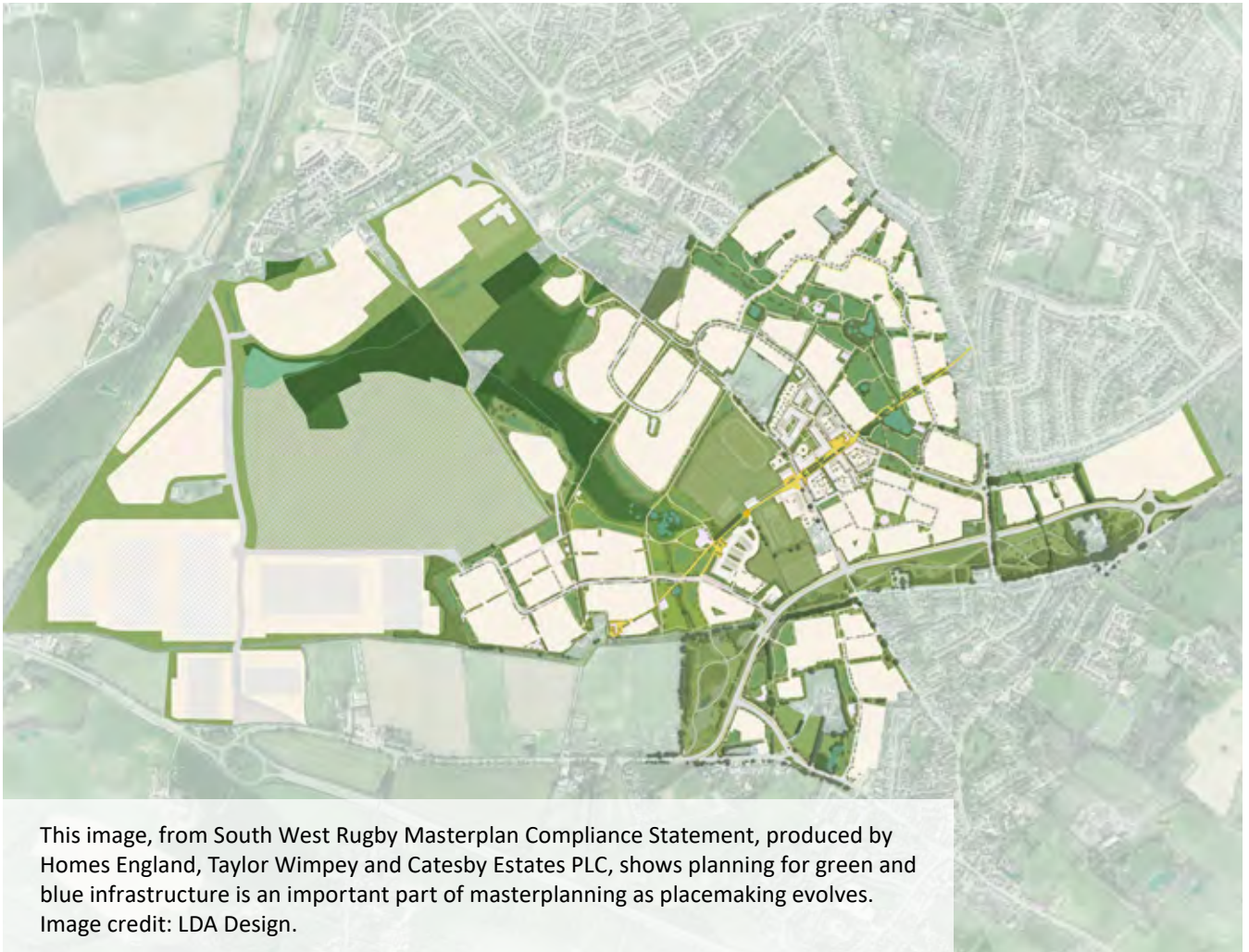
Climate: Preparing for a changing climate

Climate change can have a variety of effects on housing and regeneration. From flooding to heatwaves, we need to ensure that the places we deliver are resilient to climate-related challenges. This Annual Report includes our first full Task Force on Climate-related Financial Disclosure Report, which includes a description of the testing we have done on the resilience of our strategy and financial planning against scenarios for climate change. Testing our resilience in this way will continue to help ensure that the Agency is prepared for a changing climate.

While TCFD is helping to disclose our progress on dealing with climate challenges, the progress made on developing and testing our Sustainable Placemaking Passport should help our projects work towards more climate resilient outcomes. To support this, we are trialling climate change risk assessment guidance to prompt identification of likely climate risks and adaptation responses by projects. Some of the initial projects to implement climate change risk assessment include Burgess Hill, Northstowe and York Central.

Working with natural systems can also build greater resilience. For example, we issued a design guide on Sustainable Urban Drainage (SuDs) for use by project managers and partners, that promotes good practice on managing rainfall using natural solutions such as swales, ponds, and wetlands.

Complex land assembly projects such as South West Rugby Sustainable Urban Extension, which will be gradually developed subject to planning consents, show the potential. Sustainable drainage, including green and blue (water) infrastructure, is being included in the process of masterplanning, to help achieve multiple environmental outcomes.



Resources: Smarter ways to use resources

Homes and places use resources. Whether that be the materials to build houses and flats, to construct roads and bridges, or the resources consumed by occupying a house, for example when we switch the lights and heating on. However, the Agency has been working to support more sustainable, resource-efficient housing across the financial year.

One of the ways we support resource efficient housing is through our grant funded programmes. In York, for example, through our Affordable Homes Programme 2021-2026, we provided £420,000 grant to support the development of 7 shared ownership homes, delivered by Caddick, as part of the Duncombe Barracks development.

These met the Passivhaus standard, which are designed for energy efficiency, comfort and reduced energy costs.

Resource efficiency is equally important in rural areas too. In Salthouse, Norfolk, the Affordable Homes Programme provided £466,350 in grant funding for 5 new homes with high levels of energy efficiency achieved through air source heat pumps, treble glazed windows, enhanced insulation, heat recovery systems, electric vehicle charge points and solar energy. These homes deliver much needed affordable housing in the North Norfolk district. Housing Association Broadland Housing Group won residential project of the year, for Norfolk, at the Constructing Excellence Awards for this scheme.

On larger sites too, careful use of resources is being embedded into design. For example, at Locking Parklands, near Weston-super-Mare in North Somerset, the Agency is supporting a new community which emphasises sustainability, which will eventually grow to around 2,000 homes (subject to planning). The recent disposal of Local Centre Phase 1 (Phases 8 and 10) will deliver homes using modern methods of construction and high street retail units to a 'BREEAM' (Building Research Establishment Environmental Assessment Method) 'Very Good' rating.

Each financial year we compile a full inventory of greenhouse gas emissions across all activities within our operational boundary, including our corporate and our value-chain activities. The results of this reporting can be found in the Greening Government Commitments section of this Sustainability Report. This annual process helps us understand which activities are generating the most emissions and where we should focus our reduction efforts.

Over the past year we have embedded energy efficiency and embodied carbon objectives into our Healthy Homes guidance. Our new Social and Affordable Homes Programme encourages partners to align planned development with Healthy Homes guidance and Building for a Healthy Life.

Stewardship: Looking to the longer-term

We want to ensure that the places we create are built to last and provide a high-quality environment for occupiers, not just when they move in, but in the long-term too. This can mean ensuring that the energy performance of homes helps cut bills, that homes and places are built in ways that have regard to future climate risks, and are designed and built with sustainable long-term maintenance in mind.

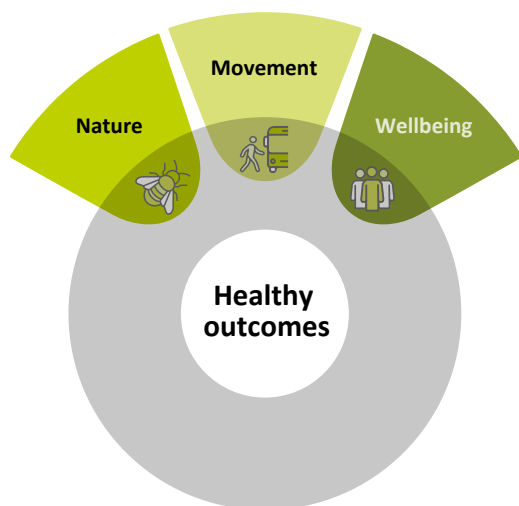
It also means that appropriate stewardship arrangements are in place to ensure community spaces and assets are looked after. Our stewardship principles provide clarity on our approach to development partners and stakeholders. This emphasises the importance of ensuring that stewardship of assets is integral to the design and delivery of our schemes, is financially sustainable, has effective governance and supports community and social value.

To support staff, the Agency has developed an internal Long Term Stewardship Delivery Guide to inform the consideration of stewardship in project decisions from the outset. This encourages a whole-life cost approach and longer-term perspective in design decisions, as well as exploring approaches to funding which are equitable and reasonable and leave a legacy which will meet the needs of current and future generations.



Sustainable Placemaking Outcomes: Healthy Outcomes

We all want to lead healthy lives, and the homes we occupy, as well as the quality of environment around us, all play an important role in our overall health. The Agency has defined a series of ‘healthy’ outcomes including outcomes around nature, movement and wellbeing.

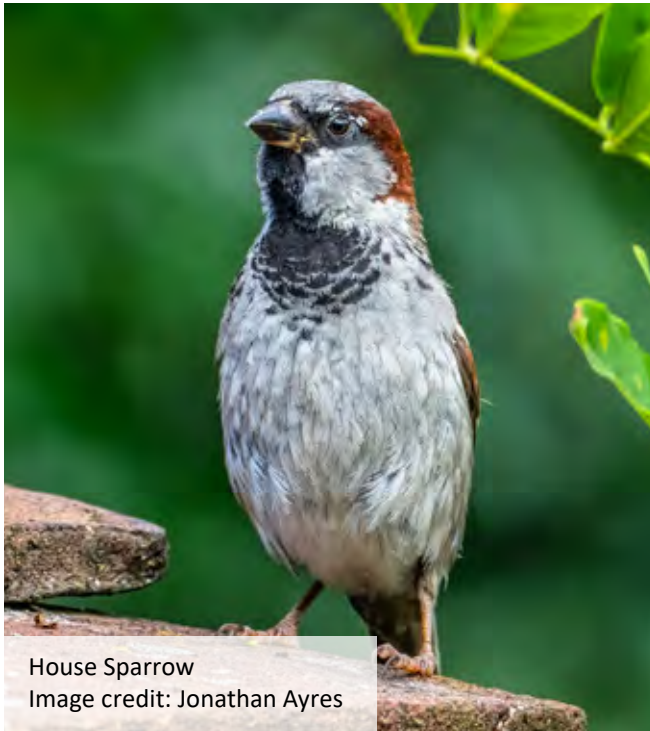


Nature: Towards ‘nature positive’

We recognise that nature is vital societal infrastructure, providing us with healthy air and soils, as well as the food we eat and the water we drink. Unfortunately, nature is in decline. Habitat loss and pollution have played a role in undermining the health of ecosystems.

Nature Positive refers to actions that halt and start to reverse nature loss. Our Nature Positive Plan (NPP) was approved by the Corporate Leadership Team in 2025 and has been launched internally. It sets out our ambition to better manage the nature-related risks arising from our activities, and to pursue opportunities to reduce our impact on nature.

In line with the NPP, we have started implementing actions to address nature in our strategy, nature in our places and nature in our capabilities. For example, when we purchase a site to enable housing development, we will no longer acquire sites that are protected by statutory or local designations for nature conservation. We can still acquire sites where a designated site or irreplaceable habitat falls within the red line boundary, provided it is retained, protected, and adequately buffered from development.



Homes England works proactively across government and with the wider sector on nature and development. For example, we are part of the National Estate for Nature Group, chaired by the Nature Minister, which brings together England's largest landowners to pursue opportunities for nature recovery, and we are members of the Supply Chain Sustainability School's Nature Recovery Leadership Group and the British Standards Institute's Biodiversity Committee. We also work closely with Natural England on areas of common interest such as nutrient neutrality and wildlife licensing.

The Agency continues to work with our development partners to deliver biodiversity net gain (BNG) at or above the minimum level of 10%, and to promote good practice. More details on this work area are contained in our Detailed Performance Review.

Movement: Connecting places through sustainable and active travel

Housing and regeneration have a huge impact on the way we choose to travel. These travel choices can also have a big impact on our health

and wellbeing. Our Building for a Healthy Life guidance, for example, promotes 'integrated neighbourhoods' and 'streets for all', promoting pedestrian and cycle friendly streets and local facilities.

We also recognise that we need to think about a range of factors if we are to encourage people to make healthier and more sustainable travel choices. Over the past year we have continued to develop a 'vision led' transport planning approach. This approach differs from traditional reactive 'predict and provide' approaches to predicting local transport demand and providing capacity. Instead, it means that we start by collaborating with local stakeholders to set out the opportunity and ambition for local transport and look at the factors that could come together to make travel choices easier. The vision led transport planning approach is founded on 3 cornerstones:

- An emphasis on sustainable and active travel solutions and investments (notwithstanding the continued need for highways access).
- An appropriate spatial planning response that facilitates local places to live and work.
- Digital connectivity, including smart city or smart place thinking to enable sustainable local living and working communities.

The National Planning Policy Framework (NPPF) supports the vision led transport planning approach for development that will generate significant amounts of transport movement.

Often 'vision led' transport planning involves thinking about why journeys are necessary in the first place. For example, interventions such as increased housing density, strong provision of commercial and social infrastructure, and digital solutions, such as apps that promote car sharing or bike access, may be part of the solution. To find solutions that work locally, community engagement and stakeholder buy-in are central.

Wellbeing: Great places to live

At Homes England we want to create places that are great to live in. Our 'wellbeing' sustainability outcome is about creating homes and places that support belonging, wellbeing and safety for all.

For a number of years, we have promoted our Building for a Healthy Life guidance that promotes happy and healthy places to live. For example, it promotes social, leisure and recreational opportunities a short walk or cycle away from homes, and a range of homes that meet local community needs.

In November 2025 we published our Healthy Homes Guidance to aid development partners and design consultants in the funding, commissioning, development, planning and design of new homes. It sets out guidance on a broad range of factors associated with housing and design that can impact mental and physical health.

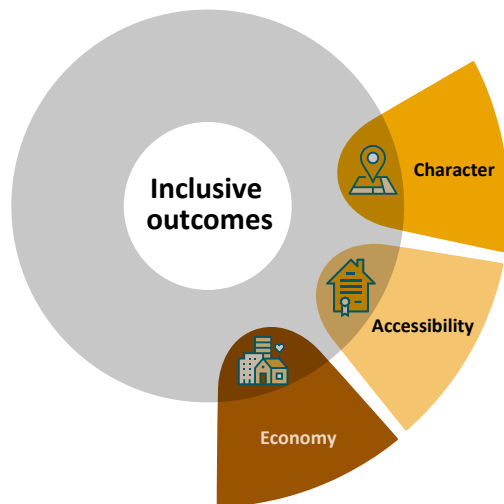
At Stirling Fields in Northstowe, Homes England and South Cambridgeshire District Council collaborated with developer Keepmoat to support 300 new homes, 40% of which were starter shared equity homes, and an additional 20% affordable homes, centred around Building for a Healthy Life criteria. For example, community-friendly open streets, mixed tenure housing provision to support community cohesion and safe play space are all included, and details such as doorstep play with clear lines of sight for parents add to the community feel. Going forward, as the site further develops, the first phase of Northstowe's town park has been approved to increase provision of green space.



A bird's-eye view of Stirling Fields, Northstowe
Image credit: Keepmoat Homes Limited

Sustainable Placemaking Outcomes: Inclusive Outcomes

Sustainable placemaking is about creating places that bring benefits to a place and the communities of people who live there, not just the people that will occupy the houses we enable. The 'inclusive' outcomes we have defined include outcomes around accessibility, character and economy.



Accessibility: Housing that works for everyone

Accessibility is about whether homes are functional and accessible to all. We know that modern society encompasses a variety of ways of life with varying needs for housing. For example, Homes England supported a project partnership between Jigsaw Homes North and Manchester City Council as part of the Single Homelessness Accommodation Programme to provide vital housing for people with a history of rough sleeping who have complex and challenging issues requiring a high level of support. The project, Clover House, provided 24 one-bedroom, one-person apartments in a scheme that fosters a tranquil sense of community in a city centre location. This EPC A-rated development incorporates air source heat pump and solar photovoltaic technology alongside triple glazing to ensure lower heating bills.

We opened applications to our new Social and Affordable Housing Programme (SAHP) in 2025 to support the delivery of new social and affordable homes between 2026 and 2036. This 10-year,

£39 billion grant programme, of which Homes England delivers £27 billion, ensures that 3 in every 5 homes delivered under the programme are for social rent. The SAHP also supports council housebuilding, specialist and supported housing and community led and rural housing, increasing the accessibility to a wide range of communities.

Character: Creating a sense of place

Character and sense of place are important factors that can play a major role in how we perceive a completed development. If considered carefully they can generate senses of belonging, attachment, and pride in a place.

Millers Quay is an example of a project that has transformed a brownfield site in Birkenhead's former East Float Dock into a series of colourful waterside homes surrounded by public realm, walkways and cycle routes to reconnect people with the dock edge. The homes draw inspiration from the colours and materials of shipping infrastructure, dockside warehouses and maritime engineering to create a place with a clear visual identity and strong connection to its setting.

The project was designed by Howells, delivered by Graham Construction, and supported through collaboration between public and private sector

partners including Peel (Wirral Waters), Homes England, Wirral Metropolitan Borough Council and Pension Insurance Corporation plc.



Millers Quay, Wirral Waters, Liverpool
Image credit: ©Greg Holmes on behalf of Howells

Economy: Inclusive economic growth

Our work across England helps to unlock sustainable opportunities for businesses and people right across the country. Often this is done through collaboration with other local agencies, such as through Strategic Place Partnerships, to deliver housing and local economic development at pace.

We also use our funding to leverage economic growth. Often this funding can transform previously abandoned areas into new

communities. For example, our Brownfield Infrastructure Land fund has provided funding to support the redevelopment of brownfield land at Furnace Hill and Neepsend, Sheffield, a Priority Neighbourhood for regeneration identified by the Local Authority. This intervention has attracted developers PFP-Igloo, Great Places and Capital&Centric to transform these places into thriving urban communities, with potential for 1,200 new homes alongside associated public realm, retail and commercial facilities.

Our Sustainability Performance: The Greening Government Commitments

The Greening Government Commitments (GGCs) set out the actions to be taken by the UK government departments and partner organisations like Homes England to reduce their impact on the environment.

This year marks the transition to a new GGC period following the conclusion of the 2021 to 2025 cycle. This report reflects emerging requirements associated with the next phase, which are currently under development and subject to change before formal enactment of the policy. Where metrics look set to remain the same as the previous years, we present comparison data to demonstrate progress.

The metrics reported in this section include those that are consistent with the minimum reporting requirements for annual reports. While we monitor all GGC metrics, some metrics are more relevant or less relevant to our operations. Where metrics are material, in terms of their relevance to readers and their scale of impact, these are reported in this section.

Some of the metrics reported in the Sustainability Report are also material to our TCFD Report. Where this is the case, they are marked with an asterisk (*).

Working towards Net Zero and adapting to climate change

Greenhouse gas emissions disclosed under the GGCs

Under the GGC framework, Homes England reports greenhouse gas emissions across 3 emission categories:

- **Scope 1** emissions represent direct emissions from sources that we own or control, such as gas used in boilers, fugitive emissions from air conditioning equipment or fuel used in fleet vehicles.
- **Scope 2** emissions represent indirect emissions from purchased energy, primarily electricity and district heating used in our buildings.
- **Scope 3** emissions reported under the GGCs include those related to official business travel, energy transmission and distribution and digital services.

The updated GGC framework is anticipated to include reduction targets for the following emissions, with the 2025/26 reporting year as a baseline:

- **Direct emissions:** comprising Scope 1 emissions from buildings but excluding vehicle emissions.
- **Overall emissions:** comprising Scope 1, Scope 2 and business travel emissions.
- **Lifecycle Information and Communications Technology (ICT) emissions:** comprising emissions from data storage and device use.

To simplify reporting of greenhouse gases we have reported emissions as carbon dioxide equivalent units (CO₂e), where greenhouse gases have been converted to a standard unit that would have the same warming effect as carbon dioxide. To illustrate our progress, these figures are presented alongside emissions from the previous year and our prior GGC baseline year of 2017/18.

Chart: Direct Emissions

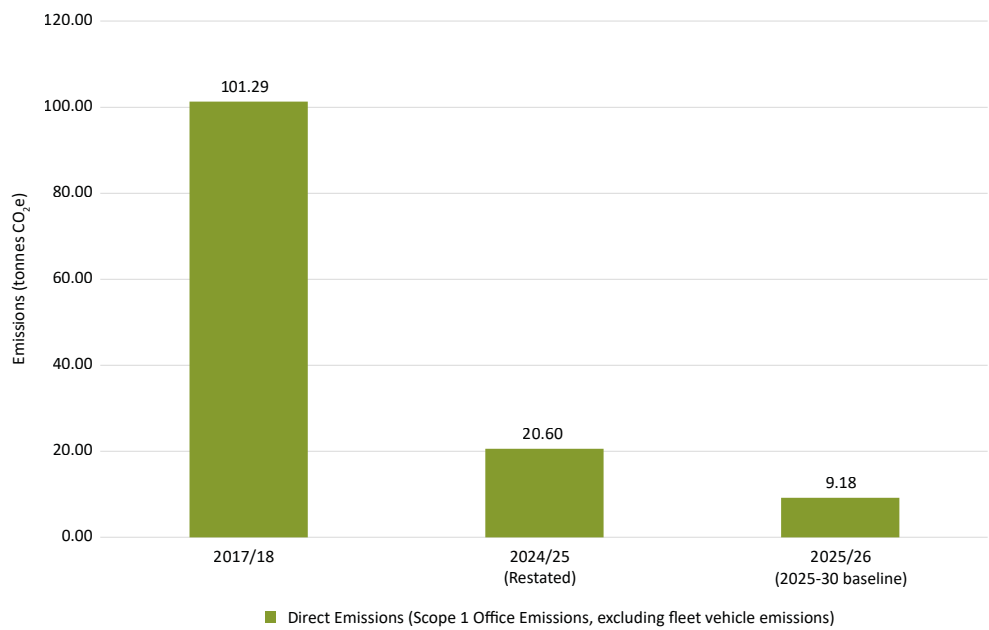


Chart: Overall Emissions*



In terms of our performance:

- our direct emissions, comprising Scope 1 emissions from our office estate, but excluding fleet vehicle emissions, reduced by 55% compared with 2024/25
- our overall emissions, comprising Scope 1, Scope 2 and Scope 3 business travel emissions,

reduced by 17% compared with 2024/25 and by 49% against our 2017/18 baseline

- our lifecycle ICT emissions, comprising emissions associated with digital device manufacture and use, and data hosting services, were estimated at 215.55 tonnes CO₂e in 2025/26

*GGC metrics material to our TCFD disclosure.

The reduction in direct emissions was driven primarily by lower Scope 1 emissions, reflecting changes to our office portfolio during the 2024/25 year, including the move from Coventry to Birmingham, where emissions are now reported by HMRC. Emissions were further reduced in 2025/26 through improvements to our London office, where a landlord-led retrofit programme installed heat pumps and LED lighting.

Overall emissions, comprising Scope 1, Scope 2 and Scope 3 business travel emissions, decreased by 17% compared with the previous year and are now 49% lower than our 2017/18 baseline. The largest reductions were seen in Scope 2 emissions, reflecting a reduced number of offices included in reporting, lower energy consumption and improvements in building energy performance, alongside reductions in Scope 1 emissions from office heating. Scope 3 business travel emissions also fell, driven principally by a 27% reduction in non-fleet vehicle mileage and the continued transition towards lower-emission vehicles, including plug-in hybrid and battery electric vehicles within the leased fleet.

While overall business travel emissions decreased, we observed an increase in air travel during the

year, with associated emissions rising accordingly. We will continue to encourage the use of lower-carbon travel options, including rail and virtual collaboration, wherever practical, to support further reductions in travel-related emissions.

Our estimated lifecycle ICT emissions for 2025/26 were 215.55 tonnes CO₂e, comprising 33.56 tonnes CO₂e from data hosting services and 181.995 tonnes CO₂e from the embodied and operational emissions associated with digital devices. These emissions are estimated to comprise 0.34 tonnes CO₂e of Scope 1 emissions, 21.52 tonnes CO₂e of Scope 2 emissions and 194.0 tonnes CO₂e of Scope 3 emissions. As these estimates include emissions associated with hardware used across our offices, there is some overlap with reported office energy consumption; therefore, the ICT emissions are disclosed separately from our combined Scope 1 emissions above, to avoid double counting. We will continue to improve our understanding and measurement of ICT-related emissions during the next financial year.

In support of these reported emissions, the associated energy use in megawatt hours (MWh) and gross expenditure are presented below.

Emissions Related Parameters		2017/18 ^A	2024/25	2025/26 ^B
Related energy consumption (MWh) ^C	Gas use ^F	550	113	50.2
	Electricity use ^G	789	642	553.31
	District heating	0	175	98.17
Gross Expenditure (£'000) ^D	Energy consumption	132	106	69
	Official business travel	1,772	1,982	1,730
	Waste incineration	15	0.93	0.00
	Recycling	9	21.65	2.7
	ICT waste	0	9.63	0 ^E
	Water supply and sewerage	19	0.7	0.59

A. Previous GGC baseline for 2021-2025 reporting period.

B. 2025/26 will form the updated baseline for the 2025-2030 GGC period.

C. 1 MWh is equivalent to 1000 kilowatt hours.

D. Gross expenditure is limited to contracts where these services are separately invoiced. Quoted figures exclude costs paid under tenancy agreements for offices on a whole service charge basis. Expenditure on energy consumption relates to Scope 1 and 2 emissions, expenditure on official business travel relates to Scope 1 and 3 emissions.

E. Payments associated with ICT waste services were made in March 2025 and May 2026, falling outside the reporting period for this year's expenditure.

F. Gas consumption is associated with Scope 1 emissions / GGC defined direct emissions comprising gas use in our offices.

G. Electricity use and district heating consumption are associated with Scope 2 and 3 emissions.

Value chain emissions (carbon emissions inventory)*

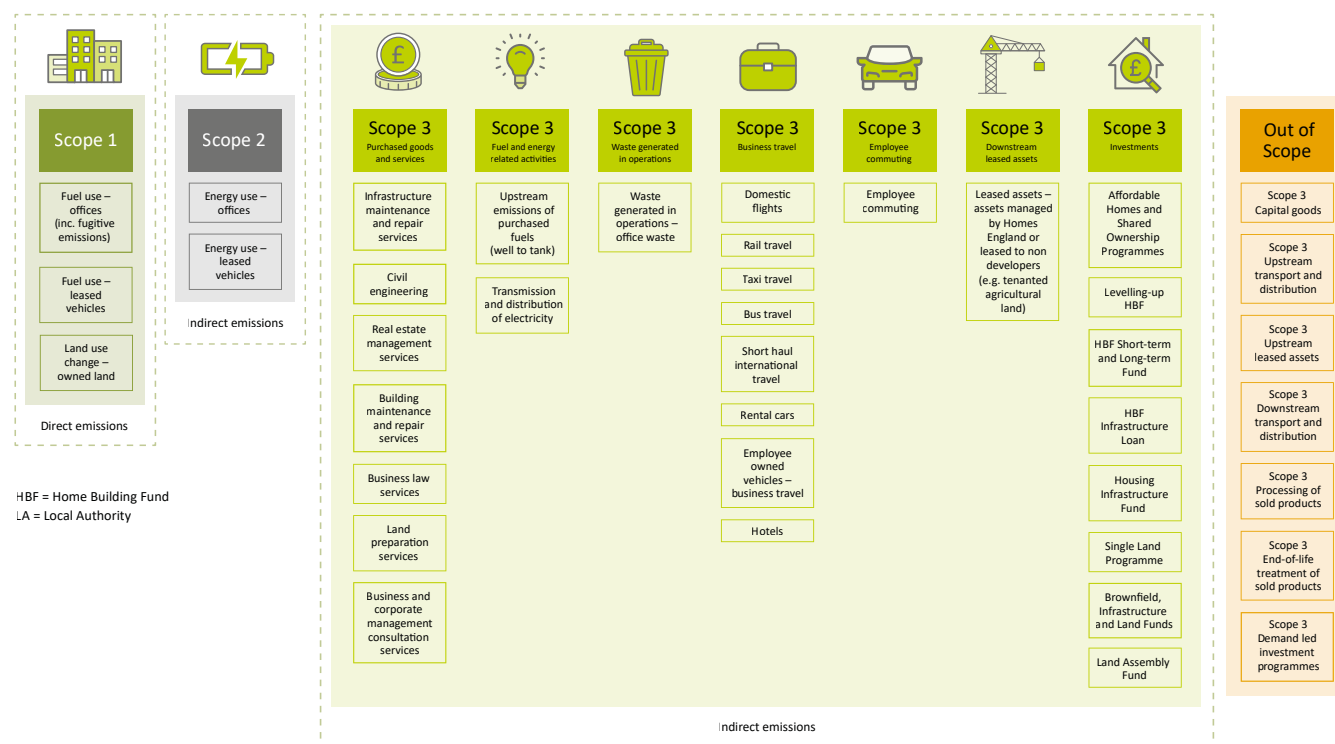
In addition to our GGC emissions reporting, we have been monitoring greenhouse gases in our value chain since 2022/23 through the compilation of a carbon emissions inventory. These emissions are measured using methods consistent with the Greenhouse Gas Protocol¹⁷ and an emissions boundary defined following the operational control approach as set out in the protocol.

They include emissions such as those relating to our purchased goods and services, investment activities, commuting, and land use change. Investment activities over which we have no

influence, such as demand led funding in support of MHCLG managed programmes, have been excluded.

The following graphic outlines the emissions sources that have been determined as in and out of scope for the Homes England carbon inventory across Scope 1, Scope 2, and Scope 3 categories.

The Scope 1 emissions captured in the carbon emissions inventory include emissions associated with land use change, which is a broader range of emissions than those reported in the GGCs above.



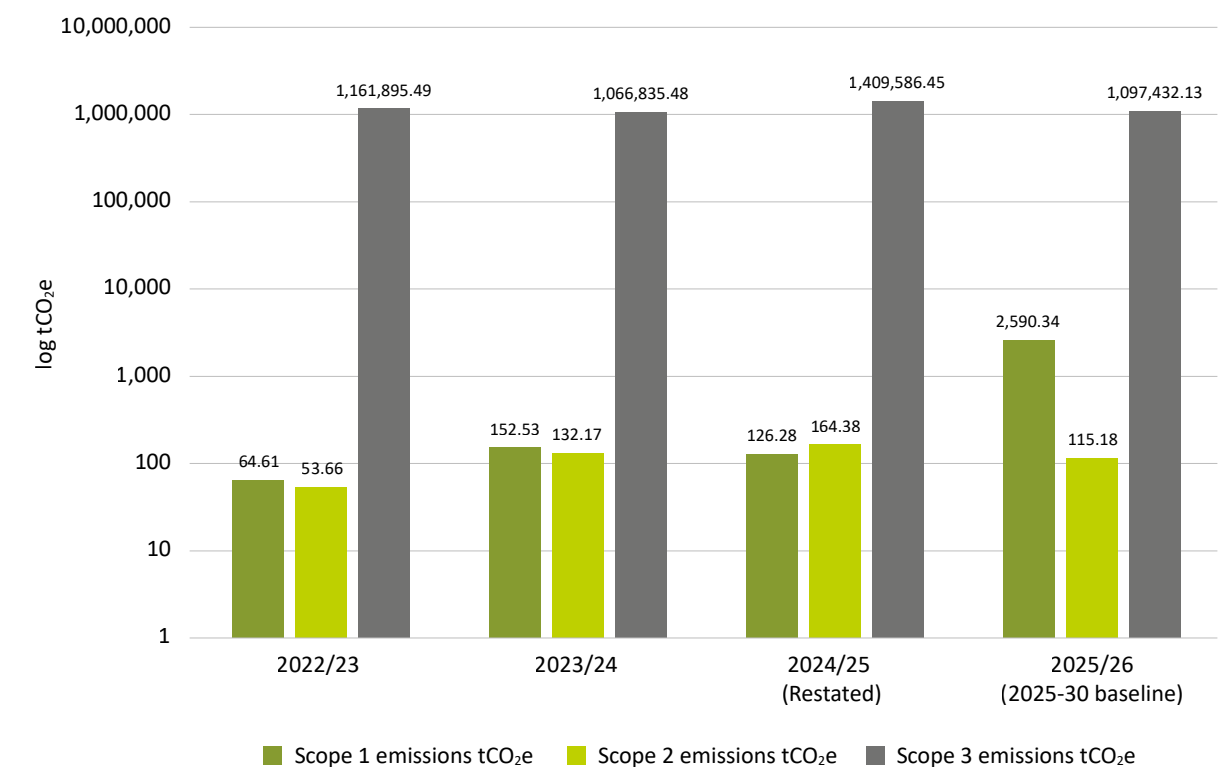
The inventory recorded total greenhouse gas emissions across Scopes 1–3 in 2025/26 of 1,100,138 tonnes CO₂e, representing a 20%

reduction from 1,376,971 tonnes CO₂e in 2024/25 (as restated).

17. The carbon emissions inventory relies on calculation of emissions from spending data, which, while compatible with the Greenhouse Gas Protocol, has limitations. A description of these limitations is contained within the Greenhouse Gas Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard (<https://ghgprotocol.org/corporate-value-chain-scope-3-standard>).

*GGC metrics material to our TCFD disclosure.

Chart: Carbon Inventory Scope 1-3 GHG Emissions 2022-2026



Note: Calculation methods used in the carbon inventory for Scope 1 emissions differ from those reported through the GGCs.

Scope 1 emissions increased significantly in 2025/26 following improvements to the assessment of land use change emissions within our inventory. These emissions reflect greenhouse gases released from soils and vegetation when land is developed. Carbon sequestration of greenhouse gases associated with land use change was also assessed; however, it has not been reported due to the absence of a robust mechanism to verify and monitor long-term sequestration benefits.

Scope 3 emissions account for 99.75% of total emissions, indicating that our indirect emissions continue to dominate our overall carbon footprint. Within Scope 3:

- investments activity represents approximately 90%
- downstream leased assets contribute around 5%
- purchased goods and services account for approximately 4%

This profile reflects our core activities, particularly our role in supporting housing delivery, infrastructure, and land development, which are inherently carbon-intensive.

Emissions associated with investments decreased significantly, falling by 21.9%, from 1,271,781 tonnes CO₂e in 2024/25 to 993,033 tonnes CO₂e in 2025/26. This reduction is broadly aligned with a decrease in investment expenditure, from £4.01 billion to £3.54 billion. Grant-funded housing and infrastructure schemes remain the primary drivers of these emissions.

Smaller changes were noted with a slight decrease in emissions from purchased goods and services and a slight increase in downstream leased assets emissions when compared to 2024/25, reflecting variations in spend and release of land for development between these years.

Although commuting accounts for less than 1% of Scope 3 emissions it still accounts for around 726 tonnes CO₂e which is significantly higher than our

combined business travel emissions (315 tonnes CO₂e).

Commuting emissions have increased compared to prior years due to improved calculation, following a staff commuting survey. The survey found that staff are more likely to cycle or use public transport, and less likely to drive when commuting compared to the national average. This reflects the good transport links to most of our offices.

We also support low-carbon commuting through incentives such as railcard reimbursements and the Cycle to Work scheme. However, walking rates are below average, highlighting an opportunity for improvement.

Resources and services

Waste*

The updated GGCs are anticipated to require reporting of municipal¹⁸, major mineral¹⁹ and

other waste streams across both our estate and development activity. GGC targets are likely to relate to the percentage of municipal waste which is recycled and diverted from landfill.

The waste data for our offices, in the table which follows, shows that most of our municipal waste is non-hazardous, with most of it recycled or sent for incineration with energy recovery, and no office waste going to landfill. This reflects improvements in office waste segregation systems and the expansion of recycling points across our locations.

In response to the simpler recycling rules, our offices now collect food waste separately from other mixed and recycled waste streams, so that food waste can be sent for anaerobic digestion. This is reflected in the significant increase in this waste stream since 2024/25 and is a positive outcome diverting our food waste to be used in energy generation.

Total office municipal and mineral and other waste, by waste treatment

Waste and Recycling	2017/18	2024/25	2025/26 (2025-30 baseline)
Total municipal waste (tonnes)	20.37	21.71	23.29
Hazardous municipal waste: landfill (tonnes)	0.03	0.00	0.00
Non-hazardous municipal waste: landfill (tonnes)	1.11	0.00	0.00
Municipal waste to landfill (tonnes)	1.14	0.00	0.00
Municipal waste composted (tonnes)	0.00	0.00	0.00
Municipal waste anaerobic digestion (tonnes)	0.00	0.06	4.54
Municipal waste incineration with energy recovery (tonnes)	2.74	5.87	5.20
Municipal waste recycled (tonnes)	16.49	15.77	13.54
Recycling rate (%)	81%	73%	78%
Landfill rate (%)	6%	0%	0%

18. Municipal waste consists of waste from households as well as waste from other sources that is similar in nature and composition to household waste.

19. Mineral waste is defined as inert or largely inert waste materials, typically originating from construction, demolition, mining, and quarrying activities.

*GGC metrics material to our TCFD disclosure.

Our Information and Communications Technology (ICT) waste is summarised below. We use a supplier that recycles or repurposes ICT equipment

streams, which has resulted in all our ICT waste being diverted from landfill during 2025/26.

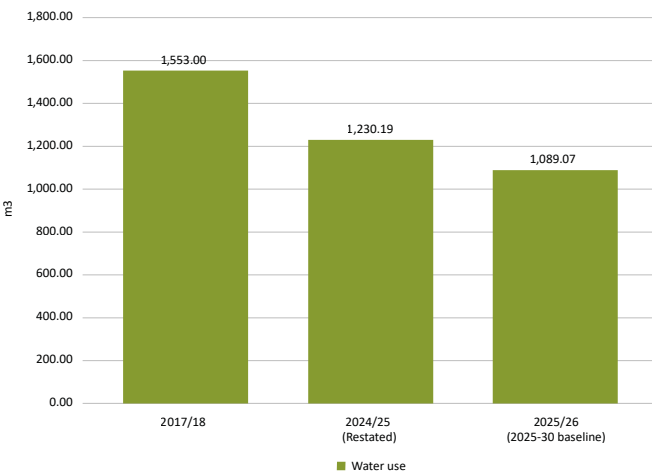
ICT Waste ^A	Recycled	Sold	Reused
Number (units)	155	235	0
Mass (tonnes)	0.125	0.302	0
Value returned (£)	0	0	0

At present, we do not centrally track the waste streams from our development activities in sufficient detail to report them comprehensively under the expanded GGC requirements. As such, the previous table includes only municipal waste from our offices and excludes all mineral waste from our development activities. During 2026/27 we will be improving our data collection processes. We are also exploring opportunities for circular economy in order to help reduce waste. We will report our progress on this in our next Annual Report and Accounts.

Water

The updated GGCs are expected to include targets to reduce water use across government operations over the 2025-2030 period. The following chart shows potable water consumption across our office estate during financial year 2025/26, which will form the baseline for the 2025-2030 reporting period. Potable water consumption was lower than in 2024/25, reflecting changes to our office portfolio during the year, including the relocation to the Birmingham HMRC office, which contributed to the reduction in overall water use.

Chart: Office water use



In 2026/27 we will explore opportunities to strengthen our internal processes to inform future reporting and help us identify opportunities to reduce water use.

Water pollution and flood incidents on our land are reported via our incident reporting portal. We are currently updating our procedures in relation to risks to water as we develop our environmental management system.

Homes England is a member of the Programme Board for Enabling Water Smart Communities (EWSC). Water smart communities are places where water is central to design and allow people to use water wisely and with care for the environment.

A. Includes end-user devices (i.e., desktops, laptops, tablets, smartphones, thin clients); peripherals (i.e., monitors, keyboards, mice); networking and telephony equipment; audio-visual devices (i.e., projectors, screens, videoconferencing units); imaging devices (i.e., printers, scanners).

Nature recovery and other environmental information

Information on our approach to managing nature is contained in the Healthy Outcomes section of the Sustainability Report, which sets out details of our Nature Positive Plan and our approach to Biodiversity Net Gain.

Other sustainability metrics

Sustainable procurement

The updated GGCs are expected to place a focus on sustainable procurement, requiring organisations to develop a sustainable procurement plan and embed sustainability more systematically across procurement activity. We have started work on updating our existing procurement policy and we are developing a new strategy to embed sustainable principles throughout our procurement lifecycle. This will continue during 2026/27.

Data limitations and exclusions

The data presented in this section has been prepared using the best information available, but there are limitations related to availability, consistency and control that affect the scope of what we have measured and reported. The following general limitations are noted:

- Our disclosed direct emissions and water use reflect those used in our office estate, but exclude the Birmingham, Leeds and Manchester offices which are operated by HMRC. This department discloses these metrics for these offices within their own annual report and accounts. Disclosed waste figures relate to office operational waste only and exclude waste produced on our non-office estate.
- For the carbon emissions inventory, we have restated prior-year greenhouse gas emissions figures following a review of the methodology to improve completeness, accuracy and alignment with organisational boundaries. Changes include the inclusion of previously omitted investment activity, refinements to investments reporting (including the exclusion of demand-led programmes over which Homes England has limited influence); the removal of carbon sequestration estimates from downstream leased assets; and updates to waste and purchased goods and services calculations. Prior year figures have been revised to reflect these methodological changes.
- The breakdown of our ICT waste is limited by the format that our equipment disposal contractor can report, so all data is presented by the total number of items without breaking these down by device type at present. We plan to engage with them to explore further improvements to their reporting capabilities.

Next Steps

Over the past financial year, the Agency has progressed a number of areas of work, such as our sustainable maturity assessment, Nature Positive Plan and Sustainable Placemaking Passport. Much of the next year will involve embedding these workstreams.

In response to anticipated GGCs, we are planning to progress additional workstreams on improving data capture, climate change resilience, water use reduction, sustainable travel and procurement.

Task Force on Climate-Related Financial Disclosures Report

Compliance Statement

Homes England has reported on climate-related financial disclosures consistent with HM Treasury's TCFD-aligned disclosure application guidance, which interprets and adapts the framework for the UK public sector.

Homes England considers sustainability (including climate change) to be a principal risk, and has therefore complied with the TCFD recommendations and recommended disclosures around:

- Governance: recommended disclosures (a) and (b)
- Risk Management: recommended disclosures (a) to (c)
- Strategy: recommended disclosures (a) (b, c: partial compliance)
- Metrics and Targets: recommended disclosures (a: partial compliance), (b) and (c: partial compliance)

This is in line with central government's TCFD-aligned disclosure implementation timetable for Phase 3.

Homes England intends to provide further recommended disclosures for 'Strategy' and 'Metrics and Targets' in future reporting periods, in line with the central government implementation timetable.

A detailed summary of our status in relation to compliance with the TCFD disclosures is stated in the table within the 'Next Steps' section of this TCFD Report.

In relation to areas of non-compliance:

- for Strategy disclosure (b) and (c): Further work to quantify the financial impact of relevant material risks is required. This work is programmed to commence in 2026/27 and is expected to conclude in 2027/28
- for Metrics and Targets disclosure (a) and (c) work to identify and report on metrics and targets that more closely map to material risks is programmed to commence in 2026/27 and is expected to conclude in 2027/28

Partial compliance in these areas is due to limits on resources, capacity and current data availability. The balance of disclosure in this report is considered consistent with HM Treasury's Managing Public Money guidance.

Introduction

Climate change continues to be cited as a significant risk by key global institutions, the scientific community, and businesses and communities exposed to its effects. The World Economic Forum, for example, has cited extreme weather events as one of the top 5 global risks over the next 2 years, and the most significant global risk on a 10-year time scale²⁰. Calendar year 2025 was one of the UK's top 3 warmest years. As our climate changes, we can expect to see further impacts to many parts of the economy, including the built environment and housing sector.

This can impact on how organisations in both the public and private sectors operate: more extreme weather could impact on the assets held by an organisation such as Homes England, for example land or buildings; or new regulations or technologies to help deal with climate change may impact on ways of doing business.

The Financial Stability Board (FSB), founded by the G20 economies, established the Task Force on Climate-related Financial Disclosures (TCFD) in 2015 to encourage increased transparency on the financial implications of climate change. HM Treasury has taken up their recommendations and directed government departments and arm's-length bodies (ALBs) that have more than 500 full time employees, or a total operating income of more than £500 million, to follow HM Treasury Guidance on disclosure in relation to climate change²¹.

TCFD reporting focuses on the 4 thematic areas:

- Governance
- Risk Management
- Strategy
- Metrics and Targets

For each thematic area there are a series of recommended disclosures.

To date, Homes England has followed a phased approach to implementing the HM Treasury guidance. For the first time Homes England has made disclosures against all 4 thematic areas of TCFD. This included assessing the impact of key strategic climate-related risks over the short, medium and long-term across varying future climate scenarios. This work has identified which are the most 'material' climate-related risk areas and has enabled us to consider the resilience of the Agency's strategy and financial planning on a qualitative basis.

There are 3 key risks from the UK transition to a lower carbon country, including risks relating to skills limitations as Net Zero is delivered, the impacts of economy-wide electrification on housing delivery, and increased sustainability performance expectations from the partner agencies we work with. There are also 2 key risk areas that occur as the climate warms, including physical damage to development assets and reduction in land availability. Across most material risk areas our current strategy is considered to be broadly resilient to climate-related risk areas. However, the Strategy and Metrics and Targets parts of this TCFD report highlight the further work needed to quantify these risks and develop further controls and metrics.

HM Treasury Guidance includes a number of 'must' and 'shall' disclosures, to which agencies must either comply or explain non-compliance. We have complied with the majority of disclosures and explain areas of partial compliance in the Next Steps section of this TCFD Report, setting out a timeline for full disclosure.

20. <https://www.weforum.org/publications/global-risks-report-2026/>

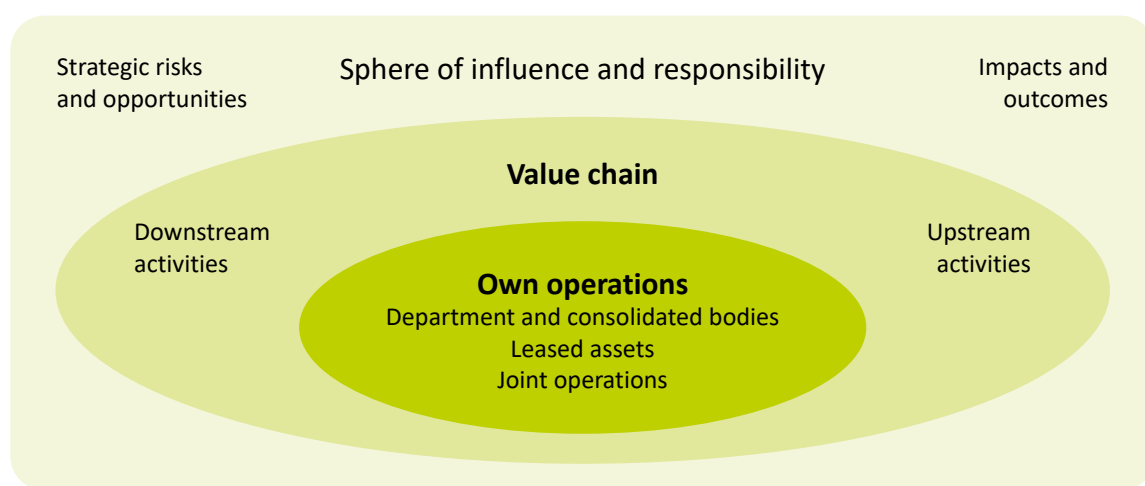
21. <https://www.gov.uk/government/publications/tcf-aligned-disclosure-application-guidance>

Reporting Boundary

The TCFD Report follows HM Treasury's Guidance on Sustainability Reporting for the Public Sector. It uses Homes England's overall financial reporting boundary as set out in this Annual Report and Accounts, while also applying section-specific reporting boundaries where required, under sustainability guidance.

The following illustration shows how these boundaries extend beyond the financial reporting boundary to include our wider value chain and sphere of influence.

TCFD reporting boundaries*



TCFD Governance

Good governance is important for effectively managing climate-related challenges and opportunities. In this Annual Report and Accounts, our Corporate Governance Report sets out how our Board, committees and Corporate Leadership Team are structured and the work they do. In this section of the TCFD Report we focus on 2 specific TCFD disclosures related to governance.

a) Board oversight

Homes England's Board has the responsibility of ensuring we meet our Statutory Objects. These Objects, which are set out in the Housing and Regeneration Act 2008, include 'to contribute to the achievement of sustainable development and good design in England'. The Board receives

reports from the Corporate Leadership Team and is supported by Committees and Executive Groups. Homes England's Board continuously assesses the nature and extent of the principal risks that the organisation is exposed to and is willing to take, to achieve its objectives. In our 2024/25 Annual Report and Accounts, we reported that the Board had designated 'Sustainability' (including climate change) as a principal risk.

Climate-related issues, should they emerge, are of most relevance to the following Board Committees:

- Audit, Assurance and Enterprise Risk Committee (AAERC)
- Investment Committee

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A key focus area for the Board and the CLT has been the approval of the Agency's Investment Strategy and Investment Prospectus. A key investment principle embedded in the strategy and prospectus is on 'sustainability and quality'.

Audit, Assurance and Enterprise Risk Committee

AAERC supports the Board in their responsibilities for risk control, governance, audit, financial stewardship and statutory reporting. They undertake reviews of principal risks, including the 'Sustainability' principal risk.

Investment Committee

The Investment Committee considers development and investment proposals, and the business cases that support them.

Following HM Treasury's Green Book and the Ministry of Housing, Communities and Local Government (MHCLG) Appraisal Guide, value for money is assessed based on both monetised and non-monetised impacts. Environmental impacts are included in the appraisal, in line with Homes England's published guidance on the Environmental Impact of New Housing Development²². This includes a range of impacts relating to changes in land use, and the construction and occupation of homes.

b) Management's role in assessing and managing climate-related risk

The Board and its committees are supported in assessing and managing risks, including our principal risk on 'Sustainability', by the Homes England staff, led by the Corporate Leadership Team (CLT).

Corporate Leadership Team

CLT is the Agency's principal executive decision-making group. It has a responsibility for delivery, and assurance to the Board of the strategic plan objectives, as well as risk, budget and performance reporting.

Individual CLT members are assigned ownership of principal risks. The Sustainability (including climate change) principal risk is owned by the Chief Property Officer, supported by officers with delegated ownership of risk controls and improvement actions. A quarterly review of progress to manage principal risks helps ensure risks are being addressed.

The Corporate Governance Report in this Annual Report and Accounts gives more detail on corporate governance at the Agency.

During 2025/26, CLT endorsed Homes England's new Nature Positive Plan, which sets out an approach to considering both 'physical' and 'transitional' nature-related risks and opportunities. A description of our Nature Positive Plan is contained in the Sustainability Report section of the Annual Report and Accounts.

Management's role in monitoring climate-related issues

Homes England has an established and robust performance management framework that enables confident delivery of our strategic intent. The framework is vital as the Agency has a challenging and diverse brief, with accountability for performance that is complicated by a reliance on others for delivery, and exposure to complex areas of housing development and regeneration.

Key Performance Indicators (KPIs) provide insight into the progress we make against delivery of our strategic objectives. The KPIs and corporate-level performance are reviewed monthly by CLT and the Board and supplemented by a monthly meeting with our sponsor department, MHCLG.

Our current KPIs were assessed for links to climate in our 2024/25 Annual Report and Accounts. As we move to delivery against our new 2025 to 2030 Strategic Plan, a new set of KPIs will also be monitored by CLT. Further detail on this is within the Metrics and Targets section of this TCFD Report.

22. <https://www.gov.uk/government/publications/environmental-impact-of-new-housing-development>

Homes England also monitors corporate sustainability metrics under the Greening Government Commitments (GGCs), reporting performance to MHCLG. Further detail on these metrics is contained within the Metrics and Targets disclosure, later in this TCFD Report, as well as in the Sustainability Report.

The Sustainability Report provides additional detail of management work across climate and sustainability.

TCFD Risk Management

To manage climate risk, an organisation needs to have appropriate procedures in place. HM Treasury's TCFD guidance states that organisations that undertake TCFD reporting, disclose how the organisation identifies, assesses, and manages climate-related risks.

a) Process for identifying and assessing climate-related risks, b) Process for managing climate-related risks, c) How processes for identifying, assessing and managing climate-related risks are integrated into overall risk management

Homes England identifies and manages risk, including climate-related risk, in line with our Risk Management Framework, described in the Risk Management section of this Annual Report and Accounts. The framework is aligned to the 5 principles in HM Treasury's Orange Book (described in the Governance Statement of this Annual Report and Accounts) and sets out:

- the process for identifying and assessing risks
- the process for managing risks
- how processes for identifying, assessing and managing risks are integrated into overall risk management

Risks may exist at an organisational level, or they may exist at a more specific, project, level. The Resilient Outcomes section of our Sustainability Report includes an update on progress we have made on trialling a project level climate risk assessment process.

Impacts of climate change on our principal risk

HM Treasury guidance states that "where climate change (or the transition to Net Zero) forms a significant component of another principal risk, then the reporting entity must describe its impact on the other principal risk....."

Our Sustainability principal risk is the: "risk of the Agency failing to deliver an integrated and effective approach to sustainability, encompassing climate, environmental, social, and economic objectives. This could lead to adverse impacts on people and the natural environment, reputational damage, or failure to meet statutory responsibilities and government targets, including Net Zero by 2050."

A number of climate-related risks to the delivery of our strategy are considered in the TCFD Strategy section of this report. Consideration has been given to whether these risks link to the principal risk on sustainability, and whether they increase the risk score. No risks are considered to increase the risk score of the principal risk in the near term.

For an assessment of the relative importance of the Sustainability (including climate) risk compared with other non-climate risks, please refer to the Overview of Risk section in the Performance Report.

TCFD Strategy

This section outlines the methodology used to select and develop scenarios used to evaluate climate-related risks and opportunities linked to our strategy. It provides an evaluation of risks that are material to the resilience of our strategy.

Climate scenario analysis and time horizons considered

A key part of TCFD reporting involves testing strategy and financial planning against a range of climate scenarios. Through this forward-looking process, risks and opportunities may emerge that are linked either to the transition to a lower carbon economy (e.g. policy shifts, market changes) or to the physical impacts arising from climate change (e.g. acute weather events and chronic shifts in climate patterns).

To undertake climate scenario analysis, Homes England has developed a set of scenarios with short, medium, and long-term time horizons.

These scenarios were selected to align with HM Treasury guidance and to provide a range of possible future states against which Homes England can test the resilience of its strategy and operations.

The following table provides further detail on each scenario and outlines the time horizons used to assess risk and opportunities. Due to the relatively short period over which transition risks are expected to manifest, the timeframes selected for the transition scenario analysis differ from those used in the physical scenario analysis, where changes to climate take place over longer timeframes²³.

Climate scenarios used in this analysis

Climate scenario	Description	Time horizons for evaluation of risk
Balanced Pathway to Net Zero	Projections in the Balanced Pathway are based on the Climate Change Committee's Seventh Carbon Budget full dataset. The Balanced Pathway shows a significant but steady trajectory to the achievement of Net Zero by 2050, with a reduction in emissions across the UK economy of 87% across the 2038 to 2042 period when compared to 1990 levels. Electrification is expected to deliver the majority of the emissions reduction required by 2050 across the economy, replacing oil and gas and residential housing plays a key role, with no new-build housing connected to the gas grid (in line with existing government requirements) and incorporating highly efficient heating systems, while existing homes also upgrade to more efficient heating during this timeline. By 2040 around half of UK homes are expected to be heated using a heat pump. Assumptions: Under the Balanced Pathway, the likelihood of risks relating to emerging policy and legislation is higher in the near term due to uncertainty over implementation. This uncertainty decreases over time as policies mature and understanding improves.	Transition risks and opportunities were assessed against the following time horizons: ■ Short-term: 2030 ■ Medium-term: 2040 ■ Long-term: 2050

23. The baseline period upon which we base our 2 and 4 degree scenarios is the pre-industrial period (1850-1900) for the headline 2 and 4 degree figure, and 1981 to 2000 for more detailed projections.

Climate scenario	Description	Time horizons for evaluation of risk
Baseline Scenario (no further climate action)	The Baseline scenario represents a scenario where no further climate action is taken to reduce UK greenhouse gas emissions (GHG) emissions, but socio-economic and environmental trends continue to influence the amount of GHGs emitted to the atmosphere. This scenario is included as, considered alongside the Balanced Pathway, it helps show a wider range of future risk environments. Economy-wide emissions under the Baseline increase by 16% by 2050 compared to 2023 levels, driven primarily by surface transport and aviation, with the residential sector remaining the second-largest contributor after surface transport. Net Zero is not achieved. While a warming climate reduces some heating demand, under this pathway the fabric and heating systems of residential buildings are assumed to remain the same as today over the coming decades, and that all new homes will have gas boilers. Assumptions: Policy and legislation are assumed to change little in the short-term. However, as Net Zero is deprioritised, differences between this scenario and the Balanced Pathway become more defined in the medium and long-term.	■ Short-term: 2030 ■ Medium-term: 2040 ■ Long-term: 2050
2°C of Additional Global Warming	This scenario represents the best-case scenario where global GHG emissions are significantly reduced. Under this scenario, the average global temperature rise is projected to rise to around 1.6°C²⁴ above pre-industrial levels, by the year 2100. Specifically, the UK is expected to see its greatest warming in the South East where summer temperatures could rise by 3 to 4°C relative to 1981 to 2000. Winter cool days are projected to warm by about 1 to 1.5°C, Winters are expected to become slightly wetter and summers drier, with the strongest summer drying in the South East of the UK. Assumptions: According to the Met Office, similar increases in global mean surface air temperatures are projected to take place for both this scenario and the 4°C of Additional Global Warming scenario until mid-century, diverging after that point. The Met Office RCP2.6 projection²⁵ is assumed to represent 2 degrees of global warming.	The following time horizons have been selected for physical scenario analysis, ensuring alignment with the common reference periods set out in the HM treasury guidance: ■ Near-term: 2030s (2020 to 2039) ■ Medium-term: 2050s (2040 to 2059) ■ Long-term: 2090s (2080 to 2099)

24. Measures of climate change used by the Met Office are probabilistic and fall within a range of probability levels. This 1.6 degrees figure represents the 50th percentile measure.

25. Representative Concentration Pathways (RCPs) are measures of the difference between incoming and outgoing infrared radiation energy at the top of the atmosphere relative to a base year. So RCP2.6 is a scenario where the balance of energy under a climate scenario is an additional 2.6 watts per square metre in 2100, compared to a pre-industrial balance.

Climate scenario	Description	Time horizons for evaluation of risk
4°C of Additional Global Warming	This scenario represents high emissions: the worst-case scenario where global GHG emissions continue to rise. The average global temperature is projected to rise to 4.3°C²⁶ above pre-industrial levels, by 2100. Under this scenario, for the UK the projected change in the number of heat waves per year, number of days with risk of road melt, number of days with “very high” fire danger, and winter rainfall, is almost twice as high after 2070, compared to the 2°C of Additional Global Warming scenario. Assumptions: The Met Office RCP8.5 projection is assumed to represent 4 degrees of global warming.	■ Near-term: 2030s (2020 to 2039) ■ Medium-term: 2050s (2040 to 2059) ■ Long-term: 2090s (2080 to 2099)

a) Climate-related risks and opportunities identified over the short, medium and long-term; b) Impact of climate-related risks and opportunities on operations, strategy and financial planning

Climate risks, opportunities and strategic impact

To understand the climate-related risks and opportunities presented to the Agency, and the potential impacts arising from them, a series of workshops were conducted with relevant internal stakeholders.

In addition, data was collected from:

- the UK Climate Projections (UKCP18) produced by the Met Office. Specifically, UKCP18 Probabilistic Projections to provide data at 25km resolution
- the Climate Change Committee’s proposed²⁷ seventh carbon budget
- the Office for National Statistics Household Projections for England
- carbon price projections produced by the Department for Energy Security and Net Zero (DESNZ)

To determine the materiality of climate-related risks and metrics, the following definition of materiality was employed:

- Whether the omission or misrepresentation of information could reasonably influence primary user’s decisions. As a public body, Parliament is considered to be Homes England’s primary user. This assessment considers primary user interest, legal and regulatory requirements, identification of climate as a Principal Risk, impact on our strategic objectives, key performance indicators, how we manage public money, and the magnitude and scale of impacted activities.

While our assessment of climate-related risks and opportunities is largely qualitative, Agency approaches for scoring and evaluating likelihood and impact, relative to current definitions of risk appetite, formed the basis of the assessment. Risks may be within or outside of appetite thresholds where consistent with the definition.

26. The 4.3 degrees temperature rise over the baseline is also taken at the 50th percentile.

27. Carbon Budget Order 2026 was legislated for in June 2026, which implements the Climate Change Committee’s recommendation for a carbon budget of 535 MtCO₂e for the period 2038 to 2042.

In addition to the assumptions mentioned in relation to scenarios in the previous table, 2 further assumptions were applied:

- Any measures or controls currently in place to mitigate the risks to Homes England remain in place, and at their current level of effectiveness, for the time horizons considered.
- Projected changes in capital and operational expenditure are assumed to be relatively stable over time.

The tables in the 'Transitional risks and opportunities' and the 'Physical risks and opportunities' sections which follow, show the material climate-related risks and opportunities, along with the existing mitigations in place, set against timelines of impact.

Transitional risks and opportunities

To arrive at the list of material risks in the following table, a list of transition risks have been assessed at an organisation level, considering policy and legal, market, technology and reputation themes.

Likelihood scoring was based on the trends presented within the scenarios, while impact scoring was based on factors within our Risk Management Framework, such as an estimate of impacts on objectives or portfolio. Risk scoring is based on a combination of likelihood and impact after existing mitigating factors are considered. We have grouped scores into bands of low risk level, moderate risk level and high-risk level in this assessment.

The following tables also highlight potential areas where risk areas could be further reduced or focused on achieving an opportunity.

Significant transition risk areas and their materiality

Risk Rating (Impact / Likelihood): Low Risk ●, Moderate Risk ●, High Risk ●

TCFD Risk Description	Potential Impact	Existing Mitigation Examples	Severity Over Time Horizons / Materiality	Opportunities
Technology Risk: Skills limitations	Demand for new skills to meet Net Zero does not match supply of labour in short-term. While mostly impacting development partners, this could delay housing delivery or reduce land value and return on investment for the Agency if labour costs rise.	The Agency undertakes partner engagement and gathers intelligence, and also works in partnership with the National House Building Council and housebuilders to deliver a construction skills hub on one of our development sites, tackling the skills shortage already impacting the sector.	This risk is considered material in the near term under the balanced pathway scenario due to primary user interest and possible impacts on Homes England strategic objectives and KPIs. Balanced Pathway Short Term: ● Medium Term: ● Long Term: ● Baseline Scenario Short Term: ● Medium Term: ● Long Term: ●	Continue to work with partners to address this risk and open up opportunities for new skills development.

TCFD Risk Description	Potential Impact	Existing Mitigation Examples	Severity Over Time Horizons / Materiality	Opportunities
Technology Risk: Grid decarbonisation through Electrification	Rising grid-connection costs and delays may affect our development sites, and there might be potential difficulties in site disposal if connections are delayed or costly. This risk can also impact our partners' delivery by slowing the pace of building and reducing the achievement of our housing metrics. Large schemes' viability might be compromised, pushing partners towards smaller projects and affecting our delivery targets.	Internal specialists within the Agency are able to advise on possible sustainable energy sources as one possible source of mitigation.	This risk is considered material in the near term under the balanced pathway scenario due to primary user interest, relevance to our sustainability principal risk and possible impacts on Homes England strategic objectives and KPIs. Balanced Pathway Short Term: ● Medium Term: ● Long Term: ● Baseline Scenario Short Term: ● Medium Term: ● Long Term: ●	Energy demand may be offset with alternative renewable energy sources (e.g. Solar PV or heat networks) so opportunities to promote this may be beneficial.
Reputation and market Risk: Increased expectations on sustainability performance	As investor expectations on sustainability tighten, Homes England may face challenges raising capital if it does not meet required standards or expectations on sustainability or report progress effectively. Development partners and investors may also face reputational risks if the Agency is seen to be falling short on sustainability Cost impacts may also arise as a result of reduced receipts when we dispose of a site if increased performance expectations are costed in by development partners.	Homes England is incorporating ESG (Environmental, Social and Governance) into investment funds and financial platforms. We use funding criteria to champion sustainable design and continue to support partners in adopting Modern Methods of Construction (MMC).	This risk is considered material due to primary user interest, relevance to our sustainability principal risk and possible impacts on Homes England strategic objectives and KPIs. Balanced Pathway Short Term: ● Medium Term: ● Long Term: ● Baseline Scenario Short Term: ● Medium Term: ● Long Term: ●	Continue raising awareness of sustainability expectations internally. Continue to review processes for checking and validating data on sustainability.

Physical risks and opportunities

For physical risks and opportunities, the likelihood was scored based on trends in projections for key climate variables under both the 2 degree (RCP2.6) and 4 degree (RCP8.5) scenarios. Risk was

evaluated in the same way as transition risks, being a function of likelihood and impact. Both acute (event based) and chronic (gradual trend) climate risks are considered.

Significant physical risk areas and their materiality

Risk Rating (Impact/ Likelihood): Low Risk ●, Moderate Risk ●, High Risk ●

TCFD Risk Description	Potential Impact	Existing Mitigation Examples	Severity Over Time Horizons / Materiality	Opportunities
Acute Risk: physical damage to development assets in vulnerable locations from climate risk.	In terms of immediate impacts on land we own, as much of it is brownfield, some impacts would be moderated due to a lower value baseline. Most impacts affect other stakeholders. However, these impacts could indirectly affect the Agency. For example, physical damage to completed developments in vulnerable locations and assets on them (like roads, amenity space and buildings) could cause reputational damage to Homes England if suitable controls have not been put in place. Further financial impacts could occur if physical damage (or anticipated damage) to completed developments in vulnerable locations deters investors. There could also be impacts to homeowners/occupants such as increased insurance premiums, resulting in buyers' decreased appetite to buy these homes.	Homes England is trialling project level climate change risk assessments which are being tested with projects. Funding guidance (e.g. SAHP 2026 to 2036) encourages bidders to align with sustainable design guidance such as Building for a Healthy Life or Healthy Homes Guidance to deliver well designed places, including elements that increase resilience to climate change. Due diligence is undertaken on land acquisitions in relation to risk factors like flooding.	This risk is considered material as, while many risks are well managed internally, understanding of climate impacts continues to evolve RCP2.6 Short Term: ● Medium Term: ● Long Term: ● RCP8.5 Short Term: ● Medium Term: ● Long Term: ●	Further work to update understanding of climate risks as new data emerges.

TCFD Risk Description	Potential Impact	Existing Mitigation Examples	Severity Over Time Horizons / Materiality	Opportunities
Acute and Chronic Risk: Reduction in land availability or value for at risk sites from flooding and sea level rise.	While current planning requirements require plans to take a pro-active approach to adapting to climate change, land availability may be restricted in some localities, for instance, where area-wide flood defences are dependent on maintenance, and climate projections may be refined in the future. Land exposed to significant climate hazards may become unviable if acceptable risk levels cannot be achieved. This creates financial risks for Homes England if land already acquired becomes undevelopable and could limit the organisation's ability to deliver regeneration in areas most affected by climate change. This could require higher levels of Homes England funding to keep projects viable, or risk lower delivery if market appetite weakens. Development partners may differ in their tolerance for climate risk, avoiding sites they consider unviable or facing higher costs to de-risk them. Conversely, risk-free land may command a premium. Investors may also be unwilling to fund projects on high-risk sites where potential damage or long-term costs reduce asset value.	The Agency implements Acquisition Guidance which details the technical information that should be gathered when considering an acquisition, including guidance on flood risk. Current planning guidance also incorporates a sequential test to guide development away from areas at highest risk.	This risk is considered material due to primary user interest and possible impacts on Homes England strategic objectives and KPIs RCP2.6 Short Term:  Medium Term:  Long Term:  RCP8.5 Short Term:  Medium Term:  Long Term: 	Further work to update understanding of climate risks as new data emerges. Multi-agency solutions facilitated through partnership work may also be beneficial.

The tables illustrating material physical and transition risks provide an initial view of Homes England's exposure. Our existing mitigation provides a solid basis for reducing material risks. However, the escalating severity of long-term climate risks requires proactive consideration of further controls to strengthen resilience.

Impact on financial planning and position

The assessment of climate risks has been undertaken through a structured, multi-stage process, giving us an understanding of the priority 'material' areas to consider.

As we have not disclosed a quantified impact on financial planning (rather our approach is qualitative), this is described as a partial disclosure against "b) Impact of climate-related risks and opportunities on operations, strategy and financial planning".

HM Treasury guidance recognises that scenario analysis is an iterative process, and that starting with a qualitative narrative-based approach may be appropriate.

Not all material risks are feasible to quantify. However, work to identify priorities for further work, collection of appropriate data, and calculation of financial impact, are key next steps in the Agency's TCFD work.

The 'Embedding Sustainability' section of the Sustainability Report gives further detail on how we are aligning capital and sustainability innovation, for example through including sustainability in funding programmes and embedding sustainability in our Investment Prospectus. As well as this we are rolling out our Sustainability Placemaking Passport to consider themes like 'resilience' (which includes climate and resources outcomes) in interventions such as development, investments and affordable housing work. Further work to explore the opportunities to integrate emerging transition and physical climate risk considerations in capital planning will be considered alongside quantification of climate risk where relevant.

We expect to update further on progress in our next Annual Report and Accounts and anticipate a 2-year timeline for integrating financial impact metrics with relevant reporting processes.

c) Resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2 degree Celsius or lower scenario

Consideration of climate-related risks and opportunities has enabled an evaluation of the overall resilience of our strategy to the scenarios used. These include a 2 degree or lower scenario.

Across most material risk areas our strategy is resilient to climate-related issues because:

- it includes a central objective to support innovation and create market conditions to support a dynamic, diverse and sustainable built environment and housing sector
- it is based on a 5-year timeline with opportunities for review as we move forward in our transition to Net Zero and encounter physical environmental changes
- key control measures are in place, or active improvements in progress, that support the delivery of our strategy and help mitigate climate risks (or enable opportunities to be pursued)
- we actively monitor climate and sustainability risk through our Sustainability principal risk. The findings of this TCFD Report will inform the further development of directorate level risks and controls to support the principal risk

Further evaluation of resilience against quantified risks will be undertaken using improved data. We will provide an update on this in 2026/27 and a fully compliant disclosure by 2027/28.

TCFD Metrics and Targets

HM Treasury Guidance on TCFD Reporting requires disclosure of metrics and targets used to assess and manage relevant climate-related issues, where such information is material.

Materiality in relation to metrics

KPIs measure performance against the Agency's objectives and progress against our strategic plan. A series of environmental metrics in the Sustainability Report are also used to measure progress against the Greening Government Commitments.

In our prior year Annual Report and Accounts (Phase 2 TCFD reporting) we disclosed the KPIs that allow us to monitor climate-related impacts. Several of these KPIs could be positively or negatively impacted by climate-related issues and, if data availability was sufficiently mature, act as a proxy indicator for the effect that climate change has on Agency delivery.

Following publication of our 2025 to 2030 Strategic Plan, a new set of KPI indicators are due to report from 1 April 2026 and will be included in our 2026/27 Annual Report and Accounts. Our core housing delivery measures will continue to report, with several new indicators aligned to our new strategic objectives.

In our 2024/25 Annual Report and Accounts, some of our TCFD metrics were linked to the government's Greening Government Commitments (GGCs).

As stated in the Sustainability Report, this year marks the transition to a new GGC period following the conclusion of the 2021 to 2025 cycle. Climate-related GGC metrics in the Sustainability Report reflect emerging requirements associated with the next phase of GGC reporting which are subject to change before formal enactment of the policy.

To determine materiality we have considered KPI and GGC linkage to the broader suite of material risks described in the earlier 'Transitional risks and opportunities' and 'Physical risks and opportunities' sections, as well as the definition of materiality presented in the strategy section of this TCFD report.

It should be noted that our KPIs are high-level metrics that monitor performance across the Agency as a whole. Further areas for metric development to specifically address key climate risks may be developed as we seek to manage key material risks.

a) Metrics used to assess climate-related risks and opportunities

Table 1 shows the metrics and data from our 2023 to 2028 Strategic Plan which were considered material in our 2024/25 Annual Report and Accounts.

Table 2 which follows, demonstrates the new KPIs included in our 2025 to 2030 Strategic Plan which we determine to be material in relation to TCFD.

Table 1: Metrics reported up to 1 April 2026, under the 2023 to 2028 Strategic Plan, and their relationship to climate-related issues

Homes England KPI (indicators marked with a * do not currently report data in this Annual Report)	How the KPI relates to climate issues
KPI 6 Number of homes completed	Performance may be influenced by skills limitation, grid decarbonisation or increased expectations on sustainability performance.
KPI 7 Number of homes unlocked	Performance may be influenced by skills limitation, grid decarbonisation or increased expectations on sustainability performance. Performance may be influenced by physical climate risks such as physical damage to development assets or reduction in land availability.
KPI 11 Total value of private sector funds leveraged through Homes England support	Performance may be influenced by skills limitation, grid decarbonisation or increased expectations on sustainability performance. Performance may be influenced by physical climate risks such as physical damage to development assets or reduction in land availability.
KPI 12 Share of supported schemes to meet or exceed the agreed standards for design quality (in line with Building for a Healthy Life)*	Performance may be influenced by physical climate risks such as physical damage to development assets or reduction in land availability.
KPI 13 Share of supported completions that are Energy Performance Certificate (EPC) rating B or above	Performance may be influenced by skills limitation, grid decarbonisation or increased expectations on sustainability performance.
KPI 14 Average percentage biodiversity net gain planned on supported schemes*	Performance may be influenced by physical climate risks such as physical damage to development assets or reduction in land availability.
KPI 15 Percentage of homes within the embodied (upfront) carbon range (in development)*	Performance may be influenced by skills limitation, grid decarbonisation or increased expectations on sustainability performance.

For a description of all current KPIs and performance over the last year see the Performance Analysis section.

Table 2: Metrics due to report from 1 April 2026, under the 2025 to 2030 Strategic Plan, and their relationship to climate-related issues

Homes England KPI	Reported in Performance Analysis section
Total number of housing starts directly supported	Performance may be influenced by skills limitation, grid decarbonisation or increased expectations on sustainability performance. Performance may be influenced by physical climate risks such as physical damage to development assets or reduction in land availability.
Total number of housing completions directly supported	Performance may be influenced by skills limitation, grid decarbonisation or increased expectations on sustainability performance.
Total number of affordable housing completions directly supported	Performance may be influenced by skills limitation, grid decarbonisation or increased expectations on sustainability performance. Performance may be influenced by physical climate risks such as physical damage to development assets or reduction in land availability.
Share of supported completions with EPC Rating B or above (note: KPI11 in the new strategic plan will be replaced by a KPI that will measure carbon)	Performance may be influenced by skills limitation, grid decarbonisation or increased expectations on sustainability performance.
Share of supported schemes to meet or exceed the agreed standards for design quality (in line with Building for a Healthy Life)	Performance may be influenced by physical climate risks such as physical damage to development assets or reduction in land availability.
Total housing unlocked by Homes England Interventions	Performance may be influenced by skills limitation, grid decarbonisation or increased expectations on sustainability performance. Performance may be influenced by physical climate risks such as physical damage to development assets or reduction in land availability.
Total value of private sector funds leveraged through Homes England support	Performance may be influenced by skills limitation, grid decarbonisation or increased expectations on sustainability performance. Performance may be influenced by physical climate risks such as physical damage to development assets or reduction in land availability.

Performance under the KPIs in Table 2 will be in the 2026/27 Annual Report and Accounts.

As a reporting process mandated by government and our Sponsor Department, MHCLG, climate-related GGC metrics are considered material due to primary user interest, their mandatory nature, and linkage to our principal risk on sustainability, despite their lower level of magnitude than other metrics being reported at a corporate level. These are reported in the Greening Government Commitments part of the Annual Report and Accounts and, where material to TCFD, are marked with a (*) star. The following GGC metrics are considered material.

- Greenhouse gas emissions (scope 1 and 2, partial scope 3)
- Waste metrics and recycling indicators
- Water use indicators

Performance indicators and other management information

The KPI framework is supported by a range of internally reported performance indicators and management information. The Agency is investigating the potential to embed sustainability performance indicators into our new funds.

In addition to this the Agency measures some carbon values in the economic appraisal of interventions using the Environmental Impact of New Housing Development guidance referred to in the Governance section of this TCFD Report.

b) Scope 1, 2 and Scope 3 emissions and the related risks

Homes England discloses Scope 1, 2 and part of Scope 3 greenhouse gas emissions under the GGCs, as indicated above.

We record further categories of Scope 3 additional to those required through the GGCs by maintaining a 'carbon inventory' aligned with the Greenhouse Gas Protocol. This records greenhouse gases across Scopes 1, 2 and the 7 categories in Scope 3, which are considered relevant to the Agency.

A full description of our performance across Scopes 1, 2 and 3 is included in the Sustainability Report.

The following issues and areas of risk in relation to the reduction of total scope 1,2 and 3 GHGs have been identified:

- While operational Scope 1 and Scope 2 emissions have fallen over the last year, our overall Scope 1 emissions profile has increased significantly this year as land use change emissions linked to site preparatory activity have been incorporated for the first time. We will continue to review our site acquisition and disposal controls to support lower-emission outcomes from land use change.
- Further reductions of our Scope 1 and 2 emissions will also depend on improving the performance of our offices and fleet. Further work to progress our emerging Environmental Management System (EMS) and carbon reduction activity will be important in managing this area of risk.
- While Scope 3 emissions have fallen this year, the causes of emissions exist across our value chain and include how staff commute to work, how contractors de-risk sites and how our investments in housing and infrastructure drive emissions. As detailed in the Sustainability Report, data gathering, for example through Whole Life Carbon Assessment, is being further explored and can help identify emissions reduction opportunities. As with Scope 1 and 2 our emerging EMS and carbon reduction activity sit alongside our Sustainable Placemaking Passport in helping to control Scope 3 emissions.

c) Targets used to manage climate-related risks and performance against targets.

Most of Homes England's KPIs relevant to climate-related issues do not state specific targets and, where they are an indirect measure of climate risk, targets would not necessarily relate to managing a climate risk.

We will continue to benchmark levels of performance for metrics identified as relating to a climate risk wherever possible against performance in previous years.

We define a risk appetite level to monitor the performance of our principal risks against, and report the overall performance of principal risks in KPI 18 'number of principal risks outside risk appetite'. In terms of the principal risk PR12 Sustainability, which includes climate change, the risk score is continually monitored.

At the time of publication, the risk is currently within appetite, and has remained within appetite across 2025/26. For more information see the Principal Risks Impacting Delivery and Detailed Performance Review sections in the Performance Report.

It is clear there remain some gaps in coverage of climate-related metrics. These include:

- a fuller range of metrics and targets that directly, rather than indirectly, monitor climate risk
- metrics and targets that monitor climate opportunities

Further work to address this and evaluate linked metrics and targets is planned for financial years 2026/27 and 2027/28. We expect to make a further update of progress in our 2026/27 Annual Report and Accounts.

TCFD Next Steps

This TCFD Report sets out Homes England's current status in relation to the full suite of TCFD disclosures. While we have addressed each mandatory and material disclosure in turn, we recognise there is more work to be done.

The following table sets out the climate disclosures under TCFD and the current level of compliance, as well as further work to be undertaken to achieve full compliance.

In addition to our further planned work, the coming year represents significant changes to the way in which the Agency is structured, including the development of a new National Housing Bank. Our further work on TCFD will respond to these developments and disclose climate-related issues accordingly.

TCFD Disclosures in this Report and Status

TCFD Pillar	Disclosure	Status and materiality	Next steps/Timeline
Governance	a. Describe the Board's oversights of climate-related risks and opportunities	 Disclosed in our 2023/24 and 2024/25 TCFD Report and updated in this TCFD Report	Reporting will take place annually
Governance	b. Describe management's role in assessing and managing climate-related risks and opportunities	 Disclosed in our 2023/24 and 2024/25 TCFD Report and updated in this TCFD Report	Reporting will take place annually
Risk Management	a. Describe the organisation's processes for identifying and addressing climate-related risks	 Disclosed in our 2024/25 TCFD Report and updated in this TCFD Report	Reporting will take place annually

TCFD Pillar	Disclosure	Status and materiality		Next steps/Timeline
Risk Management	b. Describe the organisation's processes for managing climate-related risks		Disclosed in our 2024/25 TCFD Report and updated in this TCFD Report	Reporting will take place annually
Risk Management	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management		Disclosed in our 2024/25 TCFD Report and updated in this TCFD Report	Reporting will take place annually
Metrics and Targets	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process		Material metrics are partially disclosed in this TCFD Report	Further work to link metrics to climate risks with update in 2026/27 and fully compliant disclosure by 2027/28
Metrics and Targets	b. Disclose Scope 1, Scope 2, (and if appropriate, Scope 3 GHG emissions, and the related risks)		Scope 1, 2 and part of Scope 3 disclosed in our Sustainability Report. A further 'extended' Scope 3 disclosure is also made	Reporting will take place annually
Metrics and Targets	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets		Material targets and performance are partially disclosed in this TCFD Report	Further work to link targets to climate risks with update in 2026/27 and fully compliant disclosure by 2027/28
Strategy	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term		Disclosed in this TCFD Report	Review and reporting annually
Strategy	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning		Partially disclosed in this TCFD Report	Further work to quantify material risks with update in 2026/27 and fully compliant disclosure by 2027/28
Strategy	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2 degrees Celsius or lower scenario		Partially disclosed in this TCFD Report	Further evaluate resilience against quantified risks with update in 2026/27 and fully compliant disclosure by 2027/28

The Performance Report is signed on 10 July 2026

A handwritten signature in dark ink, appearing to read 'A. Rees'.

.....
Amy Rees CB
Chief Executive and Accounting Officer

3. Accountability Report

The Accountability Report sets out how Homes England meets the key accountability requirements to Parliament.

It is broken down into 3 areas:

- Corporate Governance Report, which provides an overview of our leadership, governance structures, and risk management approach.
- Remuneration and Staff Report, which details remuneration, staff expenses and policies.
- Parliamentary Accountability and Audit Report, which contains details of losses and special payments, regularity, and the audit certificate.



3. Accountability Report Contents:

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3.1 Corporate Governance Report



The section provides an overview of Homes England's leadership and governance structures and how they support achievement of the Agency's objectives.

It also details our approach to risk management, financial crime and whistleblowing, and sets out our internal audit opinion.



Introduction

Excellent corporate governance is a foundation stone in delivering our work on behalf of government and the public - ensuring that the best decisions are made about the resources entrusted to us.

The Board takes a close interest in ensuring that Homes England and its Group have the correct governance framework and decision-making structures to ensure the organisation is effectively directed and controlled. Our focus on risk management, assurance activity and performance reporting, ensures that decision makers have the high-quality information they need to underpin their decisions.

A governance focus in the second half of the financial year was on preparations for the launch of our new regional operating model for regional delivery and the National Housing Bank Limited, a wholly owned subsidiary of Homes England. Both were successfully launched on 1 April 2026.

This Corporate Governance Report is made up of 3 sections:

1. Board Members' Report, which includes details of the Board and the Corporate Leadership Team.
2. Statement of Accounting Officer's Responsibilities.
3. Governance Statement, which sets out our governance framework and includes sections on risk management, whistleblowing and internal audit.



Board Members' Report

Homes England is governed by a Board, appointed by the Secretary of State for the Ministry of Housing, Communities and Local Government (MHCLG), in accordance with the Housing and Regeneration Act 2008.

The Board is the principal decision-making body of the Agency. The Board is supported by a number of Board Committees and Executive Groups, led by the Corporate Leadership Team (CLT). Details of the Board and CLT are set out in this Board Members' Report.

Since May 2025, the Homes England Board has been led by our Chair, Pat Ritchie CBE.

At the invitation of the Secretary of State, our former Chair Peter Freeman was appointed Chair of the Cambridge Growth Company Limited (a Homes England Group company) in May 2025. More recently, the Homes England Board appointed Ros Kerslake to serve on the Cambridge Growth Company Limited Board as a representative.

With the aim of strengthening our governance further, our committees also welcomed independent experts on Health and Safety (Kerry Williams) and Change and Transformation (Chris Ledgard), to support them with their work.

Meet the Board

The Board has statutory responsibility for exercising the functions of Homes England. It provides strategic leadership and promotes the long-term, sustainable success of the Agency.

The Board and CLT work closely with MHCLG to deliver the government's priorities.

During the year, there were a number of membership changes to Board committees.

Additionally, Eamonn Boylan ended his term as Interim Chief Executive Officer and Accounting Officer on the arrival of Amy Rees in September 2025, while Sadie Morgan retired from the Board when her term of appointment came to an end in August 2025.

Emma Fraser (who filled the Shareholder Representative role as a job share with Melanie Montanari) left MHCLG. Melanie has held the role solely since July 2025.

The Board is supported by a number of Board committees, discussed more fully in the Governance Statement of this Annual Report and Accounts.

Each Board member in office during the financial year is listed on the following pages.

On 31 March 2026 the Board comprised:**Pat Ritchie CBE**

Board Chair
(from May 2025)

Pat Ritchie CBE is a highly regarded and influential figure in the world of urban governance and regeneration. She has held senior roles in national, regional and local government.

She was Chief Executive of Newcastle City Council for over 8 years, where she notably secured the multi-million-pound investment deal to bring Legal & General to Newcastle's flagship 'Helix' development and led on negotiations to secure a devolution deal for the North of Tyne Mayoral Combined Authority. Pat led the city's response to the pandemic and oversaw the Newcastle Covid Recovery Plan.

Pat was Chair of the Government Property Agency from 2020 to 2025. In summer 2022 she took on the role of independent Chair of Metro Dynamics Company Board. She is also Pro-Chancellor and Chair for Newcastle University Council.

Pat is a former Chief Executive of Homes England and former Deputy Chief Executive of the One North East Regional Development Agency. She holds an Honorary Doctorate in Civil Law from Northumbria University and is a Fellow of Newcastle University. Pat was awarded her CBE in January 2021 for services to local government and public service reform.

Pat was Deputy Chair of the Homes England Board from August 2024 until April 2025, having served as a Homes England Board member since February 2022. In May 2025 she was appointed as Chair of the Board by the Secretary of State, for a period of 18 months.

**Amy Rees CB**

Chief Executive
(from September 2025)

Non-Executive Director
of the National Housing
Bank Limited (from April
2026)

Amy Rees CB became Chief Executive of Homes England on 1 September 2025, bringing extensive leadership experience across public service delivery and justice reform.

Prior to joining Homes England, Amy served as Interim Permanent Secretary at the Ministry of Justice, where she oversaw the full breadth of the department's responsibilities — including criminal justice, prison and probation services, civil, family and criminal courts, legal services, and constitutional policy.

Before that, Amy was Chief Executive of HM Prison and Probation Service (HMPPS) for nearly 3 years. In this role, she provided strategic direction and operational leadership, working closely with partners across government and the justice system to enforce court orders, protect the public, and reduce reoffending throughout England and Wales.

**Abi Brown OBE**

Chair of the Cross Cutting Committee (September to December 2025)

Abi Brown OBE is a deputy chairman of the Local Government Association (LGA) and an MHCLG Best Value Commissioner. Abi was leader of Stoke-on-Trent City Council between 2019 and 2023, deputy leader between 2015 and 2019, and remains a councillor for the city's Meir Park ward, which she has represented since 2010. Abi was awarded an OBE in 2024 for services to local government.

**David Cutter**

Chair of the Audit, Assurance and Enterprise Risk Committee

Chair of the Home Ownership Committee

David Cutter has extensive senior level experience in financial services and real estate. He was previously Group Chief Executive at Skipton Building Society for 12 years, overseeing governance, performance and a balance sheet of more than £30 billion.

David has chaired organisations including the Building Societies Association, Callcredit plc, Homeloan Management Ltd and Skipton Guernsey Ltd, and was a Non-Executive Director at Connells Ltd, the UK's largest estate agency with 1,250 branches and a turnover of £1 billion. A chartered accountant and former chief internal auditor, David is also a non-executive director at Moorlands Learning Trust. He played international hockey for Wales between 1983 and 1991.

**Mark Henderson**

Chair of Change Committee (until October 2025)

Mark Henderson is Chief Executive of Home Group, with 55,000 homes under management across Scotland and England and one of the largest providers of supported housing, working with 13,000 vulnerable people in nearly 350 services. Home Group is also one of the largest developers of housing in the UK with a turnover of nearly £600 million per year. It was voted the UK's best Landlord and best Housing Association in 2014, 2016 and 2022.

Mark is currently Chair and a trustee of Whiteley Village Trust. He previously ran his own business before joining Home Group. Before that he worked with the Regional Development Agency as Operations Director and held a variety of regeneration and economic development jobs across the country in local government, most recently as Chief Executive of one of the largest county councils in the country. He was also a former Board member for the National Housing Federation and former Chair of Homes for the North.



Ros Kerslake CBE

Chair of Investment Committee (from April 2026)

Director of the National Housing Bank Limited (from April 2026)

Ros Kerslake CBE has more than 20 years' board level experience in the property and regeneration sectors, serving as Chief Executive, Non-Executive Director and Chair for a number of public and private sector organisations.

Previously, she was Chief Executive Officer of the National Lottery Heritage Fund, overseeing around £400 million per annum of project investment, alongside a major organisation transformation programme of the UK-wide body. Her earlier roles include Chief Executive of The Prince's Regeneration Trust, leading urban regeneration across the UK, Chief Executive for Regen Co, Sandwell, and Director of Property at Network Rail.

Ros was awarded a CBE in 2020 for services to British heritage and an OBE in 2016 for services to heritage. She is a qualified solicitor.



Sir Oliver Letwin

Sir Oliver Letwin was a Managing Director of NM Rothschild until 2003, having previously served as a Director. He was a Member of Parliament for West Dorset between 1997 and 2019, serving in senior ministerial posts in the UK government. He was Minister for Government Policy and Chancellor of the Duchy of Lancaster between 2010 and 2016,

and between 2000 and 2010 held roles including: Shadow Chief Secretary to the Treasury, Shadow Home Secretary, Shadow Chancellor of the Exchequer, Shadow Environment Secretary and Chairman of the Conservative Policy Review.

Sir Oliver is a Senior Adviser to the Faraday Institution and to Teneo, and a non-executive Director of Homes England. Previously he taught Philosophy at Cambridge University.



Lesley-Ann Nash

Chair of Nominations and Remuneration Committee

Lesley-Ann Nash spent 2 decades in investment banking, building and leading structured interbank businesses. She was a Managing Director of Morgan Stanley, before leaving to offer her financial skills to government. She spent 7 years in the Cabinet Office leading a range of commercial programmes which positively impacted both the public and private sectors, as well as citizens nationally.

Since leaving government, Lesley-Ann has embarked on a non-executive director career. She has served on the boards of St James's Place plc (FTSE 100) and Workspace Group plc (FTSE 250). Following a period of time on the board of the business campaigning group, BusinessLDN she joined the board of the CBI (Confederation of British Industry). Lesley-Ann is a fellow of the Chartered Institute of Management Accountants and holds an MBA from Cass Business School.

**Peter Vernon**

Deputy Chair and
Chair of Investment
Committee (until
March 2026)

Chair of the National
Housing Bank Limited
(from April 2026)

Peter Vernon has had a senior career in property, regeneration and management consultancy. He was appointed Chair of the National Housing Bank on 1 April 2026.

Peter is Chair of Grosvenor Hart Homes and was Group Executive Director of Grosvenor until 2021. Prior to Grosvenor he was a Partner with PwC Consulting. He has held non-executive director roles for organisations including The Berkeley Group plc and Business LDN. He also served as a Trustee of Peabody.

Peter was a member of the Policy Committee of the British Property Federation, the Montague Review of the build to rent sector, a commissioner of the City Growth Commission, and a member of the Government Estates Regeneration Panel.

**Melanie Montanari**

Shareholder
Representative

Melanie Montanari is Director for Housing Markets and Strategy at MHCLG. Prior to this role, she was responsible for Homelessness and Rough Sleeping policy at MHCLG. Before joining MHCLG, Melanie spent 15 years at HM Treasury in a range of public spending and public policy roles, including responsibility for Personal Tax, for general expenditure policy and on welfare and labour market policy.

Melanie also worked as Speechwriter and Private Secretary to the Chancellor of the Exchequer. Melanie is also a member of the Cambridge Delivery Group Board, and alongside her work at MHCLG, Melanie sits on the Board of the Youth Futures Foundation.

Note: Until July 2025 the Shareholder representative was a job share role, covered by Melanie Montanari and Emma Fraser. Since July 2025 the role has been covered by Melanie Montanari only.

Since the year end, Melanie has been appointed as the Agency's new Chief Operating Officer, and will join the Agency in September 2026.



Meet the Corporate Leadership Team

The Corporate Leadership Team (CLT) (previously known as Executive Leadership Team) is Homes England's principal operational decision-making group for implementing the corporate strategy, operational policies and procedures of the Agency. The executive directors work with the Chief Executive to ensure that the deployment of resources is sufficient to maintain delivery and that our corporate services provide effective service support.

There were a number of changes to CLT during the financial year; with Amy Rees succeeding Eamonn Boylan as Chief Executive, and Simon Century succeeding Marcus Ralling as Chief Investment Officer. There were also a number of advisory attendees in place throughout the financial year, with Jo Nugent attending as Director, Markets, Partners and Places, Rebekah Hillcoat attending as Assistant Director for Enterprise and Operational Risk, alongside Paul Murphy as Deputy Chief Risk Officer and Adam Cooper attending as Finance Director.

On 31 March 2026 the Corporate Leadership Team comprised:



Amy Rees CB

Chief Executive
(from September 2025)

Non-Executive Director
of the National Housing
Bank Limited (from April
2026)

Amy is a member of the Homes England Board, and her full biography appears in the Meet the Board section.



Simon Century

Chief Investment
Officer (from
September 2025)

Chief Executive Officer
of the National Housing
Bank Limited (from
April 2026)

Simon Century was appointed as Chief Executive Officer of the National Housing Bank on 1 April 2026, having joined Homes England on 1 September 2025 as Chief Investment Officer, pending the formation of the NHB.

He is responsible for delivering the NHB's corporate strategy that aims to deploy £16 billion of new capital to unlock over £50 billion of new private sector investment and deliver 500,000 new homes nationwide.

Prior to joining, Simon spent 9 years at Legal & General as managing director, where he built and grew multiple housing businesses across social and affordable housing, build to rent, senior living, and build to sale, as well as pioneering platforms for modern methods of construction.

Simon began his career at investment and advisory firm TradeRisks and later at the affordable housing provider bpha, leading corporate strategy and finance.

He is a full member of the Association of Corporate Treasurers, holds a certificate in investment management from the Chartered Institute for Securities & Investment, and has a psychology degree from the University of Liverpool.



Alison Crofton

Interim Chief Property Officer (to February 2026)

Chief Regional Delivery Officer (from March 2026)

Alison Crofton leads the Regional Delivery Directorate, driving our mission to get high-quality homes built in the places that need them most. Her team focus on locally led delivery powered with national solutions, unlocking both public and private land where the market can't, removing barriers, securing planning permission and preparing sites so they are ready for development.

Alison is a member of the Institute of Building and a Chartered Environmentalist with the Society for the Environment, bringing more than 20 years' experience in delivering major housing and mixed-use developments.

In addition to the Chief Regional Delivery role, Alison sits on the Board of Directors at the New Homes Quality Board and is also an observing member of the Future Homes Hub Board.



Paul Murphy

Chief Risk Officer
(from March 2026)

Paul Murphy commenced his working career in Hong Kong in 1991 and spent 27 years in the financial sector, working across various countries and institutions, before joining the Agency.

He was appointed Chief Risk Officer on 1 March 2026.



Kirsty Shaw

Chief Operations Officer

Kirsty Shaw was Chief Operating Officer through 2025/26, but will leave the Agency in August 2026 to take up a new role. She previously held the role of Chief Operating Officer at the Care Quality Commission, and prior to that she has held a number of senior roles in central government and arm's-length bodies, leading complex operations and delivering organisational wide transformation programmes.

While at Homes England, Kirsty's focus has been on unlocking operational efficiency and effectiveness, ensuring that the Agency has the right systems, structures, people and processes to deliver our objectives.

**Mike Wiltshire**

Executive Director,
Strategy, Markets
and Analysis (from
September 2025)

Mike Wiltshire leads the Strategy, Research, Analysis and Sponsorship Directorate which focuses on: cross-agency strategy development; the Agency's research, economics and analysis portfolio, headed up by Homes England's Chief Economist; communications and press; market engagement; and Homes England's Government Sponsorship function.

Prior to joining Homes England, Mike was a civil servant in Cabinet Office, MHCLG and the Department for Business, Energy and Industrial Strategy, where he led work to devolve power to city-regions and drive local economic growth. This included: the establishment of elected city-region mayors; the negotiation and implementation of devolution, growth and city deals across England, Scotland and Wales; and leading work to drive housing-led growth in the Oxford, Milton Keynes and Cambridge corridor.

**Ian Workman**

Chief Customer Officer

Ian Workman worked for over 30 years in the banking industry. He spent much of his career at Barclays in both retail and commercial banking and was most recently the Managing Director for SME/ Business Banking Relationships for the UK. After leaving Barclays, Ian worked with a challenger bank and then joined Homes England from the Yorkshire Building Society, where he was the Interim Strategy Lead for YBS Commercial Mortgages.

Ian has a particular interest in Equality and Diversity and in 2024 completed a Masters degree in this subject.

At Homes England Ian has Executive responsibility for 3 national programmes – Help to Buy, Cladding and Building Safety and the Social and Affordable Homes Programme.

Corporate Leadership Team appointments after 31 March 2026:



Caroline Patterson
Chief Financial Officer
(from June 2026)

Caroline Patterson joined Homes England from the Cabinet Office on 8 June 2026. She is an experienced financial leader and has built a career overseeing complex financial operations and guiding organisations through periods of change. Prior to working at the Cabinet Office, Caroline spent 9 years at the Ministry of Justice where she held a range of senior finance roles.



Melanie Montanari
Chief Operating Officer
(from September 2026)

Melanie Montanari is currently the Director for Housing Markets and Strategy at MHCLG and the Shareholder Representative on the Homes England Board. Melanie will be leaving MHCLG and joining the Agency as Chief Operating Officer in September 2026.

Declarations of Interest

The Agency has reviewed its detailed policy and guidance on declarations of interest for all staff, which complies with the requirements of the Civil Service Management Code and includes the requirement to make an annual declaration of

interests as well as to record any changes. We review all recorded interest returns to ensure that they are permitted, and they are managed as part of our assurance to the Board. Any sensitive interests are managed through an Ethics group, which is accountable to the Audit, Assurance and Enterprise Risk Committee.

We also have a policy in place for Board members, which is contained in their Code of Conduct, and based on Cabinet Office guidelines. Members must declare interests at any meeting and withdraw from a meeting before discussion of any matter in which they have an interest.

We publish the declarations of interest of our Board and Corporate Leadership Team, and we maintain a central register of all staff interests, to allow for review of member and officer interests more readily when bringing reports to committees.

Register of Board Members' Interests

The Homes England Board members' register of interests is a public record published on the Agency's Gov.uk website, in which members list all direct or indirect financial interests and non-financial interests where they have a direct bearing on the business of the Agency. Our CLT directors' register of interests is also published alongside the Board member register.

Personal Data Related Incidents

Since 25 May 2018, under the UK General Data Protection Regulation and the Data Protection Act 2018, there has been a mandatory requirement to report any personal data breach to the Information Commissioner's Office if there is likely to be a risk to the rights and freedoms of the data subjects whose data has been breached. Several minor data breaches were reported to our Data Protection Officer during the financial year. All breaches were resolved and did not pose a risk to the rights and freedoms of data subjects.

Statement of Accounting Officer's Responsibilities

Under the Housing and Regeneration Act 2008, the Secretary of State (with the consent of HM Treasury) has directed Homes England to prepare for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Homes England's group and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and, in particular, to:

- observe the Accounts Direction issued by the Secretary of State including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgments and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the Financial Statements
- prepare the Financial Statements on a going concern basis; and confirm that the Annual Report and Accounts as a whole are fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable

The Ministry of Housing, Communities and Local Government Principal Accounting Officer has appointed me, Amy Rees, the Chief Executive of Homes England, to be Accounting Officer for the Homes England Group. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding Homes England's assets, are set out in Managing Public Money published by HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that Homes England's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

I confirm that the Annual Report and Accounts as a whole, are fair, balanced and understandable and I take personal responsibility for the Annual Report and Accounts and the judgments required for determining that they are fair, balanced and understandable.

Governance Statement

Our Governance Framework

All the powers of Homes England derive from the Housing and Regeneration Act 2008 and are vested in the Board. Our governance framework is determined by the Board and recorded in our Governance Manual and Scheme of Delegated Authority. The governance framework accords with the requirements of our Framework Document, which also links with recognised requirements and standards such as those set out in the UK government's Managing Public Money document, Financial Reporting Manual, Green Book, and Orange Book.

Each year resources are entrusted to use by the Ministry of Housing, Communities and Local Government (MHCLG) and controls prescribed by delegation letter and, in relation to specific programmes, the specific criteria of each Programme Commission.

A close and effective working relationship with MHCLG, HM Treasury and others, ensures our framework is fit for purpose to support and ensure timely delivery on behalf of the government and public we serve.

The Board and its Committees

Our Board is specifically responsible for:

- ensuring delivery of Homes England's objectives, consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State
- providing effective leadership of Homes England within a framework of prudent and effective controls which enables risk to be assessed and managed
- ensuring the financial and human resources are in place for Homes England to meet its objectives

- reviewing management performance
- ensuring that the Board receives and reviews regular financial and management information concerning the management of the Homes England Group
- holding the Chief Executive to account for the effective and efficient delivery of the Homes England annual business plan and for the day-to-day management, delivery and performance of Homes England
- ensuring that it is kept informed of any changes which are likely to impact on the strategic direction of the Homes England Board, or on the attainability of its targets, and determining the steps needed to deal with such changes and, where appropriate, bringing such matters to the attention of the Secretary of State and the MHCLG Principal Accounting Officer, via the Corporate Leadership Team, the Sponsorship Team or directly
- ensuring any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority and any delegated authority agreed with MHCLG, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account HM Treasury's Managing Public Money guidance and any guidance issued by MHCLG
- ensuring that as part of the above compliance the Board is familiar with:
 - the Framework Document
 - any delegation letter issued to Homes England as set out in section 33 of the Framework Document
 - any elements of any Spending Review settlement letter issued to MHCLG that is relevant to the operation of Homes England
 - the appropriate internal mechanisms for the monitoring, governance and external

reporting regarding any conditions arising from the above documents, and ensure that the Chief Executive and Homes England as a whole act in accordance with their obligations under the above documents

- demonstrating high standards of corporate governance at all times, including by using the Audit, Assurance, and Enterprise Risk Committee to help the Board to address key financial and other risks
- approving the Annual Report and Accounts
- overseeing production and retain oversight of the Risk Appetite Statement and Risk Management Framework as set out in section 28 of the Framework Document
- appointing, with the Secretary of State's prior written approval, a Chief Executive and, in consultation with MHCLG, setting performance objectives and remuneration terms linked to these objectives for the Chief Executive, which give due weight to the proper management and use and utilisation of public resources (section 30 of the Framework Document)
- determining all such other things which the Board considers ancillary or conducive to the attainment or fulfilment by Homes England of its objectives

The Board must also comply with any general or specific directions given by the Secretary of State under the Housing and Regeneration Act 2008, section 47. No such directions were given during the financial year.

Work of the Board during the financial year

In addition to receiving regular reports on organisational performance, risk and health and safety, the Homes England Board in 2025/26 has been focused on managing a significant change programme, to help the government achieve its housing targets.

These included the development of a new regional operating model for regional delivery, the establishment of the National Housing Bank, and the launch of the National Housing Delivery Fund and the new Social and Affordable Homes Programme.

Work has also been underway to support MHCLG with the establishment of the Greater Cambridge Development Corporation which, subject to the completion of the parliamentary process, is expected in July 2026. Homes England has offered further support to the government for new initiatives, including the New Homes Accelerator and plans to develop New Towns and to provide low interest loans to Registered Providers.

A major focus for the Board has been the development of Homes England's new Investment Strategy and Prospectus, which takes into account all of these initiatives, and prepares Homes England and the National Housing Bank to best meet future market conditions.

The Board also held strategic sessions and site visits to Nottingham, Cambridge and Northstowe, Newcastle and Sunderland and Birmingham. In addition to allowing time for strategic discussion and meetings with key local stakeholders, the visits also gave the Board the opportunity to view progress with key projects, meet staff and to discuss future ambitions.

The core Board committees in place throughout the year were the Audit, Assurance and Enterprise Risk Committee, Home Ownership Committee, Nominations and Remuneration Committee and Investment Committee.

Audit, Assurance and Enterprise Risk Committee (AAERC)

This committee supports the Accounting Officer and Board in their responsibilities for risk control, governance, audit, financial stewardship and financial and statutory reporting. It reviews the comprehensiveness of assurance and reporting processes, consistent with the Accounting Officer's assurance responsibilities.

Particular areas of focus for 2025/26 have been:

- revisions to the Risk Management Framework and consideration of the Agency's Principal Risks; the committee received and considered deep dives into Principal Risks outside appetite, and considered second line risk reporting on operational risks
- oversight over financial reporting, where the committee recommended the approval of the 2024/25 Annual Report and Accounts to the Board, and received regular reports on the 2025/26 accounts laying timetable and the factors affecting it, including the Help to Buy Valuation for 2025/26
- oversight of the rectification plan to address the findings identified in 2024 regarding compliance with the Functional Standard GovS013: Counter Fraud
- review of Help to Buy systems, portfolio management and transformation, from a risk perspective
- delivery of the Internal Audit Plan and assurance arising from this work, with regular reporting from those areas on their resulting action plans
- consideration of the Agency's new People and Culture Strategy developed with input from the Nominations and Risk Committee

The members of Audit, Assurance and Enterprise Risk Committee as at 31 March 2026 were: David Cutter (Chair), Mark Henderson, Sir Oliver Letwin, Abi Brown OBE and Lesley-Ann Nash.

Home Ownership Committee (HOC)

In 2025/26 the Home Ownership Committee provided oversight and sought assurance on the Help to Buy portfolio (and other legacy housing programmes) and cladding safety remediation schemes.

Key areas of focus for 2025/26 were:

- management of the Help to Buy portfolio and performance of the Third-Party Mortgage Administrator against key metrics

- progress of transformation work to digitise systems and improve customer experience, and oversee the revision of key policies
- expansion of the Cladding Safety Scheme into the social sector and continued engagement to streamline the cladding process
- monitoring of the Building Safety Fund as the programme was coming to a close

The members of the Home Ownership Committee as at 31 March 2026 were: David Cutter (Chair), Mark Henderson, Abi Brown OBE and Melanie Montanari.

Nominations and Remuneration Committee (NRC)

The Nominations and Remuneration Committee is responsible for advising on overall pay and rewards; the remuneration, contractual and pension arrangements of staff at director level and above; senior succession planning; key HR policies; and setting and agreeing the annual performance objectives, remuneration terms and other terms and conditions of employment of the Chief Executive.

Notable business this year included:

- oversight of the Homes England 2025/26 annual Equality, Diversity and Inclusion Report and Action Plan
- agreeing changes to the Corporate Leadership Team structure
- oversight of implementation of the People and Culture Strategy
- oversight of progress on a governance review of the Pension Scheme
- oversight of the appointments of independent experts on Health and Safety, and Change and Transformation

The members of Nominations and Remuneration Committee as at 31 March 2026 were: Lesley-Ann Nash (Chair), Pat Ritchie, David Cutter, Sir Oliver Letwin, and Melanie Montanari (Shareholder Representative).

Investment Committee (IC)

The Investment Committee considers new programme proposals, and reviews outside delegation business cases in support of development projects, land assembly, loans, infrastructure grants, and equity investments. It also monitors programme and portfolio performance and progress on major schemes.

This year's highlights included:

- review of the Investment Strategy for Homes England, with up to £46 billion to invest in local communities over 10 years
- review of the new pipeline of projects suitable for Agency intervention
- approval of key Joint Ventures, including:
 - a long-term investment joint venture with Countryside Properties to accelerate the development of large sites across England
 - a new joint venture with investor Swiss Life Asset Managers and Manchester-based social-impact developer Capital&Centric, to target areas where housing demand is rising fastest but supply has stalled
- approval of funding for the next stage of development at Northstowe, to deliver a further 5,000 new homes and 3 primary schools, as part of a long-term plan for Northstowe that began in 2020
- approval of funding for the Forth Yards development site on the banks of the Tyne, on 52 acres of former industrial land, and considered the last significant development site in the city

Additionally, the committee also regularly reviewed the performance of Homes England's investment portfolio, including investments in equity, MHCLG's Affordable Homes Guarantee

Scheme and Private Rented Sector Guarantee Scheme, and loans including those that are non-performing.

The committee also received regular market updates and oversaw programme activity to mitigate the impact of the economic and market pressures upon delivery.

Looking forward, the Investment Committee welcomed a new Chair in Ros Kerslake from 1 April 2026, as Peter Vernon took on the role of Chair of the National Housing Bank. The committee will review its remit and operations as part of the wider review of governance that is taking place after the establishment of the National Housing Bank and the National Housing Delivery Fund.

The members of the Investment Committee as at 31 March 2026 were: Peter Vernon (Chair), Ros Kerslake CBE, Pat Ritchie CBE, Melanie Montanari (delegate – Alastair Paton), MHCLG, Simon Century (Chief Investment Officer) and Alison Crofton (Chief Regional Delivery Officer).

Representatives from the Infrastructure and Projects Authority and HM Treasury are also invited to attend meetings as observers.

Change Committee and Cross Cutting Committee

In line with the time limited nature of these committees, the Board's Change Committee and Cross Cutting Committee were disbanded during the financial year. The work of these committees has now been mainstreamed, with responsibilities split between executive and non-executive committees and structures.

Board and committee attendance 2025/26

The following table sets out the number of meetings each member attended during the year, and the number of meetings they were eligible to attend:

Name	Notes	Board	Audit, Assurance and Enterprise Risk Committee	Change Committee	Cross Cutting Committee	Home Ownership Committee	Nominations and Remuneration Committee	Investment Committee
Peter Freeman CBE (Chair)	Left the Board in April 2025	1/1	-	-	-	-	0/1	1/1
Pat Ritchie CBE (Chair)	-	9/9	-	3/4	-	-	3/3	7/11
Eamonn Boylan (Chief Executive and Accounting Officer)	Left the Board in October 2025	3/3	-	-	-	-	-	1/4
Amy Rees CB (Chief Executive and Accounting Officer)	Joined the Board in September 2025	6/6	-	-	-	-	-	4/7
Melanie Montanari/ Emma Fraser	Emma Fraser left the Board in July 2025	9/9	-	3/4	-	-	4/4	-
Mark Henderson	-	7/9	6/6	4/4	-	3/3	-	5/5
Lesley-Ann Nash	-	7/9	0/1	-	-	-	4/4	4/5
Abi Brown OBE	-	9/9	-	4/4	3/3	1/3	-	-
Ros Kerslake CBE	-	9/9	4/5	3/4	-	-	-	10/11
David Cutter	-	9/9	6/6	-	-	3/3	4/4	-
Sir Oliver Letwin	-	9/9	6/6	-	3/3	-	4/4	-
Peter Vernon	-	9/9	-	-	3/3	-	-	11/11
Sadie Morgan	Left the Board in August 2025	3/3	-	-	1/1	-	-	4/4
Meetings		9	6	4	3	3	4	11

Assessing Board performance and effectiveness

The Board is keen to ensure it is effective and performing strongly. The Board and committees regularly review their own performance informally at the end of meetings, and individual performance appraisal discussions are also held between the Chair and Board Members annually.

An external Board Effectiveness Review was undertaken by Red Quadrant in 2025 in line with

the Cabinet Office Guide for Board Effectiveness Reviews, and was presented to the Board in July 2025 alongside an informal review carried out by the incoming Chair, and an action plan agreed for implementation. The Board agreed to close the action plan at their meeting in November 2025 following successful delivery of key recommendations.

Board forward look

During 2026/27, the Board is looking forward to the new regional operating model, which introduces more regional and place-based working. The Board will also focus on ensuring an effective group structure, support the activities of the National Housing Bank and its other subsidiaries. This will enable the Agency to deliver the strategic objectives set by government and respond to

market conditions. The Board will oversee the Agency's drive on delivery, in accordance with its new Investment Strategy, helping Homes England achieve a step-change in housing delivery numbers, and support the government's ambitions to build 1.5 million high-quality homes.

The Corporate Leadership Team and its Sub-Groups

The Corporate Leadership Team (CLT) (formerly the Executive Leadership Team (ELT) until 31 March 2026) is responsible for delivery and assurance to the Board of the strategic plan objectives, risk, budget and performance reporting.

In 2025/26, CLT was supported by 4 executive groups and 3 Project Executives, which dealt with Investment and Development approvals.

Looking forward, from 1 April 2026 CLT is now supported by 2 executive groups: Delivery Executive Leadership Team (DELT) and Change Portfolio Executive (CPE); as well as a National Project Executive, under which sit 5 regional Project Executives, supporting the place-based delivery focus of the regional operating model.

CLT also has the benefit of engagement from a Shadow Leadership Board. All the Agency's governance structures are reviewed regularly, to ensure they continue to meet the needs of the Agency.

Shadow Leadership Board

The Shadow Leadership Board (SLB) was formed in September 2022, with members from across the Agency who, as a collective, bring together a diverse range of experience, skills, and insights.

SLB is made up of people in Senior Specialist/Senior Manager roles and below, to give those who are sometimes under-represented the ability to share their voice. The SLB shadows CLT and shares

its reflections around key challenges facing Homes England and other subjects being discussed, to diversify the perspectives that CLT are exposed to from across the organisation.

Delivery Boards

The Delivery Boards form part of a policy delivery partnership model agreed with MHCLG. The structure of the Agency's Delivery Boards has been re-set over the year to allow for consolidated consideration of land and infrastructure programmes, and have undergone further consolidation following the launch of the National Housing Bank.

The Delivery Boards provide oversight and assurance to the Agency and MHCLG on delivery of programmes and funds, and inform strategic and policy decision making for the Agency and relevant MHCLG Programme Boards. They monitor in-year and lifetime performance, manage emerging risks, and agree on actions to optimise performance. The Delivery Boards also include representatives from the National Infrastructure and Service Transformation Agency (NISTA) and HM Treasury, to give them the opportunity to oversee performance and input into key decisions.

The National Housing Bank and Regional Delivery (Regional Operating Model) Governance Changes

On 1 April 2026, Homes England launched the National Housing Bank Limited (the NHB), a wholly owned subsidiary of the Agency. On the same day, as detailed in Note 24 of the Financial Statements, the Agency transferred assets with a net carrying value of £2,028 million to the NHB, mainly comprising loans and equity investments.

From 1 April 2026, on the establishment of the NHB, we welcomed Simon Pistell and Chris Taylor to this Board, alongside James Coppin from UKGI, joining Peter Vernon and Ros Kerslake from the Homes England Board, and Simon Century and Amy Rees CB as ex-officio directors. Peter Vernon stood down as Homes England's Deputy Chair, to take up the role of Chair of the NHB.

The NHB Board now determines decisions relating to financial transactions falling into its remit, and has put in place an Executive Investment Committee and a Portfolio Management Committee to support it. Corresponding changes have been implemented at Homes England to reflect the transfer of activities.

For an interim period, the NHB will utilise support from the Audit Assurance and Enterprise Risk Committee and the Nominations and Remuneration Committee.



Risk Management

Risk Management Framework

Homes England's approach to risk management aligns with the 5 principles set out in HM Treasury's Orange Book: Management of Risk - Principles and Concepts. Our framework sets out a clear and consistent approach to how risks are identified, assessed, managed, and monitored effectively across the Agency.

Compliance with the Orange Book principles

As a public sector organisation, Homes England is required to either comply with or explain any departures from the 5 key principles of HM Treasury's Orange Book.

We have assessed our risk management approach against the Orange Book. The assessment confirmed that the Agency complies with the following principles:

- **Governance and leadership:** Risk management is embedded within governance structures and is integral to leadership at all levels.
- **Integration:** Risk management informs strategic planning, operational decisions, and daily business activities.
- **Collaboration:** Our approach is underpinned by cross-functional collaboration and informed by the best available data and expertise.

Whilst we have made significant progress with the **Risk Management Processes** and **Continuous Improvement principles**, we recognise that full compliance has not yet been fully achieved and this continues to be developed and embedded.

As part of our ongoing commitment to continuous improvement, we will be undertaking a risk maturity assessment to further enhance and strengthen our approach. Targeted enhancements to address gaps are also being implemented as follows:

- **Horizon scanning:** We acknowledge that our horizon-scanning capability requires further development to effectively capture the increasing range of internal and external

risks, particularly in the context of the National Housing Bank and the new regional operating model. Work to strengthen this is planned and underway.

- **Control assurance:** We recognise the opportunity to strengthen the assurance of our risk and control data, and this will be an important area of focus in 2026/27 as we continue to build our risk maturity. As part of this, we will contribute towards improving the quality of the data that supports risk-based assurance and strengthen how assurance activities are coordinated across teams.
- **Risk data:** We recognise that additional development is required to improve the quality and integration of risk data across the organisation, to enhance analytical insight, strengthen reporting, and improve responsiveness to risks.
- **Functional standards:** We remain committed to fully embedding the Functional Standards throughout all relevant areas of the Agency. Ongoing assessment and improvement activity continues to build on the solid progress made in 2025/26.

Framework governance and oversight

The Risk Management Framework sets out how risk management works across Homes England. It covers key categories of risk and appetite statements to support managing risk in a consistent and coordinated way. The current Risk Management Framework was approved by Board in 2023/24, with risk categories and appetite statements reviewed in 2024/25. The Framework was in place throughout the financial year and remains effective up to the date of this Annual Report and Accounts.

A comprehensive review of the Risk Management Framework, originally scheduled for 2025/26 was deferred to ensure the Framework fully reflects new operating arrangements through the National Housing Bank and enhanced regional delivery model. A comprehensive review will be completed in 2026/27.

Homes England continues to apply a 'Three Lines Model', to support the management of risk across the Agency:

- The First Line is responsible for owning and managing risks day-to-day. Individuals identify, assess and control risks through the processes, procedures and activities to which they design and operate. Managers ensure controls are working, implement mitigating actions when issues arise, and maintain effective supervision and performance information to highlight breakdowns or weaknesses.
- The Second Line supports management by overseeing and facilitating effective risk management. The function brings expertise, sets expectations, monitors compliance and ensures that risk information flows effectively across the organisation. The Risk team may perform reviews or assessments to confirm that standards and policies are being met.
- The Third Line, which is provided by the Agency's internal audit function, gives objective assurance on how well the organisation is identifying and managing risks, including effectiveness of first and second-line controls. They may assess cross-organisational risks and support sharing of good practice. Internal Audit is independent of day-to-day operations and reports to the Audit, Assurance and Enterprise Risk Committee (AAERC) on the effectiveness of the overall risk management framework and control environment.

The Corporate Leadership Team is accountable for putting the Homes England's Risk Management Framework into practice. They must make sure the risk processes are strong, work well, and support our strategic goals. AAERC oversees this and reports to the Board.

During the financial year, the Agency's principal risk profile reduced from 13 to 12 risks, with macroeconomic risk no longer considered a principal risk, as the Agency's ability to anticipate and respond to changes in macroeconomic conditions has strengthened over the past year. Macroeconomic risk has stayed at an acceptable

level for several quarters, showing that the actions taken to manage it are working well. This risk continues to be managed at an operational level.

Further information on our risk profile can be found in the Overview of Performance and Risk section, and the Principal Risks Impacting Delivery section of this Annual Report and Accounts.

Risk appetite

Homes England's risk appetite defines the level and type of risk the Agency is willing to accept in pursuit of its objectives, supporting proportionate and transparent decision-making aligned to public value.

The Risk Appetite Statement, approved by the Board, uses the following 3 levels of risk appetite.

- **Open** – Receptive to considered risk taking when benefits outweigh risks, or if the risk is outside the ability of the Agency to meaningfully control.
- **Neutral** – Acceptable, if within programme parameters. Informed risk-taking by senior management in the pursuit of the Agency's objectives.
- **Averse** – Taking this type of risk is not required to deliver Homes England's strategic objectives. Risks are unacceptable and must be avoided, fully mitigated or minimised.

The Agency sets thresholds at the Primary Risk Category Level, defining acceptable risk exposure across all areas of the business. This provides a consistent, organisation-wide reference point for risk acceptance, mitigation, or avoidance.

In some instances, a Secondary Risk Level may be used to reflect operational nuances, but any such adjustments must remain within the parameters set by the overarching Primary Risk appetite.

Primary risk categories

Primary risk categories provide a structured way of grouping risks by type, while principal risks represent the most significant risks that could impact Homes England's ability to achieve its objectives. Each principal risk is aligned to a primary risk category to ensure consistency in how risks are defined and assessed.

Homes England's 7 Primary Risk categories and Risk Appetite position are listed in the following table:

	Policy and Strategy Risk - Open The risk of changes in government policy priorities, external mandates, or shifts in Homes England's strategic direction, leading to misalignment with the Agency's mission, altered deliverables, impacts on the operating model, or expansion/reduction of areas of responsibility.
	Economic Risk - Open Risk of changes in the macroeconomic environment leading to volatility in the UK housing market, resulting in unsustainable levels of strategic change.
	Regeneration and Housing Delivery Risk - Open The risk of Homes England's interventions, decisions, or activities not delivering the anticipated outcomes, leading to missed objectives, inefficiencies, or setbacks in achieving its mission. This arises from inherent uncertainties, evolving circumstances, or the complexity of the housing and regeneration landscape, including the possibility of unforeseen challenges or initiatives occasionally falling short of expectations, as a trade-off in pursuing ambitious goals.
	Financial Risk - Neutral Risk of Homes England's credit/investment decisions leading to a financial loss or sub-optimal recovery outside agreed tolerance, resulting in an inability to achieve planned recovery rates.
	Value For Money Risk - Averse Risk of Homes England failing to achieve optimal value for money in its programmes, interventions, or operational activities, leading to inefficient use of public funds, sub-optimal outcomes, or reduced stakeholder trust.
	Operational Risk - Averse Risk of losses or adverse outcomes resulting from inadequate processes, resources, or ineffective systems.
	Fiduciary, Economic Crime and Fraud Risk - Averse Homes England will comply with all regulatory requirements. The Agency will put in place appropriate levels of controls to identify scheme abuse, failures in fiduciary duty (by Homes England or third parties owing Homes England a duty), economic crime, and fraud within its various programmes. These will be proportionate and consistent with best practice across government for similar activities. Given the scale and diversity of its interventions, the Agency recognises that a level of scheme abuse is unavoidable. When identified this will be proactively pursued and all legal and commercial means available to the Agency deployed to address it.

Risk culture

Homes England promotes an open, accountable risk culture consistent with Orange Book principles and Agency values. We encourage early identification and open discussion of risks, share lessons learned, and deliver training to build capability.

We are committed to building a culture that prioritises effective risk management and continuous improvement in our control environment. Our approach to risk reflects our shared values and behaviours, highlighting the importance of working together and being accountable.

Through these efforts, we continue to strengthen how we understand and manage risk across our organisation.

Countering economic crime

Homes England is committed to the effective management and application of public funds. The Agency sets high ethical standards while achieving value for money. A new Economic Crime Risk Policy was published in 2025/26 which focuses on applying a proportionate and risk-based control framework, ensuring compliance with relevant legislation and Cabinet Office Functional Standards.

In 2024/25 Homes England was subject to an assessment of its compliance to the government's Counter Fraud Functional Standard (GovS013) by the Public Sector Fraud Authority (PSFA). The PSFA rated the Agency as 'In Development'.

In 2025/26 the Agency has focused on addressing the findings through improvements to our control framework, governance, processes, systems, controls, and the delivery of economic crime risk assessments and counter fraud measurement.

To achieve this, we are improving the way we work by streamlining our processes so we can use data more effectively to measure fraud.

Additionally, fraud loss measurement projects are conducted, or are in development, across various Homes England programmes.

The Agency's performance in 2025/26 is to be reassessed by the PSFA in 2026/27. Our goal is to be an exemplar across government in economic crime prevention and detection.

In addition to these improvements, Homes England has strengthened and embedded economic crime controls to ensure compliance with the new offence of 'failing to prevent fraud'. A new Economic Crime Risk Policy was approved by the Board in 2025/26, which is supported by an Economic Crime Risk Strategy and Counter Fraud Response Plan, both of which are 3-year plans to 2027/28 and have been shared with MHCLG and the PSFA.

Cases of suspected economic crime, including fraud, are reported to our Nominated Officer. These are assessed and, where the allegations have grounds for further review, are investigated and actioned accordingly. All suspicions of money laundering and other crimes are reported to the appropriate authority in line with our obligations under the Proceeds of Crime Act 2002.

Additionally, all cases of identified fraud, error or loss are escalated and reported quarterly to MHCLG and the PSFA. The quarterly returns are subject to scrutiny by the Agency's Corporate Leadership Team and AAERC. The cost of fraud prevented and detected is shown in the Fiduciary, Economic Crime and Fraud Risk (Financial Crime) section within this Annual Report and Accounts.

We monitor the government's UK sanctions regime guidance against our consumer and development partners to ensure we comply with the UK's sanctions regime. As part of our commitment to protect people from exploitation, ensure people are treated fairly and safely and to stop criminals from profiting from abuse, we continue to embed controls to eradicate modern slavery across all our business activities and in our supply chains.

Homes England's Anti-Economic Crime Team continues to support colleagues in identifying such risks and to externally report suspicion of modern slavery to the authorities. An annual Modern Slavery Statement is published on gov.uk.

All colleagues are required to complete mandatory economic crime e-learning training and face-to-face training is delivered on an ad-hoc basis ensuring continuous improvement.

Risk events and near misses reporting

We encourage everyone across Homes England to report risks, near misses and incidents in an open and supportive way, without blame. This helps us understand what has happened, learn from experience and take action promptly. Our enterprise-wide reporting tool supports this approach by improving visibility and ease of reporting.

In 2025/26, we recorded 163 new operational risk incidents and near misses, resolving 162 incidents and near misses during the year, compared with 143 recorded and 140 resolved in 2024/25. We believe that the increase in reporting reflects greater awareness and confidence in reporting. This is underpinned by a strong no-blame culture, which encourages individuals to speak up and report issues at an early stage.

All reported incidents are followed up with corrective actions and ongoing monitoring to help strengthen controls and reduce the likelihood of similar issues occurring in future.

Specific risk and control disclosures – prior year commercial control exception and remediation actions

In 2024/25, irregular expenditure arose when digital discovery work commenced before the required contract variation or spend approvals were in place. The work was subsequently stopped, and the matter was disclosed in the 2024/25 Annual Report and Accounts. We have taken action to strengthen the control

environment to reduce the risk of recurrence. No new related costs have been incurred in 2025/26.

A number of control improvements have been implemented during 2025/26, including enhanced governance, engagement and reporting, strengthened commercial and legal review processes, improved contract variation controls and staff training and communications. Progress was monitored during 2025/26 as part of reporting to the Corporate Leadership Team and to AAERC.

In addition to formal monitoring through the Agency's governance framework, monthly meetings have been held with action owners to review progress, support the timely resolution of actions, and address any barriers to achieving the agreed resolution dates. All required actions have been delivered, and the requirement to develop an integrated commercial management system solution has been included within the scope of our change programme activity for 2026/27.

Risk and control assurance

Assurance activity within the Risk function

Homes England's Risk function has continued to provide second line review and challenge across operational, programme and financial risks throughout the financial year. The Legal and Regulatory Compliance Team carried out an assurance programme covering key regulatory requirements, while also coordinating and assessing the Agency's performance against government functional standards.

The Agency recognises the opportunity to strengthen the assurance of our risk and control data, and this will be an important area of focus in the year ahead as we continue to build our risk maturity.

Assurance arrangements over services performed by mortgage administrator

A System and Organisation Controls 1 (SOC1) assurance review is now a regular annual activity undertaken by the Help to Buy mortgage

administrator over their IT and operational controls. These independent reviews are yet to find any material weaknesses in the control activity of processing on their software and systems.

This work aligns with full monthly sample assurance and reconciliation work carried out by the first line business.

Internal Audit

Internal Audit is required to provide an annual opinion on the overall framework of governance, risk management and control to inform the Governance Statement. It delivers a plan of work agreed with the Accounting Officer and the Board, through the Audit, Assurance and Enterprise Risk Committee (AAERC), to provide an overall assurance opinion.

The overall assurance provided for 2025/26 is a 'Moderate' opinion. This means that 'some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control'. The assurance level provided in 2024/25 has therefore been maintained, and the direction of travel is assessed as improving which is considered a significant improvement to the previous declining trajectory reported in 2024/25.

The annual opinion is informed through Internal Audit's formal programme of reviews as well as ongoing observations and organisational progress with, and independent validation of, improvements made to the control environment. Consideration of work delivered through other assurance functions e.g. Regulatory Compliance, Compliance Audit and Controls Testing, was also a contributory factor in confirming the overall opinion.

Whistleblowing

Homes England's Whistleblowing Policy provides clear routes for colleagues to raise concerns about wrongdoing which will qualify as 'protected disclosures' under legislation where disclosure is in the public interest. All concerns raised are taken seriously, and the insight gained supports continuous improvement across the organisation.

There are a number of routes for colleagues to raise concerns including an independent whistleblowing hotline, and training is made available for all colleagues. Benchmarking of our processes has been carried out with the whistleblowing charity 'Protect' in 2025 and the results show an improvement compared to the results of the same exercise carried out in 2022. Further improvements are planned for the next financial year including the introduction of senior level triage and the use of an independent third-party to carry out investigations where appropriate.

During the 2025/26 reporting period 7 disclosures were made under the whistleblowing process. Of these 4 met the classification of protected whistleblowing disclosures.

Additionally, the Agency was made aware that during the year, 3 whistleblowing disclosures have been reported directly to the National Audit Office.

There was one disclosure raised via the whistleblowing process in 2024/25. This did not meet the classification of a whistleblowing disclosure.

External Auditors

The Comptroller and Auditor General is the statutorily appointed auditor under the provisions of the Housing and Regeneration Act 2008.

The cost of work performed by the auditor for 2025/26 is £648,000 (2024/25: £630,000).

As part of the annual audit of Homes England, the National Audit Office (NAO) may issue recommendations to strengthen governance and accountability. Such recommendations are considered by senior management, reviewed by the Audit, Assurance and Enterprise Risk Committee, and solutions are implemented where appropriate.

Public Scrutiny

As an arm's-length body of MHCLG, Homes England is subject to government and Parliamentary scrutiny. The Agency must respond to formal calls for evidence (written and hearings) from Select Committees, including the Public Accounts Committee (PAC), and support studies and audits led by the NAO. It also provides information in response to Parliamentary Questions.

2025/26 brought comprehensive scrutiny of Homes England's activity by the National Audit Office (NAO) and parliamentary committees.

The NAO value for money study on unlocking land was a significant and complex piece of work, covering a number of different programmes and funding streams. The report (<https://www.nao.org.uk/wp-content/uploads/2026/02/unlocking-land-for-housing.pdf>) was published in February 2026 and was examined by the Public Accounts Committee in May 2026 with the Homes England Accounting Officer and Chief Regional Delivery Officer appearing alongside representatives from MHCLG to give evidence to the committee.

The NAO also carried out an investigation into shared home ownership: <https://www.nao.org.uk/reports/investigation-into-shared-ownership/>.

The Agency's affordable housing team provided information to the NAO who carried out a short, factual investigation into how the shared ownership model works, challenges that affect shared owners and the role of MHCLG and the Homes England in the programme. In addition, the Agency provided evidence to the NAO for their value for money study into developer contributions: <https://www.nao.org.uk/reports/improving-local-areas-through-developer-funding/>, which was published in June 2025.

Homes England engaged with the Parliamentary Environmental Audit Committee inquiry into environmental sustainability and housing growth: <https://committees.parliament.uk/work/8638/environmental-sustainability-and-housing-growth/>. The Agency's then interim Chief Executive appeared alongside counterparts from Natural England and Environment Agency to provide evidence on how Homes England balances the provision of new homes and support for the government's 1.5 million homes target with its (and the government's) objectives on protecting and enhancing the environment.

The Parliamentary Industry and Regulators Committee conducted an inquiry on the Building Safety Regulator (BSR): <https://committees.parliament.uk/event/24776/formal-meeting-oral-evidence-session/> and the Director for the Cladding Safety Scheme (CSS) provided evidence for the Agency on the interaction between the CSS and BSR and how Homes England and the BSR work together on building safety matters.

Conclusion

I have received appropriate assurance from senior management, our governance structures and from reporting and assurance provided to me through the 3 lines of defence. Other than already disclosed within this statement I am satisfied that the Agency has complied appropriately with all governance requirements. We are committed to constantly striving for the best public service and ensuring that our systems, process and people adapt to ensure our Agency can fully contribute to the government's ambitions for housing and regeneration.

3.2 Remuneration and Staff Report



This section details remuneration and staff expenses and policies.



Remuneration and Staff Report

Nominations and Remuneration Committee

The Nominations and Remuneration Committee (NRC) has the following responsibilities:

- Advise the Board on the remuneration arrangements for colleagues at grade 23 level and above, and the Chief Executive, and any related matters.
- Recommend the appointment or dismissal of the Chief Executive to the Board.
- Set and agree annual performance objectives of the Chief Executive, subject to Ministry of Housing, Communities and Local Government (MHCLG) approval.
- Consider and approve the incentive structure, including any bonus payment, for the Chief Executive and for colleagues at grade 23 and above on an annual basis, subject to MHCLG approval.
- Keep under review the leadership needs of the organisation, both executive and non-executive skills and knowledge. To recommend systems of succession planning to support the continued ability of the organisation to deliver the outcomes in the corporate strategy and monitor their implementation.
- To monitor the Agency's overall staffing position against the organisational structure approved by the Board and approve any changes, having regard to the revenue budget agreed by MHCLG and any headcount directions issued by MHCLG.
- Consider and advise the Board on broader staffing issues, such as recruitment and retention, overall pay levels, grading structure, pension and performance awards, and any other staffing matters that are referred to the Committee by the Executive.
- Advise the Board in relation to the Equality, Diversity and Inclusion (EDI) strategy and oversee the implementation plan.
- Review and make recommendations to the Board in respect of the People and Culture strategy.
- Review the management information (MI) on the people pillar of the MI dashboard and advise the Board of any concerns alongside management's reports.
- Approve all exceptional pay business cases.

Remuneration Policy

We determine remuneration levels to attract and retain the talent and skills with appropriate experience to meet our objectives. The performance of Homes England's Corporate Leadership Team (CLT), formerly known as the Executive Leadership Team (ELT), is measured through both financial and non-financial indicators. In line with our approach to building brilliant performance, employees agree annual performance objectives which are reviewed regularly throughout the year and provide the basis for a formal annual appraisal, which is linked to the payment of performance bonuses.

CLT and employees are entitled to a contribution by Homes England to a defined benefit pension scheme.

Homes England runs an annual pay review process and implements an annual pay award, which is approved by the Secretary of State as part of the civil service pay remit and in accordance with Senior Civil Service Guidance processes.

Employment Contracts

CLT have contracts of employment with 6-month notice periods that do not contain any pre-determined compensation on termination of office.

Appointment of Board Members

Board members are appointed by the Secretary of State, previously this was for a fixed term of 3 years, new appointments from 2024/25 onwards are for a fixed term of 4 years. Terms may be extended at the discretion of the Secretary of State. Board members' time commitment was 3 days per month in 2024/25 and 2025/26. Board members who have additional chair responsibilities have an additional time commitment.

Audited Remuneration Information

The following information provides details of the remuneration and pension interests of CLT in their capacity as employees of Homes England for the year to 31 March 2026 and Board members. Sections that are subject to audit are listed as such.



Non-executive Board Members' Emoluments (subject to audit)

	2025/26 £'000	2024/25 £'000
Chair		
Peter Freeman CBE (to 30 April 2025) ¹	8	95
Pat Ritchie CBE (from 1 May 2025) ²	91	36
Board members		
Stephen Bell (to 30 November 2024)	-	28
Duncan Sutherland (to 13 December 2024)	-	18
Sadie Morgan OBE (to 1 September 2025) ³	12	29
Mark Rennison (to 31 July 2024)	-	14
Lesley-Ann Nash ⁴	29	29
Mark Henderson ⁵	27	29
Lord Austin of Dudley (to 23 February 2025)	-	23
Sir Oliver Letwin	25	22
Peter Vernon ⁶	46	27
Ros Kerslake CBE	25	22
David Cutter ⁷	42	29
Abi Brown OBE	25	22
Emma Fraser (to July 2025) ⁸	-	-
Melanie Montanari ⁸	-	-

1. Peter Freeman resigned from the Homes England Board on 30 April 2025 following his appointment as Chair of Cambridge Growth Company (CGC). Peter received £7,917 in emoluments for his role as Chair of the Homes England Board during 2025/26, with full year equivalent emoluments of £95,000. Peter's salary continues to be paid via Homes England payroll but is not disclosed, as this salary is not received in relation to Homes England Board member duties. Please note that Cambridge Growth Company is classified as a joint venture within Homes England's Financial Statements (see note 10b of the Financial Statements), and all costs are funded by Homes England.
2. Pat Ritchie was appointed as Interim Chair of the Board for a period of 18 months commencing on 1 May 2025. She received £87,083 in emoluments for this role during 2025/26, with full year equivalent emoluments of £95,000. Prior to becoming Interim Chair of the Board, Pat served as Deputy Chair alongside her Board membership. She received £3,470 in emoluments for the Deputy Chair role during 2025/26, with full-year equivalent emoluments of £41,640.
3. In addition to being a Board member, Sadie Morgan was the Chair of the Cross Cutting Committee. Her term ended on 1 September 2025. Sadie received £12,152 in emoluments for her role during 2025/26, with full year equivalent emoluments of £29,148.
4. In addition to being a Board member, Lesley-Ann Nash was the Chair of the Nominations and Remuneration Committee. Lesley-Ann Nash's term was extended for 2 years from 27 November 2025 to 27 November 2027.
5. In addition to being a Board member, Mark Henderson was the Chair of the Change Committee until it was disbanded on 30 October 2025. Mark Henderson's term was extended for 2 years from 23 November 2025 to 23 November 2027.
6. In addition to being a Board member, Peter Vernon was Chair of the Investment Committee. From 5 June 2025 he was appointed as Deputy Chair. Full year equivalent emoluments for 2025/26 were £49,274. From 1 April 2026 Peter Vernon will step down as Deputy Chair and Chair of the Investment Committee and become Chair of the National Housing Bank. He will remain a member of the Homes England Board and Investment Committee.
7. In addition to being a Board member, David Cutter was the Chair of the Home Ownership Committee and the Audit, Assurance and Enterprise Risk Committee.
8. Emma Fraser and Melanie Montanari previously shared the role of Director at MHCLG and jointly acted as MHCLG's representatives on the Board. Emma Fraser left MHCLG in July 2025 and ceased to be a joint Shareholder Representative at that time. Melanie Montanari has since taken on the role on a full time basis, with her appointment extended for a further 3 years until 2 October 2028. They do not receive a salary for their duties on the Homes England Board.

Chief Executive's Emoluments (subject to audit)

Single total figure of remuneration												
	Salary received in year (£'000)		Recovery of amount paid (£'000)		Bonus payments (£'000)*		Benefits in kind (to nearest £100)		Pension benefits (£'000)**		Total (£'000)	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
Eamonn Boylan, Interim Chief Executive Officer (to 10 October 2025) ⁹	165-170	65-70	nil	nil	nil	nil	nil	nil	nil	nil	165-170	65-70
Amy Rees CB, Chief Executive Officer (from 1 September 2025) ¹⁰	175-180	nil	nil	nil	nil	nil	nil	nil	34	nil	210-215	nil

Corporate Leadership Team Emoluments (subject to audit)

Single total figure of remuneration												
	Salary received in year (£'000)		Recovery of amount paid (£'000)		Bonus payments (£'000)*		Benefits in kind (to nearest £100)		Pension benefits (£'000)**		Total (£'000)	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
Marcus Ralling, Interim Chief Investment Officer (to 31 August 2025) ¹¹	60-65	230-235	nil	nil	nil	nil	nil	nil	nil	nil	60-65	230-235
Simon Century Chief Investment Officer (from 1 September 2025) ¹²	140-145	nil	nil	nil	nil	nil	nil	nil	26	nil	165-170	nil
Alison Crofton, Interim Chief Property Officer (to 28 February 2026), Chief Regional Delivery Officer (from 1 March 2026) ¹³	195-200	195-200	nil	nil	nil	nil	nil	nil	40	28	235-240	225-230
Mike Wiltshire, Executive Director of Strategy, Markets and Analysis (from 1 September 2025) ¹⁴	95-100	nil	nil	nil	nil	nil	nil	nil	43	nil	135-140	nil

Corporate Leadership Team Emoluments (subject to audit)

Single total figure of remuneration												
	Salary received in year (£'000)		Recovery of amount paid (£'000)		Bonus payments (£'000)*		Benefits in kind (to nearest £100)		Pension benefits (£'000)**		Total (£'000)	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
Kirsty Shaw, Chief Operating Officer ¹⁵	220-225	210-215	nil	nil	nil	20-25	nil	nil	45	39	265-270	270-275
Ian Workman, Chief Customer Officer ¹⁶	230-235	215-220	nil	nil	20-25	15-20	nil	nil	47	39	300-305	270-275
Paul Murphy, Chief Risk Officer (from 1 March 2026) ¹⁷	15-20	nil	nil	nil	nil	nil	nil	nil	11	nil	30-35	nil

* Bonuses disclosed relate to amounts paid during the year but relate to performance in 2024/25.

** The pension benefits figure is an actuarially assessed calculation. It attempts to reflect the benefits earned by the employee during the year from the scheme and is impacted by salary fluctuations and length of service.

9. Remuneration received during 2024/25 included unused holiday entitlement of £5,000-£10,000. Full year equivalent emoluments for 2024/25 and 2025/26 were £300,000-£305,000. There was a brief overlap between 1 September and 10 October 2025, during which both Eamonn Boylan and Amy Rees CB were employed by Homes England. This ensured continuity of leadership, supported effective knowledge transfer, and reduced operational risk.

10. Full year equivalent emoluments for 2025/26 were £300,000-£305,000.

11. Remuneration received during the year is based on the day rate multiplied by the number of days worked. Full year equivalent emoluments for 2025/26 were between £215,000 and £220,000, based on the day rate multiplied by 220 days.

12. Full year equivalent emoluments for 2025/26 were £240,000-£245,000. From 1 April 2026 Simon Century has taken up the role of Chief Executive Officer of the National Housing Bank.

13. Remuneration received during the year includes £175,000-£180,000 for the period 1 April 2025 to 28 February 2026 relating to Interim Chief Property Officer duties. Alison was appointed Chief Regional Delivery Officer from 1 March 2026, and received £15,000-£20,000 for that role, full year equivalent emoluments for 2025/26 were £225,000-£230,000.

14. Full year equivalent emoluments for 2025/26 were £165,000-£170,000.

15. Kirsty Shaw resigned as a member of CLT and will leave Homes England in August 2026. Melanie Montanari will join the Agency as Chief Operating Officer in September 2026.

16. From 1 April 2026 Chief Customer Officer was renamed Chief National Officer.

17. Full year equivalent emoluments for 2025/26 were £225,000-£230,000.

Note: Caroline Patterson has been appointed as Chief Finance Officer, and joined the Agency on 8 June 2026.

Salary

Basic salaries are determined by considering the responsibilities of the role, market trends and each individual's experience and capability, within the scope of the evaluated grade for the role. Salary includes base remuneration and, in exceptional circumstances, overtime. It may also include a London weighting allowance, temporary promotion, additional responsibility allowance or a market pay supplement or retention allowance if applicable.

The Secretary of State determines the Board members' emoluments.

Performance Related Pay

The Agency complies with the direction from the Secretary of State on eligibility for a performance related bonus. Permanent CLT postholders benefit from a performance related pay scheme. Any bonuses are determined with reference to performance against objectives, agreed by the Nominations and Remuneration Committee. The Committee reviews performance against targets and approves any proposed bonus payment for CLT. The performance year runs from April to March. The bonus cannot exceed 10% of salary and is the only element of pay that is performance related.

The Chair is not eligible for performance related payments or other taxable benefits.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs (HMRC) as a taxable emolument. CLT did not receive any benefits in kind in 2024/25 and 2025/26.



Pension Benefits (subject to audit)

Chief Executive and Accounting Officer

Eamonn Boylan was appointed as Interim Chief Executive on 15 January 2025. He was not a member of the Agency's pension scheme. Amy Rees CB was appointed as the permanent Chief Executive on 1 September 2025. She is a member of the Agency's pension scheme.

Corporate Leadership Team

Pension details are disclosed for those individuals who were part of CLT during the year and who are a member of the Homes and Communities Agency Pension Scheme (HCAPS).

	Accrued annual pension at 31 March 2026 (£'000)	Real increase in accrued annual pension (£'000)	Accrued lump sum at 31 March 2026 (£'000)	Real increase/ (decrease) in accrued lump sum (£'000)	CETV* 31 March 2026 (£'000)	CETV* 31 March 2025 Restated (£'000)	Real increase/ (decrease) in CETV* (£'000)
Amy Rees CB ¹⁸	0-5	0-2.5	0	0	13	0	13
Alison Crofton	10-15	2.5-5	0	0	63	51	10
Mike Wiltshire ¹⁹	15-20	0-2.5	35-40	0-2.5	170	136	29
Kirsty Shaw	5-10	2.5-5	0	0	82	56	24
Ian Workman	5-10	2.5-5	0	0	81	55	24
Simon Century ²⁰	0-5	0-2.5	0	0	8	0	8
Paul Murphy ²¹	15-20	0-2.5	35-40	0-2.5	265	265	0

* Cash Equivalent Transfer Value.

18. Amy Rees CB joined the 2019 CARE section of HCAPS on 1 September 2025. The figure shown is the value of benefits accrued since that date.

19. Mike Wiltshire was appointed as a CLT member on 1 September 2025. However, he was an employee of Homes England prior to this date and therefore pension figures above cover all periods of employment with the Agency.

20. Simon Century joined the 2019 CARE section of HCAPS on 1 September 2025. The figure shown is the value of benefits accrued since that date.

21. Paul Murphy was appointed as a CLT member on 1 March 2026. However, he was an employee of Homes England prior to this date and therefore pension figures above cover all periods of employment with the Agency.

Members of CLT are eligible to participate in the Homes and Communities Agency Pension Scheme, which is a multi-employer defined benefit scheme. The Chair is not entitled to be a member of the Agency's pension scheme. All CLT members in post at 31 March 2026 are active members of the Homes and Communities Agency Pension Scheme.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public

service pension contribution rates that was in existence at 31 March 2026.

Accrued pension at 31 March 2026

The accrued pension entitlement is the pension which would be paid annually on retirement, based upon pensionable service to 31 March 2026.

Cash Equivalent Transfer Value (CETV) at 31 March 2026

The transfer values are the actuarially assessed capitalised value of pension scheme benefits. It is an amount payable by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The figures shown relate to benefits that the individual has accrued as a result of their total membership of the pension scheme and not just the service in a senior capacity to which disclosure applies.

The real increase in CETV reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Termination Payments (subject to audit)

Termination payments to CLT in 2025/26 were £nil (2024/25: £nil).

Staff costs (subject to audit)

Staff costs	2025/26 (£'000)	2024/25 (£'000)
Permanent staff employed directly by the Agency		
Salaries and wages	95,910	85,961
Social security costs	12,953	10,096
Employer pension contributions	17,889	16,494
Other pension related	(6,047)	(2,309)
Sub total	120,705	110,242
Temporary staff	8,548	10,930
Seconded staff	(40)	410
Less staff costs capitalised: Land and Property	(12,604)	(11,337)
Less staff costs transferred to programme costs	(25,089)	(21,722)
Total net costs	91,520	88,523

There were £nil redundancy costs during 2025/26 (2024/25: £nil). An analysis of exit packages is shown under the heading Exit Packages, later in this Remuneration and Staff Report.

Staff composition (subject to audit)

The average number of staff employed by the Agency (full time equivalents) over the course of the year is as follows:

	2025/26 Number	2024/25 Number
Permanent UK staff	1,435	1,332
Fixed term UK staff	91	78
Temporary staff	70	95
Board members	9	12
Seconded staff	5	4
	1,610	1,521

In 2025/26 the Agency took steps to reduce the number of temporary staff, instead, utilising more cost-effective directly employed fixed term or permanent appointments as appropriate.

The number of staff (full time equivalents) by salary pay band, using an average for the year, is as follows:

	2025/26 Number	2024/25 Number
£0 - £25,000	17	17
£25,001 - £50,000	513	497
£50,001 - £75,000	704	687
£75,001 - £100,000	270	214
£100,001 - £125,000	53	55
£125,001 - £150,000	31	35
£150,001 - £175,000	14	7
£175,001 - £200,000	2	3
£200,001 - £225,000	2	4
£225,001 - £250,000	3	1
£250,001 - £275,000	0	0
£275,001 - £300,000	0	0
£300,000 - £325,000	1	1
	1,610	1,521

Gender analysis

The gender of Board members, CLT and other employees can be analysed as follows:

	2025/26 Number	2024/25 Number
Board members – Male	4	7
Board members – Female	5	5
Board members	9	12
CLT – Male	3	3
CLT – Female	3	2
CLT	6	5
Other employees – Male	772	740
Other employees – Female	823	764
Other employees	1,594	1,504
	1,610	1,521

The HMRC definition of gender has been used for this analysis so that it is aligned with our Gender Pay Gap report. This requires us to categorise our colleagues as male and female.

At Homes England, we recognise that gender identity is broader than simply male and female, and we know that some of our colleagues do not identify with either category. Whilst we must report in this way, we value, welcome, and celebrate colleagues of all gender identities at Homes England.

We are pleased to report a year-on-year reduction in our mean gender pay gap, which now stands at 9.46%, a 1.37% decrease in the mean gap from the previous year and the lowest since reporting began in 2017. This progress reflects continued efforts to improve representation and career progression, particularly at senior levels. However, the median pay gap has increased slightly this year to 8.19% from 7.30%, which is largely due to the concentration of female colleagues in lower pay quartiles and is an area we continue to focus on. Since 2017 there has been an 8.94% decrease in the mean gap and a 11.41% decrease in the median gap. Whilst we are going in the right direction, we recognise that further work is needed to ensure equitable career progression pathways, especially for part-time staff.

Our ethnicity pay gap analysis shows a mean gap of 11.75% and a median gap of 14.40% when comparing ethnic minority colleagues to white colleagues. While these figures have reduced since last year when they were 14.80% and 19.04% respectively, it highlights the need for continued focus on improving representation at senior levels.

While there is no statutory duty to analyse or report ethnicity pay this year, the government published employer guidance and reporting of ethnicity pay has been conducted using this guidance.

The guidance recommends a minimum of 50 colleagues in any declared ethnic group to ensure statistical robustness and avoid possible identification of individual colleagues. Due to many of our colleagues identifying in ethnic groups of less than 50 we have chosen to report our ethnicity pay gap using only 2 groups, these being white and non-white ethnic minority. The ethnicity pay gap is therefore reported as the difference between white colleagues and non-white ethnic minority colleagues.

Our full gender and ethnicity pay gap report contains a more detailed analysis on the reasons that contribute to our gap. We also set out our commitments on closing the gaps further.

Fair Pay Disclosures (subject to audit)

The table below shows the percentage change in salary and allowances and performance pay and bonuses payable of the highest paid director and the workforce of Homes England.

2025/26	Salary and allowances % change	Performance pay and bonus % change
Highest paid director	(12.9%)	0%
Average pay of workforce	1.7%	(15.2%)

In 2024/25, the highest paid director was paid a payment in lieu of notice (£105,000 - £110,000) which meant that the equivalent to one month and

9 days contractual payment otherwise due in this financial year was paid in 2024/25. Excluding this payment, the salary and allowances percentage change is (3.2%) (2024/25: 5%).

The (15.2%) change in average performance pay and bonuses from £214 (2024/25) to £182 (2025/26) is because of the higher performance bonuses paid to CLT in 2024/25.

Homes England is required to disclose the relationship between the remuneration of its highest paid director and the lower quartile, median and upper quartile remuneration of its workforce.

The table below compares the total pay and benefits for the highest paid director with that of the workforce who are paid at the 25th percentile (lower quartile), 50th percentile (median) and 75th percentile (upper quartile).

	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2025/26	6.8:1	4.7:1	4.0:1
2024/25	8.1:1	5.5:1	4.7:1

The change in ratio in comparison to the previous year is due to a payment in lieu of notice of £105,000 – £110,000 being paid to the highest paid director in 2024/25. Excluding this payment, the 2024/25 figures for the 25th percentile, median and 75th percentile pay ratio are 7.3:1, 5.0:1 and 4.2:1 respectively, showing that in 2025/26 the total pay and benefits for the highest paid director is marginally closer to that of the workforce.

The ratios, when excluding the payment in lieu of notice, are consistent with our pay policies, obligations under the Civil Service Pay Remit Guidance and overall approach to reward which seeks to balance affordability, competitiveness and fairness.

The table below sets out the salary and total pay and benefits (excluding pensions) of the workforce for the 3 identified percentile points. This excludes the highest paid director.

	25th percentile	Median	75th percentile
Salary	£44,568	£64,393	£76,093
Total pay and benefits	£44,718	£64,543	£76,093

Total remuneration includes salary, additional responsibility allowances, market pay supplements, non-consolidated performance-related pay and other taxable benefits. It does not include severance payments, employer pension contributions or the cash equivalent transfer value of pensions.

The full year equivalent banded remuneration of the highest paid director in Homes England in the financial year 2025/26 was Amy Rees, £300,000-£305,000 (2024/25: Peter Denton, £310,000-£315,000). This was 4.7 times (2024/25: 5.5 times) the median remuneration of the workforce, which was £64,543 (2024/25: £63,088).

In 2025/26, no (2024/25: one) member of the workforce had annualised remuneration in excess of the highest paid director.

Annualised remuneration ranged from £20,000 - £25,000 to £300,000 - £305,000 (2024/25: £15,000 - £20,000 to £310,000 -£315,000).

As an arm’s-length body within scope of the civil service pay remit, for 2025/26 the Agency applied an average pay award of 3.25% plus 0.5% targeted to colleagues at or below the midpoint of their pay range for our delegated grade equivalents.

We also applied an average 3.25% pay award plus 0.5% targeted to address anomalies for senior colleagues, in roles equivalent to Senior Civil Servants (SCS), in alignment with the SCS pay guidance.

Exit Packages (subject to audit)

Previous redundancy and other departure costs have been determined in accordance with a voluntary redundancy scheme approved by MHCLG. Exit costs are accounted for in full when the departure has been approved and terms agreed.

There have been no such departures in the period as shown below:

	2025/26 Departures agreed Number	2024/25 Departures agreed Number
£0 - £10,000	-	-
£10,001 - £25,000	-	-
£25,001 - £50,000	-	-
£50,001 - £100,000	-	-
£100,001 - £150,000	-	-
Total number of exit packages	-	-
Total cost of exit packages (£'000)	-	-

Loans to Employees

The Agency has provided travel season ticket loans, cycle scheme loans and home charge point loans to employees during the year. The total amount outstanding in respect of these at 31 March 2026 was £78,769. There were no other loans to employees.

Staff Turnover Percentage

Staff turnover for 2025/26 was 8.00% (2024/25: 9.87%). This can be split between voluntary staff turnover (where staff have left the Agency for a role elsewhere or have retired) and involuntary staff turnover (where staff have left the Agency due to the end of a contractual period or dismissal). Voluntary staff turnover was 6.00% (2024/25: 7.56%). Involuntary staff turnover was 2.00% (2024/25: 2.31%). The Agency collects data to understand staff turnover through exit interviews which are offered to departing staff.

Expenditure on Consultancy

During the year, the Agency incurred expenditure (on a cash basis) of £1,758,310 on consultancy in accordance with the definition of the Government Financial Reporting Manual (FReM) (2024/25: £5,858,672). This reflects a £4.1 million (70%) reduction year-on-year, with spend decreasing

across all categories. Organisation and Change Management was the only area to incur consultancy costs. The reduction largely reflects the impact of tighter consultancy spend controls introduced at the beginning of 2025 as part of a wider government aim to achieve savings in this area. The majority of the consultancy spend relates to the Integrated Change Programme (£1.3 million). This brings together activity from our previous change programmes; Evolve, Organisational Blueprint and Data, into one programme focused on delivering all the organisational, process and technology, and data changes we need to successfully establish the new regional operating model.

Consultancy type	2025/26	2024/25
Property and Construction Consultancy	-	-
Finance Consultancy	-	£1,653,672
Organisation and Change Management Consultancy	£1,758,310	£4,205,000
Information Technology/ Systems Consultancy	-	-
Specialist Contractors	-	-
	£1,758,310	£5,858,672

The FReM definition of consultancy can be found in Annex 4 at: www.gov.uk/government/publications/government-financial-reporting-manual-2025-26

Apprenticeship Levy

During the year, the Agency incurred expenditure of £462,680 on contributions to the apprenticeship levy to support apprenticeship training and assessment for apprentices (2024/25: £415,737). The Agency makes use of this scheme by employing apprentices across teams, creating opportunities for apprentices to forge a career path within Homes England. Apprentices gain real 'on the job' experience and are supported through professional qualifications. During the year, the Agency claimed £238,009 (2024/25: £381,955) from the levy to support apprenticeships.

Off-payroll Arrangements

In accordance with the requirements of the FReM, the Agency is required to publish details of its highly paid and senior off-payroll engagements. The Agency uses off-payroll arrangements for specialist or technical contractors and consultants to address urgent, scarce skills gaps.

Temporary off-payroll worker engagements at 31 March 2026, that were paid at least £245 per day	2025/26 Number
Number of existing engagements as at 31 March 2026	70
of which:	
have existed for less than one year at time of reporting	42
have existed for between one and 2 years at time of reporting	13
have existed for between 2 and 3 years at time of reporting	6
have existed for between 3 and 4 years at time of reporting	7
have existed for 4 years or more at time of reporting	2

All temporary off-payroll workers engaged at any point during the year ended 31 March 2026, that were paid at least £245 per day	2025/26 Number
Number of off-payroll workers engaged during the year ended 31 March 2026	131
of which:	
not subject to off-payroll legislation	130
subject to off-payroll legislation and determined as in scope of IR35	0
subject to off-payroll legislation and determined as out-of-scope of IR35	1
engagements reassessed for compliance or assurance purposes during the year	0
engagements that saw a change to IR35 status following review	0

During an internal review of off-payroll engagements in 2021/22, it became evident there were a small number of cases where a status determination statement was not issued to a contractor, or the contractor had been incorrectly determined as out-of-scope of IR35. In May 2022, Homes England provided a voluntary disclosure to HMRC, including an estimated liability for missing tax, National Insurance and apprenticeship levy plus interest for years 2017/18 to 2021/22 of £1.2m. This amount was recognised in the 2021/22 Financial Statements.

In November 2025, HMRC closed the case review in respect of the above and Homes England received a refund of £211,000 (including interest).

Homes England continues to monitor and review to ensure compliance with IR35 in line with HMRC legislative guidance.

Off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, between 1 April 2025 and 31 March 2026	2025/26 Number
Number of off-payroll engagements of Board members, and/or senior officials with significant financial responsibility during the financial year	1
Total number of individuals both on and off-payroll who have been deemed 'Board members and/or senior officials with significant financial responsibility', during the financial year	18

Marcus Ralling is off-payroll and considered to have significant financial responsibility. Marcus was employed on an interim basis whilst permanent recruitment took place. His position ended on 31 August 2025.

Employee Matters

People and Culture Strategy

We launched our People and Culture Strategy in 2023 with the aim of providing greater alignment and structure around the aims and purpose of the Agency, with a focus on establishing Homes England as a place for talented people to come to progress their careers. The strategy articulates 3 areas of strategic focus aligned with our purpose of: **Providing people services that facilitate a brilliant place to work**. These 3 areas are:

- Talent Attraction and Growth
- Total Reward and Insight
- Excellence Everyday

Underpinning these is our foundation of everything being built and delivered in the spirit of enhancing **Colleague Inclusion, Trust, Pride and Purpose**.

These themes have been developed into a detailed people and culture delivery plan originally set for the period 2023/24 to 2025/26. The plan has now been extended to 2027/28 to allow us to build upon the themes, and focus delivery on the impacted areas. We have completed 3 years of delivery, with a further 2 years remaining.

Equality and diversity in employment and occupation

Over the past year, we have continued to strengthen our internal Equality, Diversity and Inclusion (EDI) foundations by focusing on practical changes that improve day-to-day experience, build confidence in inclusive behaviours, and increase accountability at every level. This includes strengthening leadership ownership of EDI priorities, and embedding inclusion into how we lead, recruit, develop talent and support colleagues.

Our EDI Annual Report 2025/26 outlines our approach to EDI as an Agency, rooted in our values and commitment to fostering an inclusive culture. It sets out our vision and strategy, highlighting the progress made over the past year.

Our objectives were to:

- define and embed clear leadership commitments, supported by an internal action plan
- improve colleague experience by increasing our score for the inclusion question in our Let's Talk colleague survey to at least 8

Our priority areas focused on where our data and colleague insight tell us change will have the greatest impact. These were:

- gender and ethnicity: improving representation, opportunities and pay
- disability and carers: strengthening support, accessibility and our working environment
- inclusive culture: embedding equity, diversity and inclusion in everyday behaviours and decision making

Key achievements include:

- strengthening support for disabled colleagues and improving accessibility, including a relaunch of our Reasonable Adjustments process to bring guidance, tools and resources into one place and make it easier for colleagues and managers to access and apply
- expanding access to early careers routes, with our offer bringing together graduates and apprentices and reaching under-represented groups through diverse applicant offers. Our 2025 offers went to 41% female applicants, 32% ethnic minority backgrounds, 27% identified as disabled, and 27% from low socio-economic backgrounds
- our Data Academy continuing to support colleagues to develop specialist skills while helping to strengthen diversity within the data profession. Ten colleagues enrolled this year, with 40% female representation, more than double the UK average for women in data roles

- embedding inclusion into leadership and senior recruitment, including an inclusion-focused interview round for director-level recruitment with diverse perspectives shaping fair, transparent hiring decisions
- strengthening EDI learning and induction, ensuring new joiners understand our expectations and the role everyone plays in creating a respectful working environment
- colleague Networks continuing to shape culture and practice, through challenge, insight, awareness activity and lived experience that strengthens belonging and allyship across the Agency

We continue to improve the quality and completeness of our EDI data, supported by increased colleague self-declaration and a reduction in “not declared” responses, helping us build a clearer picture of representation and where action is most needed.

Colleague voice remains central to shaping our priorities. Our November 2025 Let’s Talk survey showed improvement across multiple measures, including increases in colleagues feeling they belong, feeling able to bring their whole self to work, and feeling we value diversity and demonstrate commitment to an inclusive workplace. These insights directly inform the actions we prioritise through our internal EDI action plan.

We recognise we have more to do to meet our ambitions, and we remain committed to leading visibly on inclusion, strengthening everyday inclusive behaviours, and ensuring fair and consistent outcomes for all colleagues.

Staff policy regarding disabled persons

We remain committed to ensuring equality of opportunity for all disabled people who work or apply to work for us. We’re proud to ensure that our Disability Confident Scheme provides avenues where individuals with disabilities are able, where they meet the minimum criteria for the role, to secure a guaranteed interview. This is an integral part of enabling the Agency to secure a more diverse pool of candidates.

On all applications we ask if any adjustments are needed to enable any interview or selection process and monitor applicants who indicate they have a disability to ensure they are aware of the Disability Confident Scheme and guaranteed interview process, and so that we can offer support tailored to individual needs.

Where we are made aware of colleagues with disabilities or long-term health conditions, we have a variety of tools and support available. We work with colleagues, line managers, Human Resources and Occupational Health to identify reasonable workplace adjustments specific to the individual’s particular needs. In addition to this, we have dedicated colleague-led diversity networks that provide feedback, help monitor the effectiveness of our support and help us with our thinking as we further develop policies, processes and strategies.

A workplace adjustment plan and carer's passport are also available to support colleagues and managers of colleagues who have disabilities or caring responsibilities.

Sickness absence

During the year, 1.92% (2024/25: 1.83%) of working days were lost to sickness absence. According to the Office for National Statistics (ONS), in the UK labour market for calendar year 2025, 2.0% of days were lost due to sickness absence, split 1.7% private sector and 2.9% public sector.

Health and safety

Homes England health and safety (H&S) performance has remained strong through 2025/26 and its key achievements are set out below.

For the 8th year running our accident incident rate (AIR) for reportable injuries to our employees only under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) was zero per 100,000 employees, and the AIR for all types of injuries involving our employees was calculated at 241 per 100,000 employees, which is significantly less than the latest published national Labour Force Survey AIR for 2024/25 at 2,070 per 100,000 employees.

Homes England sets annual corporate H&S targets for a range of activities such as training, risk assessments and safety audits. The Board and the Corporate Leadership Team (CLT) are regularly updated on the Agency’s H&S performance and its progress towards meeting those targets. In 2025/26, 10 targets were agreed by CLT and the Board, and all have been met or exceeded.

During the year, Homes England appointed a non-executive H&S specialist to advise the Audit, Assurance and Enterprise Risk Committee (AAERC) on Homes England’s H&S performance and management systems. This has enhanced our corporate governance framework, introducing an additional layer of scrutiny and constructive challenge on H&S matters at a senior level.

The Agency continued to safely onboard, manage and develop complex sites with significant H&S risks in its capacity as landowner and major construction client, minimising risk of incidents.

Employee engagement

In 2025 we conducted our Let’s Talk main survey. The response rate was 87% which is within the ideal category according to our engagement surveys third-party provider, Hive, and is the best response we have received in an engagement survey since they commenced in 2022.

The results show an improvement in colleague engagement, with an increase from the 2024 survey across all key measures of Average Score, Engagement Index and employee net promoter score (e-NPS).

Trade union relationships

Homes England formally recognises (in line with a formal recognition agreement) 3 trade unions – Unite, PCS and Unison – with whom the Agency consults and/or negotiates on matters related to pay and reward, policies and procedures, working conditions and related people issues. Regular Joint Negotiation and Consultation Committee (JNCC) meetings take place between management and elected union representatives every other month.

Relevant union officials	2025/26
Number of employees who were relevant union officials during the relevant period	14



3.3 Parliamentary Accountability and Audit Report



This section provides details of losses and special payments, regularity, and the audit certificate.



Parliamentary Accountability Disclosures

Losses and Special Payments (subject to audit)

In accordance with the provisions of the Accounts Direction issued by the Secretary of State, Homes England has summarised all losses and special payments requiring disclosure, recognised during the course of the financial year, as follows:

	2025/26		2024/25	
	Cases	£'000	Cases	£'000
Total of all losses and special payments	57	157,744	119	62,297
Cases over £300,000:				
Loans written-off or fair value losses, irregular payments, constructive losses, and receivables written-off	12	157,008	16	60,965

Homes England's expected recovery rate on open and repaid loans (capital and interest received as a proportion of capital lent) is 108%, even allowing for increased write-offs disclosed in this Losses and Special Payments section. This compares favourably to programme parameters.

Under International Financial Reporting Standard 9: Financial Instruments (IFRS 9), the Agency is required to consider whether a financial asset investment meets the definitions of a basic lending arrangement, in order to establish whether the investment should be measured at Amortised Cost or at Fair Value.

For assets which are measured at amortised cost, a write-off amount is recognised in the Financial Statements when it is considered that there is no realistic prospect of full recovery. There are also a number of loan investments which are managed operationally in line with the Agency's loan management processes, but from an accounting point of view are measured at Fair Value through Profit or Loss (FVTPL). Where it has been assessed that there is no realistic prospect of full recovery for such loan investments, these have also been disclosed in this note. This is aligned with the Government Financial Reporting Manual requirement to disclose losses in this note for the attention of Parliament at the earliest point at which a loss is expected.

For assets measured at Amortised Cost, the Agency is required to consider the effect of discounting future cash flows (to reflect the present value of the anticipated recovery) to determine the required write-off allowance for accounting purposes. The losses recognised here include an element of this discounting effect, which will subsequently be unwound in future years as interest income on the impaired balance.

During 2025/26, there were 11 cases of loan losses recognised where the amount written-off, or fair value loss, was in excess of £300,000; 9 write-offs of loans measured at Amortised Cost, and 2 fair value losses on loans measured at FVTPL. There was also one receivables balance write-off in excess of £300,000. The following table details these losses:

£'000	Comments
Loans Measured at Amortised Cost	
85,826	Market Abuse Regulations preclude further commentary. An accounting impairment of £85.8 million has been recognised. As at 31 March 2026, total cumulative losses recognised to date were £85.8 million.
19,542	Funding was provided under the Short Term Home Building Fund to support construction of 146 residential apartments on a brownfield site. The main contractor stopped work in July 2025 and entered administration in September 2025. As a result, key completion deadlines and the final repayment date have been breached. Although one block has completed, the remaining blocks are either incomplete or awaiting Building Safety Regulator sign-off, and there is uncertainty over collateral warranties and new homes insurance. The borrower unsuccessfully sought to work through these problems (limited liquidity, council tax liabilities and remaining build costs), but this was not possible and the borrower went into Administration in May 2026. There is significant uncertainty over the recoverability of the debt, therefore a full accounting write-off of the existing exposure was made in 2025/26. As at 31 March 2026, total cumulative losses recognised to date were £19.5 million.
6,321	Funding was provided under the Short Term Home Building Fund for a multi-phase residential and mixed-use development, which includes a later phase intended to deliver 55 flats. The scheme has faced prolonged delays and has now stalled following a breakdown in the relationship between the borrower and contractor. A replacement contractor has since identified significant construction, workmanship, structural and building control issues, including health and safety concerns, and the remedial works are expected to be extensive. Exchanged sales have fallen away because of the delays, and the wider development is no longer being marketed. In previous financial years, accounting write-offs of £0.9 million were recognised. In 2025/26 an additional accounting write-off of £6.3 million has recognised the reduced expectation of return from these incremental issues. As at 31 March 2026, total cumulative losses recognised to date were £7.2 million.
1,925	Funding was provided under the Short Term Home Building Fund to support the delivery of 31 units. The scheme has faced significant delays and higher costs following a landslip, contractor insolvency and a period where the site stalled. Although work has now restarted and progress is being made, the project remains marginal and is still reliant on continued build progress, future sales and recycling receipts. The borrower has limited liquidity, with no further equity available, and the scheme remains exposed to further cost increases and delivery risk. In previous financial years, accounting write-offs of £4.2 million were recognised. In 2025/26 an additional accounting write-off of £1.9 million has been recognised. As at 31 March 2026, total cumulative losses recognised to date were £6.1 million.

£'000	Comments
1,166	The Agency provided funding under the Levelling Up Housing Build Fund for an 8 flat residential development. The scheme has faced significant delays and cost overruns, and work has been stalled since January 2026. The buildings on site are not wind and watertight and suffer from insurance and health and safety issues, including basement flooding and an incomplete steel roof structure. There is also uncertainty over the cost to complete, particularly as water damage to the timber frame could lead to significant remediation costs. As a result, an accounting impairment of £1.2 million has been recognised to reflect the potential estimated loss. As at 31 March 2026, total cumulative losses recognised to date were £1.2 million.
1,145	The Agency provided funding under the Short Term Home Building Fund to support development of 19 residential apartments. The scheme faced significant delays after planning issues at the start of the project and the original contractor later entered liquidation, thus the remaining works had to be retendered, and a replacement contractor appointed. These delays led to higher costs, while updated valuations showed that expected sales values had fallen. Although the development has now completed, sales were much slower than expected; a proposed bulk sale fell through, and further valuations showed another reduction in value. The borrower also had limited liquidity while essential property costs continued to build up. In previous financial years, accounting write-offs of £0.9 million were recognised. In 2025/26 an additional accounting write-off of £1.1 million has been recognised. As at 31 March 2026, total cumulative losses recognised to date were £2.0 million.
1,123	The Agency provided funding under the Short Term Home Building Fund to support a 39 unit residential development. The scheme has been under pressure because sales have been slower than expected, costs have increased and the project is reliant on sales receipts to fund the remaining works. The borrower's equity has been wiped out and the final phase has been put on hold. The contractor has also raised a significant claim for delay costs, creating a risk that works could stop or the borrower could fall into insolvency. In previous financial years, accounting write-offs of £0.1 million were recognised. In 2025/26 an additional accounting write-off of £1.1 million has been recognised. As at 31 March 2026, total cumulative losses recognised to date were £1.2 million.

£'000	Comments
728	The Agency provided funding under the Short Term Home Building Fund to support a 27 unit residential development. The scheme has faced significant delays and higher costs over several years because of drainage issues, Covid disruption and cladding matters. The borrower subsequently went into liquidation. Although completing and selling the units was initially considered the best option, acceptable new homes warranty cover could not be secured, making normal retail sales difficult because buyers are unlikely to obtain mortgages without it. There are still planning, drainage, title and cost issues to resolve. In previous financial years, accounting write-offs of £2.7 million were recognised. In 2025/26 an additional accounting write-off of £0.7 million has been recognised. As at 31 March 2026, total cumulative losses recognised to date were £3.4 million.
355	The Agency provided an infrastructure loan under the Long Term Home Building Fund to support development of 3,000 homes. A series of delays prior to work commencing on site impacted timelines for delivery, and contracted equity investment did not materialise to meet future funding requirements. A review was commissioned by the Agency which suggested the scheme was no longer viable, and the borrower has subsequently gone into liquidation. An LPA Receiver has been appointed by the Agency to investigate development opportunities. In previous financial years, accounting write-offs of £20.2 million were recognised. In 2025/26 an additional accounting write-off of £0.4 million has been recognised. As at 31 March 2026, total cumulative losses recognised to date were £20.6 million.
Loans Measured at FVTPL	
24,008	Market Abuse Regulations preclude further commentary. A fair value loss of £24.0 million has been recognised in 2025/26. As at 31 March 2026, cumulative net fair value losses recognised were £97.5 million.
14,129	Market Abuse Regulations preclude further commentary. A fair value loss of £14.1 million has been recognised in 2025/26. As at 31 March 2026, cumulative net fair value losses recognised were £74.8 million.
Receivables write-off	
740	The write-off relates to unrecovered rental income, excluding VAT, for a commercial warehouse and compound tenancy. Despite proactive credit control measures and the implementation of an agreed payment plan to recover outstanding balances, no payments were received. Legal advice was sought and subsequently it was determined that the tenant company was dissolved and the guarantor was insolvent. Due to limited options to recover any arrears, the rental debt has been written off.
157,008	Total write-offs and net fair value losses which exceed £300,000

Included in the 2025/26 accounts are further write-offs of loans measured at Amortised Cost totalling £323,000, further fair value losses on loans measured at FVTPL of £37,000 and write-offs of receivables of £266,000, which individually are below the reporting threshold and therefore have not been included in the table above. There were 2 special payments, one constructive loss and 19 lost IT assets, all below the reporting threshold.

In addition to this, the 2025/26 accounts reflect the reversal of previously recognised accounting write-offs or reversals of previously recognised fair value losses totalling £4.5 million during the period.

Regularity (subject to audit)

During 2025/26, Homes England complied with the requirements of regularity as set out in Managing Public Money, and HM Treasury (HMT) approval was obtained for all novel, contentious or repercussive transactions relating to 2025/26.

The Accountability Report is signed on 10 July 2026

A handwritten signature in cursive script, appearing to read 'A. Rees'.

.....
Amy Rees CB
Chief Executive and Accounting Officer

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the Homes and Communities Agency (Homes England) and its Group for the year ended 31 March 2026 under the Housing and Regeneration Act 2008.

The financial statements comprise Homes England and its Group's:

- Statement of Financial Position as at 31 March 2026;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Homes England and Group financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of Homes England and its Group's affairs as at 31 March 2026 and their net expenditure for the year then ended; and
- have been properly prepared in accordance with the Housing and Regeneration Act 2008 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 [Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom \(2024\)](#). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2024. I am independent of Homes England and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that Homes England and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Homes England and its Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for Homes England and its Group is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Housing and Regeneration Act 2008.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Housing and Regeneration Act 2008; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of Homes England and its Group and their environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by Homes England and its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Board and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of

the financial statements such as records, documentation and other matters;

- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within Homes England and its Group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Housing and Regeneration Act 2008;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Housing and Regeneration Act 2008; and
- assessing Homes England and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Homes England and its Group will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Housing and Regeneration Act 2008.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK)

will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of Homes England and its Group's accounting policies.
- inquired of management, Homes England's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Homes England and its Group's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including Homes England and its Group's controls relating to Homes England's compliance with the

Housing and Regeneration Act 2008 and Managing Public Money;

- inquired of management, Homes England's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team including significant component audit teams and the relevant internal and external specialists, including the valuation of land and property assets regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within Homes England and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of Homes England and its Group's framework of authority and other legal and regulatory frameworks in which Homes England and Group operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of Homes England and its Group. The key laws and regulations I considered in this context included Housing Regeneration Act 2008, Managing Public Money, employment law, pensions legislation and tax Legislation.

I considered specific risk assessment procedures relating to fraud, non-compliance with laws and regulations and regularity including: risk-based review of journals to identify those presenting a higher risk of fraud, informed by planning risk

assessment; review of estimates presented within the accounts; analysis of individual income streams to address the potential risk of fraud in revenue recognition; and review of the control framework in place for significant grant streams.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit Assurance and Enterprise Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I reviewed estimates in the accounts and challenged underlying assumptions and methodologies, and substantively tested grant expenditure streams, investments, loans and property transactions to address the risk of material irregularity.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General

10 July 2026

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP



4. Financial Statements





Group Statement of Comprehensive Net Expenditure – Year ended 31 March 2026

	Note	2025/26 £'000	2024/25 £'000
Expenditure			
Grants	3	3,194,573	3,286,126
Cost of land and property disposals	4	136,600	55,771
Programme costs	5	98,270	87,644
Staff costs	6a	79,678	74,338
Pension costs	6a	11,842	14,185
Administration expenses	7	33,513	31,799
Write-down of land and property assets	18	271,307	178,264
Net fair value loss on financial assets measured at fair value through profit or loss*	11e	222,611	-
Impairment/(impairment reversal) of financial assets measured at amortised cost	11f	128,473	(29,714)
Increase/(decrease) in provisions		971	(1,096)
		4,177,838	3,697,317
Income			
Proceeds from disposal of land and property assets	4	178,630	104,338
Net fair value gain on financial assets measured at fair value through profit or loss*	11e	-	438,947
Gain/(loss) on disposal of financial assets	11e	50,183	(6,047)
Interest income	11e	121,506	119,329
Home equity homeowner fees	11e	151,908	129,326
Other operating income	8	169,709	70,179
		671,936	856,072
Net operating expenditure		3,505,902	2,841,245
Interest payable		613	599
Share of losses/(profits) of associates and joint ventures	9	5,109	7,767
Impairment of investments in associates and joint ventures	10b	4,782	6,678
Pension fund finance (income)/costs	20d	(449)	(338)
Net expenditure before tax		3,515,957	2,855,951
Income tax charge/(credit)		19,355	832
Net expenditure for the year		3,535,312	2,856,783
Other comprehensive expenditure			
Actuarial loss/(gain) from pension schemes	20e	3,298	3,784
Income tax on items in other comprehensive expenditure		(825)	(946)
		2,473	2,838
Total comprehensive expenditure for the year		3,537,785	2,859,621

*The presentation of fair value gains and losses has been revised to improve clarity. Instead of splitting fair value movements into those above and below original cost, as had been the case previously and as had been reflected in the published Financial Statements for 2024/25, the overall net fair value gain or loss on all financial assets held at fair value through profit or loss is now presented in a single line, either within income if there is an overall gain, or within expenditure if there is an overall loss. A breakdown of the gains and losses by asset category can be seen in Note 11e.

The Group Financial Statements incorporate those of the Agency and the investees controlled by the Agency. No Statement of Comprehensive Net Expenditure is presented for the Agency as this is not materially different to that presented for the Group.

All activities above derive from continuing operations. Net expenditure is financed by Grant in Aid as explained in accounting policy Note 1e, with the exception of non-cash expenditure, for example depreciation, amortisation, provisions and impairments.

The accompanying Notes are an integral part of these Financial Statements.

Group Statement of Financial Position – Year ended 31 March 2026

	Note	2025/26 £'000	2024/25 £'000
Non-current assets			
Intangible assets		20,125	24,938
Property, plant and equipment		8,867	13,343
Investments in associates and joint ventures	10b	65,695	56,948
Pension assets	20a	3,643	189
Trade and other receivables	11b	168,250	122,222
Financial assets held at amortised cost:			
Loans receivable	11d, 15	1,051,364	873,638
Financial assets held at fair value through profit or loss:			
Home equity loans	11d, 14	13,658,113	16,097,595
Loans receivable	11d, 15	412,594	314,093
Other investments	11d, 17	237,238	221,778
		15,625,889	17,724,744
Current assets			
Land and property assets	18	1,026,537	1,156,089
Trade and other receivables	11b	194,028	212,289
Financial assets held at amortised cost:			
Loans receivable	11d, 15	334,562	543,214
Financial assets held at fair value through profit or loss:			
Loans receivable	11d, 15	10,675	36,408
Other investments	11d, 17	49,068	42,357
Cash and cash equivalents	11a	302,521	388,501
		1,917,391	2,378,858
Total assets		17,543,280	20,103,602
Current liabilities			
Trade and other payables	19	(273,670)	(466,521)
Provisions		(1,490)	(150)
		(275,160)	(466,671)
Non-current assets plus net current assets		17,268,120	19,636,931
Non-current liabilities			
Trade and other payables	19	(36,140)	(26,974)
Provisions		(4,258)	(4,418)
Pension liabilities	20a	(2,678)	(2,710)
		(43,076)	(34,102)
Assets less liabilities		17,225,044	19,602,829
Reserves			
Income and expenditure reserve		17,225,044	19,602,829
Taxpayers' equity		17,225,044	19,602,829

The accompanying Notes are an integral part of these Financial Statements. Approved by the Board on 10 July 2026 and signed on their behalf by:

A. Rees

Amy Rees CB

Chief Executive and Accounting Officer

Agency Statement of Financial Position – Year ended 31 March 2026

	Note	2025/26 £'000	2024/25 £'000
Non-current assets			
Intangible assets		20,125	24,938
Property, plant and equipment		8,867	13,343
Investments in subsidiaries	10a	100,000	100,000
Investments in associates and joint ventures	10b	9,467	13,906
Pension assets	20a	3,643	189
Trade and other receivables	11b	168,250	122,222
Financial assets held at amortised cost:			
Loans receivable	11d, 15	1,051,364	873,638
Financial assets held at fair value through profit or loss:			
Home equity loans	11d, 14	13,658,113	16,097,595
Loans receivable	11d, 15	412,594	314,093
Other investments	11d, 17	237,238	221,778
		15,669,661	17,781,702
Current assets			
Land and property assets	18	1,026,537	1,156,089
Trade and other receivables	11b	194,028	212,289
Financial assets held at amortised cost:			
Loans receivable	11d, 15	334,562	543,214
Financial assets held at fair value through profit or loss:			
Loans receivable	11d, 15	10,675	36,408
Other investments	11d, 17	49,068	42,357
Cash and cash equivalents	11a	302,521	388,501
		1,917,391	2,378,858
Total assets		17,587,052	20,160,560
Current liabilities			
Trade and other payables	19	(306,311)	(511,074)
Provisions		(1,490)	(150)
		(307,801)	(511,224)
Non-current assets plus net current assets		17,279,251	19,649,336
Non-current liabilities			
Trade and other payables	19	(36,140)	(26,974)
Provisions		(4,258)	(4,418)
Pension liabilities	20a	(2,678)	(2,710)
		(43,076)	(34,102)
Assets less liabilities		17,236,175	19,615,234
Reserves			
Income and expenditure reserve		17,236,175	19,615,234
Taxpayers' equity		17,236,175	19,615,234

The accompanying Notes are an integral part of these Financial Statements. Approved by the Board on 10 July 2026 and signed on their behalf by:



Amy Rees CB

Chief Executive and Accounting Officer

Group Statement of Cash Flows – Year ended 31 March 2026

	Note	2025/26 £'000	2024/25 £'000
Net cash (outflow)/inflow from operating activities	a)	(1,222,252)	(1,593,554)
Cash flows from investing activities			
Purchase of property, plant and equipment		(869)	(1,140)
Purchase of intangible assets		(2,381)	(14,457)
(Investment)/divestment made in group companies	10b	(18,638)	(12,090)
Net cash outflow from investing activities		(21,888)	(27,687)
Cash flows from financing activities			
Grant in Aid from sponsor department	SOCTE**	1,160,000	1,845,000
Rent payments reducing finance lease liabilities		(1,948)	(1,986)
Rent receipts reducing finance lease assets		108	41
Net cash inflow from financing activities		1,158,160	1,843,055
Increase/(decrease) in cash and cash equivalents in the period		(85,980)	221,814
Cash and cash equivalents at 1 April	11a	388,501	166,687
Cash and cash equivalents at 31 March	11a	302,521	388,501

** SOCTE: Statement of Changes in Taxpayers' Equity

The Group Financial Statements incorporate those of the Agency and the investees controlled by the Agency. No Statement of Cash Flows is presented for the Agency as this is not materially different to that presented for the Group.

The accompanying Notes are an integral part of these Financial Statements.



a) Reconciliation of Net Operating Expenditure to Net Cash Flow from Operating Activities

	Note	2025/26 £'000	2024/25 £'000
Net operating expenditure	SOCNE***	(3,505,902)	(2,841,245)
Financial assets:			
Financial asset investments made by the Agency:			
Home equity loans	14a	(89)	(628)
Loans receivable	15a, 15b	(428,984)	(496,152)
Other investments	17a	(75,227)	(45,896)
		(504,300)	(542,676)
Proceeds from disposal of financial asset investments:			
Home equity loans	14b	2,244,249	1,933,055
Loans receivable	15a, 15c	339,845	359,104
Other investments	17b	77,873	62,454
		2,661,967	2,354,613
(Gain)/loss on disposal of financial assets:			
Home equity loans	14b	(49,749)	6,047
Other investments	17b	(434)	-
		(50,183)	6,047
Fair value (gains)/losses on financial assets held at fair value through profit or loss:			
Home equity loans	14a	245,071	(411,162)
Loans receivable	15b	4,690	(5,187)
Other investments	17a	(24,383)	(19,016)
Trade and other receivables	11c	(2,767)	(3,582)
		222,611	(438,947)
Increase/(decrease) in impairment of financial assets measured at amortised cost:			
Loans receivable	11f	128,532	(29,605)
Trade and other receivables	11f	(59)	(109)
		128,473	(29,714)
Interest added to financial assets held at amortised cost:			
Loans receivable - interest capitalised	15a	(87,073)	(87,992)
Loans receivable - change in accrued interest*	15a	1,148	(2,045)
		(85,925)	(90,037)
Land and property:			
Additions to land and property assets	18	(276,837)	(322,476)
Cost of land and property assets disposed	4	135,082	52,756
Increase in write-downs of land and property	18	271,307	178,264
		129,552	(91,456)
Other:			
Depreciation and amortisation	7	11,090	8,062
Impairment of intangible assets		-	6,312
Carrying value of disposed property, plant and equipment, with no cash proceeds received		2,592	1,712
Pension costs	20d, 20f	(6,335)	(2,595)
Payments of income tax		(2,800)	(4,500)
		4,547	8,991
		(999,160)	(1,664,424)
Decrease/(Increase) in receivables*		(40,779)	96,202
(Decrease)/increase in payables		(183,493)	(24,156)
(Decrease)/increase in provisions		1,180	(1,176)
Net cash outflow from operating activities		(1,222,252)	(1,593,554)

* The 2024/25 £2,045k increase in the accrued interest balance for loans receivable at amortised cost has been re-presented from within the decrease in receivables to the new 'Loans receivable - change in accrued interest' line in the reconciliation.

** SOCTE: Statement of Changes in Taxpayers' Equity.

*** SOCNE: Statement of Comprehensive Net Expenditure

The Group Financial Statements incorporate those of the Agency and the investees controlled by the Agency. No Statement of Cash Flows is presented for the Agency as this is not materially different to that presented for the Group.

Group Statement of Changes in Taxpayers' Equity – Year ended 31 March 2026

	Note	2025/26 £'000	2024/25 £'000
Balance at 1 April		19,602,829	20,617,450
Net expenditure for the year		(3,535,312)	(2,856,783)
Actuarial gain/(loss) from pension fund	20e	(3,298)	(3,784)
Income tax on items in other comprehensive expenditure		825	946
Total comprehensive expenditure for the year		(3,537,785)	(2,859,621)
Grant in Aid from sponsor department	1e	1,160,000	1,845,000
Balance at 31 March		17,225,044	19,602,829

Agency Statement of Changes in Taxpayers' Equity – Year ended 31 March 2026

	Note	2025/26 £'000	2024/25 £'000
Balance at 1 April		19,615,234	20,616,008
Net expenditure for the year		(3,536,586)	(2,842,936)
Actuarial gain/(loss) from pension fund	20e	(3,298)	(3,784)
Income tax on items in other comprehensive expenditure		825	946
Total comprehensive expenditure for the year		(3,539,059)	(2,845,774)
Grant in Aid from sponsor department	1e	1,160,000	1,845,000
Balance at 31 March		17,236,175	19,615,234

The accompanying Notes are an integral part of these Financial Statements.



Notes to the Financial Statements - Year ended 31 March 2026

1. Statement of accounting policies

a) Statutory basis

The Homes and Communities Agency, trading as Homes England (hereafter, the Agency), is an executive non-departmental public body and statutory corporation created by the Housing and Regeneration Act 2008 (as amended by the Localism Act 2011). Homes England is sponsored by the Ministry of Housing, Communities and Local Government (MHCLG).

The Financial Statements of Homes England are governed under the provisions of the Housing and Regeneration Act 2008 and by the Accounts Direction given by the Secretary of State, with approval of HM Treasury under the Act. The Direction issued on 24 March 2023 reflects government policy that the Financial Statements should, insofar as appropriate, conform to the accounting and disclosure requirements contained in Managing Public Money and the Government Financial Reporting Manual (FReM). The Financial Statements have been prepared in accordance with the 2025/26 FReM issued by HM Treasury.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Agency for the purpose of giving a true and fair view has been selected. The policies adopted by the Agency are described below. They have been applied consistently in dealing with items that are considered material to the Agency's accounts.

b) Accounting convention

The Financial Statements are prepared under the historical cost convention modified by the revaluation of certain assets and liabilities as determined by the relevant accounting standards (which, for these Financial Statements, includes financial assets held at fair value through profit or loss, financial assets held at amortised cost

and some land and property assets held at net realisable value).

c) Basis of preparation and consolidation

The Group Financial Statements incorporate those of the Agency and the investees controlled by the Agency. No Statement of Comprehensive Net Expenditure is presented for the Agency as this is not materially different to that presented for the Group. No Statement of Cash Flows is presented for the Agency as this is not materially different to that presented for the Group.

Unless specified, all Notes to the Financial Statements apply to both the Group and Agency.

No significant judgements or assumptions have been made relating to the determination of investee status, joint control, or significant influence.

The Group's associated undertakings are all undertakings in which the Group has a participating interest and over whose operating and financial policy it exercises significant influence. The Group's joint ventures are all undertakings in which the Group exercises joint control. In the Group Financial Statements, investments in associates and joint ventures are accounted for using the equity method, wherein an investment is initially recorded at cost and subsequently adjusted to reflect the investor's share of the net assets of the associate or joint venture. The consolidated Statement of Comprehensive Net Expenditure includes the Group's share of profits and losses of associates and joint ventures, while its share of net assets of associates and joint ventures is shown in the Group Statement of Financial Position.

The share of net assets and profit information is based on unaudited financial statements or management information to 31 March 2026 for most associates and joint ventures. Where this information is not available, financial statements

with a different reporting date have been used, where this reporting date is within three months of that of the Agency and where this does not produce significantly different results. Adjustments have been made on consolidation for significant transactions following the reporting date of the information used.

English Cities Fund Limited Partnership prepares its annual financial statements up to 31 December, the same reporting date as its investee partner.

Countryside Maritime Limited prepares its annual financial statements up to 30 September, which is the reporting date of the joint venture partner.

Tilia Community Living LLP prepares its annual financial statements up to 31 March, which is the same reporting date as the Agency.

Newton Development Partners LLP prepares its annual financial statements up to 31 March, the same reporting date as the Agency.

Habiko LLP prepares its annual financial statements up to 31 December, which is the reporting date of the joint venture partners. The entity was incorporated on 25 October 2024 and will produce its first set of audited accounts for the period ending 31 December 2025.

MADE Partnership LLP prepares its annual financial statements up to 30 June, which is the reporting date of the joint venture partners.

Juniper JVCO Limited prepares its annual financial statements up to 31 December, which is the reporting date of the joint venture partner. The entity was incorporated on 18 October 2024 and will produce its first set of audited accounts for the period ending 31 December 2025.

PlacePoint Housing Partnership LLP prepares its annual financial statements up to 31 December, which is the reporting date of the joint venture partner. The entity was incorporated on 4 September 2025 and will produce its first set of audited accounts for the period ending 31 December 2026.

The Impact & Places Partnership Limited

prepares its annual financial statements up to 31 December, which is the reporting date of the joint venture partner. The entity was incorporated on 14 November 2025 and will produce its first set of audited accounts for the period ending 31 December 2026.

d) Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures, as recorded in the Agency's own Statement of Financial Position, are accounted for at cost (subject to an annual assessment for impairment).

e) Funding

The Agency's activities are funded in part by income generated from operations and in part by Grant in Aid provided by the Ministry of Housing, Communities and Local Government for approved and budgeted expenditure.

Grant in Aid received to finance activities and expenditure which support the statutory and other objectives of the Agency is treated as financing and credited to the income and expenditure reserve in full, because it is regarded as a contribution from a controlling party. The net expenditure for the period is transferred to this reserve.

f) Critical accounting judgements

In the process of applying its accounting policies, the Agency makes various judgements, apart from those including estimates (which are detailed in Note 1g), that can significantly affect the amounts it recognises in its Financial Statements.

Critical judgements, apart from those including estimates, are as follows:

Defined benefit pensions

The Agency applies asset ceiling adjustments to the carrying value of its pension assets on the basis that government pension regulations apply conditions to the realisation of surpluses. This means the Agency has no unconditional right to gain equivalent economic benefit from

surpluses that have built up. The asset ceiling adjustments ensure that no net pension assets are recognised in relation to surpluses that can't be unconditionally realised.

The decision to apply asset ceiling adjustments is a critical accounting judgement which is material to these Financial Statements. While the Agency consults with actuaries to try and ensure the reasonableness of its judgement, the realisation of government pension scheme surpluses is a complex area that is subject to change.

The value of asset ceiling adjustments applied can be seen in Note 20.

Financial asset investments

As highlighted more extensively in Note 1n, the Agency applies the criteria laid out in International Financial Reporting Standard 9 Financial Instruments (IFRS 9) to determine whether an investment should be measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. The basis of measurement for a financial asset investment can significantly affect its carrying value in the Agency's Financial Statements.

While for most investment contracts it is relatively straight-forward for the Agency to determine the correct measurement basis, for a small number of more complex agreements a degree of judgement is required. The Agency ensures that members of staff with extensive knowledge and experience of IFRS 9 and its practical application are involved in determining the measurement bases for its financial asset investments.

g) Key sources of estimation uncertainty

The Agency's key sources of estimation uncertainty are impacted by the macroeconomic uncertainty in the current markets and alternative economic scenarios are considered in the Performance Report, within the Financial Risk section.

Financial assets measured at fair value

Where assets are to be measured at fair value, this is performed with reference to the requirements

of International Financial Reporting Standard 13 Fair Value Measurement (IFRS 13), applying considerations which follow the three hierarchies set out under the standard for determining fair value.

The majority of financial assets measured at fair value are investments in homes, such as those under the Help to Buy scheme, as analysed in Note 11d. These assets are valued with reference to regional house price indices, supplemented by experience adjustments, which are calculated by comparing the Agency's actual disposals occurring in the three months leading up to the year end, to the comparable expected disposal values computed with reference to regional house price indices alone. Together, these provide a reasonable estimate of the fair value of these assets because house price indices alone cannot accurately predict the value of individual homes; and disposal proceeds to date, although a good indicator of market performance, may not occur at the same level in the future. As the Agency's security over the Help to Buy investment is via a second charge over the property with the main mortgage provider holding the first charge, if the amount needed to settle the homeowner's main mortgage does not leave sufficient sale proceeds available to settle our original percentage share, then the Agency will not receive its full percentage share of the proceeds. Instead, it will receive the available remaining cash after the first charge has been settled. In an economic scenario where there was a significant decrease in house prices, there is a risk that the Agency may not recover the full amount of its equity loan balance due to this first charge effect.

The valuation of investments in homes (through equity loan programmes such as Help to Buy) is highly sensitive to changes in assumptions about market prices. Investments in homes are also the Agency's most significant asset category so the judgement exercised by management, both in the application of indexation to the home equity portfolio and in the experience adjustments applied, is a source of material estimation uncertainty in the Agency's Financial Statements.

Analysis showing the sensitivity of the valuation of these assets to changes in market prices, and therefore to management's judgement in estimating this valuation, is shown in Note 14c. In addition, Note 14d outlines the Agency's analysis of the sensitivity of the valuation of the Help to Buy portfolio to key modelling assumptions.

Other financial assets measured at fair value are generally valued with reference to cash flow forecasts, which are by their nature based on estimates. A particular source of estimation uncertainty within these forecasts is the value of receipts projected to be collected by the Agency in future periods. The projected values of receipts are integral to the calculations that underpin the relevant fair values recognised within these Financial Statements.

More information on the Agency's application of IFRS 13 to support fair value measurement is set out in Notes 13, 14, 15 and 17.

Land and property assets

Determination of the value of land and property assets involves a significant amount of estimation uncertainty, particularly given the complexity of some of the Agency's properties and the range of anticipated routes to disposal. Valuations are performed by independent qualified valuation experts. Most land and property assets, by value, are assessed by these independent valuation specialists. However, as the assets are held under International Accounting Standard 2 Inventories (IAS 2) and carried at the lower of cost and net realisable value, the estimation uncertainty involved in property valuations only affects carrying value where a write-down is identified. Of the £1,027m carrying value of land and property assets at 31 March 2026, £231m is held at cost and £796m is held at net realisable value.

Defined benefit pensions

The value of the Agency's defined benefit pension assets and liabilities have been assessed by qualified independent actuaries. In making these assessments, it is necessary for actuarial

assumptions to be used which include future rates of inflation, salary growth, discount rates and mortality rates. Differences between those estimates used and the actual outcomes will be reflected in taxpayers' equity in future years.

As the assets managed under the Agency's pension scheme are predominantly quoted investments there is less uncertainty surrounding their valuation than unquoted assets held elsewhere on the Agency's Statement of Financial Position. There are some investments that are unquoted, including in private equity, real estate, infrastructure, other equity securities, investment funds and unit trusts that may be subject to valuation uncertainty, but these represent a small proportion of scheme assets, 18.50% (16.82% in 2024/25). Similarly, the discount rates used for scheme liabilities are derived from bond markets and so determined with reference to published figures at the Statement of Financial Position date.

h) Grants

Payments of capital and revenue grants to registered providers of social housing (RPs) and other bodies are accounted for on an accruals basis, with the grant expenditure being recognised at the point RPs and other bodies have met relevant criteria and become contractually entitled to grant payments.

Payments of Affordable Housing grants may be paid in one, two or three instalments depending on scheme and provider eligibility: an acquisition tranche, a start on site tranche and a completion tranche. In the two years disclosed, the tranches for Affordable Housing schemes were as follows:

- 40% on acquisition (where eligible), 35% on start on site (where eligible; this tranche may increase to 75% if the scheme is not eligible for an acquisition payment), 25% on completion;
- For those RPs who have been selected for continuous market engagement, payment flexibility of up to 95% against eligible expenditure can be claimed at acquisition and/or start on site;

- Affordable Housing grant under Strategic Housing Partnerships are paid quarterly in arrears, in line with total eligible development expenditure.

Housing Infrastructure Fund grants and Brownfield, Infrastructure and Land grants are paid in line with development costs incurred in the financial year.

Cladding Safety Scheme grants for works packages are paid in line with costs incurred in the financial year.

Cladding Safety Scheme grants for pre-tender support are calculated as 15% of the estimated cost of works and are paid once eligibility has been confirmed.

i) Grant recoveries

Recoveries of Affordable Housing grants from RPs are accounted for when the amount due for repayment has been agreed with the RP and invoiced. RPs may retain grant recoverable from sales within their own accounts for recycling, with the funds becoming due back to the Agency if unused within three years. Recoveries of other grants are accounted for when the repayment becomes contractually due. While judgement is involved in the calculation of the recoverable amount, this is not deemed to be material to the Financial Statements.

j) Revenue recognition

Homes England recognises revenue from its contracts with customers in line with International Financial Reporting Standard 15 Revenue from Contracts with Customers (IFRS 15).

Income from the disposal of land and property assets is recognised when there is a legally binding sale agreement, which has become unconditional and irrevocable by the end of the reporting period. The transaction price is the amount of the consideration to which the Agency expects to be entitled in exchange for transferring the risks and rewards of ownership of the asset. Payment terms for such transactions may vary depending on the nature of the agreement. Where payment

is on deferred terms the associated receivable is discounted to reflect the net present value of the receipt.

Income from rent and other property income is recognised over the period to which it relates and is invoiced in line with the terms of the lease. Invoices are payable upon issue.

Home equity homeowner fees represent income due from homeowners who have acquired a home via the Help to Buy equity loan scheme or other historic equity loan schemes. In relation to the Help to Buy equity scheme, from the fifth anniversary of ownership, interest is due, calculated as 1.75% of the loan outstanding (applied monthly). The interest rate increases each year with reference to inflation. Income from homeowner fees is recognised in the period to which it relates and is paid monthly in arrears. The fee accrues daily after the financial instrument reaches a defined maturity and the income is recognised to the extent that it has accrued at the reporting date.

All of the income reflected in the Statement of Comprehensive Net Expenditure, with the exception of fair value gains on financial assets measured at fair value through profit or loss, interest income and gains on the disposal of financial assets, arises from contracts with customers.

k) Income tax

The income tax charge represents the sum of current tax and deferred tax, both of which are wholly in relation to UK corporation tax. Both current and deferred tax are recognised in the Statement of Comprehensive Net Expenditure except to the extent that they relate to items recognised directly in taxpayers' equity, in which case they are recognised in taxpayers' equity.

Current tax is the expected tax payable on the taxable surplus for the year, based on tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax is calculated at the tax rates expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

The only deferred tax recognised in these Financial Statements arises on the actuarial losses on the pension schemes, as shown within other comprehensive expenditure in the Statement of Comprehensive Net Expenditure. All other temporary differences between carrying values for financial reporting purposes and carrying amounts for income tax purposes are immaterial.

I) Land and property assets

Valuation

Land and property assets are accounted for under International Accounting Standard 2 Inventories (IAS 2) and are shown in the Statement of Financial Position at the lower of cost and net realisable value (NRV). Cost comprises direct costs that have been incurred in bringing the land and property assets to their present location and condition, including the capitalisation of staff time where appropriate. NRV is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale, including marketing, legal and panel solicitor fees. NRV is an entity specific valuation methodology which reflects Homes England's circumstances, the purpose for which the asset is held and the future disposal strategy for the asset. This is different from fair value methodology which is a market based measurement and which establishes a value based on a price that would be received to sell an asset in an orderly transaction between market participants.

A NRV at each reporting period is obtained for land and property assets. If there is evidence of a change in NRV, brought about by certain trigger

events, and in all cases where the NRV of the asset was more than or equal to £5m in the preceding year, a revised valuation report is produced. Such trigger events include the receipt of planning permission, significant capital expenditure or a change in expected disposal strategy. If no trigger event occurs and the NRV of the asset was less than £5m in the preceding year, the asset will retain the NRV from the last assessment. This is subject to a requirement for each asset to be revalued at least once in every five year period.

An estimate of the NRV at the reporting period is obtained in accordance with the current edition of RICS Valuation – Global Standards, effective from 31 January 2022 and the RICS Valuation – Global Standards 2025 UK National Supplement, (collectively known as “The Red Book”), as amended, extended or updated from time to time. In establishing a NRV for each asset, the following will be taken into account: there is a willing buyer and seller; the transaction is at arm's length; each party has acted knowledgeably, prudently and without compulsion; the reasons for Homes England holding the asset and future disposal plans for the asset.

Following the determination of NRV at the reporting period, each asset is individually assessed to calculate a write-down expense or reversal of write-down expense. A reversal of a write-down expense for previously written-down assets may occur where the NRV increases. Increases are limited to an amount which results in assets being carried at their historic cost. Any movements in the valuation of land and property assets are shown in the Statement of Comprehensive Net Expenditure as a write-down expense/credit.

Disposal of land and property assets

Where proceeds are receivable over a period of more than 12 months after the end of the reporting period, the proceeds are discounted at a rate prescribed by HM Treasury to reflect the net present value of the receipt. The rate applied during the year was 2.45% (2024/25: 2.15%), in accordance with HM Treasury's PES (Public

Expenditure System) (2025) 9, Discount Rates for General Provisions, post-employment benefits, financial instruments and leases (under IFRS 16); Announcement of rates. This paper was issued by HM Treasury on 4 December 2025.

Some land sale agreements contain overage clauses, which is where the seller can become entitled to additional sale proceeds, in addition to the agreed purchase price, if certain conditions relating to the disposed asset are met at a later date. Where a land sale agreement includes an overage clause, IFRS 9 requires that any associated receivable is measured (discounted to reflect the net present value of the receipt as described above) and disclosed as a financial asset at fair value through profit or loss (FVTPL). Over time, the initial discount unwinds through the Statement of Comprehensive Net Expenditure as a valuation gain. The associated overage clause is measured and disclosed separately as a financial asset at FVTPL (Level 3 hierarchy).

Where no overage clause exists, the receivable is measured and disclosed as a financial asset at amortised cost. Accounting policy n) financial assets, under sub-heading Impairment, sets out the factors to be considered when measuring financial assets at amortised cost. Over time, the initial discount unwinds through the Statement of Comprehensive Net Expenditure as interest income.

m) Provisions

Provisions are made for environmental liabilities where the Agency is under a statutory, contractual, or constructive obligation to remediate land to relevant standards. The amounts provided are the best estimate of the expenditure required to settle the obligation, based on circumstances existing at the reporting date. Expenditure expected to be incurred in future years is discounted in accordance with HM Treasury's PES (Public Expenditure System) (2025) 9, Discount Rates for General Provisions, post-employment benefits, financial instruments and leases (under IFRS 16); announcement of

rates. This paper was issued by HM Treasury on 4 December 2025. The rates applied during the year for short, medium and long term provisions were 3.64%, 4.22% and 5.32% respectively (2024/25: 4.03%, 4.07% and 4.81%).

Provisions are recognised for other liabilities as appropriate and discounted in line with the HM Treasury's guidance if applicable.

n) Financial assets

Recognition and derecognition

Financial assets are recognised in the Statement of Financial Position when the Agency becomes a party to the contractual provisions of the instrument (this is usually when cash is initially advanced to the counterparty, but for home equity assets this is at the point of legal completion of the underlying property purchase) and are measured at fair value on recognition.

Where differences between the fair value at initial recognition, as calculated using the methods described in Notes 13, 14, 15 and 17, and the price paid by the Agency to acquire the instrument are significant, they are either:

- recognised as grant expenditure where fair value is considered to be below cost, in accordance with IAS 20 Government Grants, as would be the case when the Agency is permitted to and intentionally provides instruments at a discount to market rates; or
- deferred and released over the expected life of the instrument in accordance with IFRS 9, as would be the case when the Agency is not intentionally providing discounted instruments and differences between the fair value at inception and cost arise due to the use of unobservable, variable inputs in calculating the fair value; or
- recognised within investments in associates and joint ventures. This occurs when the Agency provides interest-free loans to associates or joint ventures and recognises the discounted future cash flows as a financial

asset in line with IFRS 9. The difference between the fair value of the loan and the cash advanced is recognised as an equity contribution, as it represents the value provided to the associate or joint venture that is not recoverable through the loan's contractual cash flows.

The Agency fully derecognises a financial asset only when the contractual rights to the cash flows for the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership to another entity. Partial derecognition occurs where parts of the contractual cash flows are received – for example where a homeowner chooses to partially redeem their equity loan. Here, the element of the asset which relates to the repayment is derecognised.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Third party cash comprises cash held by solicitors at year end in relation to deals which were in progress and cash received by the Agency's mortgage administrator for home equity redemptions. This cash is under the control of the Agency at the year end and only in the custody of third parties due to the timing of deals in progress and the processing of onward transfers of cash to the Agency by the mortgage administrator. The Agency has no cash equivalents.

Trade and other receivables

Trade and other receivables may be measured at fair value or amortised cost depending on the nature of the individual balance. Where the balance is measured at amortised cost, the carrying value is subject to an expected credit loss calculation. Land sale agreements that contain clauses for the recovery of overage are measured at FVTPL.

Financial asset investments

The Agency follows IFRS 9 for all investments, subject to interpretations and adaptations for the public sector context as defined in the FReM.

Classification and measurement of financial assets

Two criteria are used to determine how the Agency's financial assets should be classified and measured under IFRS 9:

- the business model for managing the asset; and
- the contractual cash flow characteristics of the financial asset.

The measurement categories reflect the nature of the cash flows and the way they are managed. The three categories are:

- financial assets measured at amortised cost (AC);
- financial assets measured at fair value through other comprehensive income (FVTOCI); and
- financial assets measured at fair value through profit or loss (FVTPL).

The contractual cash flow characteristics are either:

- financial assets held to collect cash flows only; or
- the assets are held to collect cash flows and to sell.

Financial assets are measured at AC if they are held within a business model whose objective is to hold financial assets to collect contractual cash flows and their contractual cash flows represent solely payments of principal and interest. The Agency's loan agreements which do not contain an equity element fall under this category.

Financial assets are measured at FVTOCI if they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and their contractual cash flows represent solely payments of principal and interest. Currently, the Agency has no assets which meet the requirements to be recognised under this classification.

All other financial assets are measured at FVTPL. All of the Agency's other financial assets, excluding

loan agreements which do not contain an equity element, are therefore measured at FVTPL. This comprises home equity loans, loans receivable with an equity element and various other investments as presented in Note 11d.

Business models are determined on initial application. The Agency assesses the business model at a portfolio level. Information that is considered in determining the business model includes:

- policies and objectives for the relevant portfolio; and
- how the performance and risks of the portfolio are managed, evaluated, and reported to management.

Financial assets managed on a fair value basis are held at FVTPL with no elections made to classify as FVTOCI.

In assessing whether contractual cash flows are solely payments of principal and interest, terms that could change the contractual cash flows so that it would not meet the condition for solely payments of principal and interest are considered, including:

- contingent and leverage features;
- non-recourse arrangements; and
- features that could modify the time value of money.

Assets measured at fair value

Most of the Agency's financial assets are measured at fair value. Under IFRS 9 the Agency is required to value assets in accordance with IFRS 13. The practical application of this standard is explained with reference to the Agency's asset portfolios in Notes 11d and 13, with detail regarding the key assumptions which support the Agency's most significant fair value estimate set out in Note 14d.

When determining the fair value hierarchy level under which a financial asset should be disclosed

under the requirements of IFRS 13, the Agency considers the observable inputs used within the valuation of the asset.

The Agency considers relevant factors as outlined in IFRS 13 in determining whether there have been any transfers between levels of the fair value hierarchy. These factors include changes in the availability of observable inputs or it becoming necessary to adjust observable inputs with unobservable inputs. These factors are considered at least annually for particular asset groups or where there has been a contractual change for an individual asset. There were no transfers between levels in 2025/26 (2024/25: none).

Assets measured at amortised cost

Assets are valued by applying effective interest rates, calculated to recognise interest in accordance with IFRS 9 requirements to capitalise transaction costs and recognise fee income as finance income, spread over the life of the investment. Valuation of assets is subject to the impairment requirements of IFRS 9 for recognising write-off adjustments, modification adjustments and expected credit loss allowances.

Recognition of gains and losses on financial assets

For all categories of financial assets measured at fair value through profit or loss (as presented in Note 11), gains and losses are determined as follows:

- valuation gains or losses arise due to the change in the fair value between the reporting date and the prior year reporting date, and;
- for assets that are disposed during the year, gains or losses on disposal arise, being the difference between the value of proceeds received and the carrying value at the point of disposal.

For all categories of financial assets measured at amortised cost (as presented in Note 11), gains and losses are determined as follows:

- Write-offs and write-backs result in the recognition of losses and gains, and;

- Movements in expected credit loss allowances between the reporting date and the prior year reporting date give rise to gains and losses, and;
- Modification gains or losses arise as a result of adjusting the gross carrying amounts of assets where there has been a renegotiation of contractual cash flows.

Impairment

IFRS 9 requires the Agency to recognise expected credit losses anticipated within the next 12 months based on unbiased forward-looking information. Where a significant increase in credit risk is identified, the Agency is required to recognise total lifetime expected credit losses.

The measurement of expected credit loss involves increased complexity and judgement including estimation of probabilities of default, loss given default, a range of future economic scenarios, estimation of expected lives, estimation of exposures at default and assessing significant increases in credit risk.

Key concepts and management judgements

The impairment requirements are complex and require management judgements, estimates and assumptions. Concepts and management judgements include:

Determining a significant increase in credit risk since initial recognition

As aforementioned, IFRS 9 requires the recognition of 12 month expected credit losses (the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date) if credit risk has not significantly increased since initial recognition (Stage 1), and lifetime expected credit losses for financial instruments for which the credit risk has increased significantly since initial recognition (Stage 2) or which are credit impaired (Stage 3).

The Agency assesses when a significant increase in credit risk has occurred based on quantitative and qualitative assessments for individual investments.

These assessments can include the monitoring of counterparty financial performance, monitoring to identify the occurrence of an event of default or breach of covenants, and identifying any insolvency events of the counterparty or its key customers or suppliers.

Where term loans are issued, it is often sensible to apply an assumption that any missed monthly repayments which are not remedied within a 30-day timeframe are indicative of a significant increase in credit risk. However, because the Agency does not issue term loans with monthly repayment terms and loans are usually repayable either on development milestones or in full at a contractual long-stop date, the 30-day measure is not considered to be helpful as an indicator of significant increases in credit risk for the Agency's loan portfolio.

Default

Default is deemed to have occurred when a borrower has materially breached on their contractual obligations and / or there is evidence that a counterparty is experiencing financial difficulty and their ability to repay is impaired. Homes England rebuts the presumption that exposures where payments past due exceed 90 days results in default. This is rebutted on the basis Homes England primarily advances development loans where interest is accrued and capitalised and repayment primarily comes from the sale of developed collateral (dwellings or land) and a delay in a sale or repayment is not always reflective of a significant increase in credit risk (SICR) or default.

In determining whether a counterparty and resultant a financial asset is classified as being in default, Homes England assesses a range of factors including, but not limited to:

- whether a significant breach of lending terms and obligations has occurred i.e. a breach in financial covenants, legalisation or litigation has occurred;
- the availability of "Cure", "Remedy" or "Standstill" periods and whether these have

lapsed. These provisions, where agreed with the borrower at the outset, provide an opportunity (during a restricted time period) for the borrower to rectify a default before enforcement action is taken. These provisions are commonly used by lending institutions;

- whether there is a realistic prospect for any distress to be remedied by the counterparty or beneficial owners without significant lender intervention and contract modification; and
- where relevant, if another lender to the counterparty has recognised a default resulting in a SICR regardless of whether this triggers cross default provisions.

As Homes England's loans and advances which meet the requirements to be measured at amortised cost are broadly consistent in nature, all being commercial loans and advances to companies involved in housing investment and development, a consistent approach to default is taken across the organisation.

Counterparties and associated financial assets which are deemed to be in default are only considered to have cured and returned to Stage 2 or Stage 1 following completion of a restructure which has resulted in the counterparty's ability to repay their obligations no longer being impaired. Any restructure which consequently results in Homes England absorbing a loss will result in the financial asset being classified as in default.

Homes England does not utilise probation periods when assessing the staging of a financial asset and therefore assets can move upwards through the stages without restriction. The approach reflects the nature of Homes England's activities, which are heavily concentrated in development finance and whereby distress and default is ordinarily only reversed through significant intervention or modification, or a fundamental change in economic conditions. In the absence of these factors our expectation is that defaulted assets will remain in default until exited.

Forward-looking information

Credit losses are cash shortfalls from what is contractually due over the life of the financial instrument. Expected credit losses are a measure of unbiased probability-weighted credit losses which might reasonably be expected, determined by evaluating a range of possible outcomes and considering future economic conditions. When there is a non-linear relationship between forward-looking economic scenarios and their associated credit losses, a range of forward-looking economic scenarios, currently expected to be a minimum of three, will be considered. This is to ensure a sufficient unbiased representative sample of the complete distribution is included in determining the expected loss.

Homes England assigns a credit risk rating (CRR) to all counterparties with whom the organisation has provided financial assets that are measured at amortised cost. The CRR utilises a combination of qualitative and quantitative information including previous financial performance and strength, projected cash flows and leverage alongside more qualitative factors such as management experience. This assessment culminates in a single CRR figure and associated probability of default being applied based on the overall credit assessment of the given counterparty. This rating takes into consideration past financial performance (where evident), expected performance of a given counterparty and, critically, the underlying project.

The probability of default values associated with each CRR under the most likely central scenario have been determined by Homes England by adjusting the average probability of default values. Homes England uses a Vasicek approach to calculate the adjusted probability of default values. This is a more quantitative approach than other predominantly judgement-based methodologies.

To ensure compliance with IFRS 9, Homes England has adopted an additional probability weighted assessment of expected credit losses, utilising two plausible alternative economic scenarios. As Homes England operates in a single sector

(housing) the loans and advances made are greatly concentrated, and as a result, defaults may be more greatly correlated in comparison to a loan portfolio which benefits from sector diversification.

The alternative economic scenarios adopted during 2025/26 are derived from the macroeconomic forecast scenarios provided by Oxford Economics as requested by Homes England. Sensitivity analysis regarding this judgement is provided in Note 16d.

The decision on how to weight these scenarios against the central scenario is derived from a report produced by Oxford Economics. Alternative scenarios and weightings are reviewed on a minimum of a six-monthly basis and are scrutinised through the Agency's forums and committees.

Expected life

Lifetime expected credit losses must be measured over the expected life of individual agreements. For modelling purposes, this is restricted to the maximum contractual life of investments. Potential future modifications of contracts are not considered when determining the expected life or exposure at default until they occur.

Discounting

Expected credit losses are discounted at the effective interest rate at initial recognition, or an approximation thereof. For loan commitments, the effective interest rate is the rate that is expected to apply when the loan is drawn down and a financial asset is recognised. For variable or floating rate financial assets, the spot rate at the reporting date is used and projections of changes in the variable rate over the expected life are not made to estimate future interest cash flows or for discounting.

Modelling techniques

Expected credit losses are calculated at the individual financial instrument level by multiplying three main components, being the probability of default, loss given default and the exposure

at default, discounted at the original effective interest rate. The methodology and key assumptions are outlined in detail in Note 16d.

Write-offs

Homes England manages distressed financial assets through a specialist team with experience in restructuring and insolvency.

Most of Homes England's loans and advances have the benefit of security. Write-offs take place once all such security has been realised or there is no realistic prospect of recovery and the amount of the loss has been determined.

Events that typically result in a write-off ahead of security being fully realised include, but are not limited to:

- the financial asset is subject to insolvency proceedings and the only funds that will be received are the amounts estimated by the Insolvency Practitioner;
- security (typically property) is disposed of and a decision is made that no further funds will be received;
- independent professional advice (typically third-party valuations or assessments) shows a significant shortfall with limited evidence that any shortfall will be recouped.

Any further recoveries of amounts previously written off are generally considered fortuitous gains and reduce the amount of impairment losses recorded in the Statement of Comprehensive Net Expenditure.

The distinction between the recognition of write-offs and expected credit losses

While both expected credit losses and write-offs (being the derecognition of loan amounts) have the same purpose of reducing asset carrying values to account for credit risk, the Agency presents both separately in its Financial Statements to reflect the different process through which each is devised.

As detailed previously within this Note, the Agency methodically recognises expected credit losses on its portfolio of financial assets measured at amortised cost, including on some assets that are in default or are credit impairment (Stage 3).

Write-offs are impairment losses on specific financial assets held at amortised cost which, as a result of the occurrence of certain trigger events, have been passed to the Agency's specialist distressed investments team for assessment, including over recoverable value and to what extent security can be realised.

In cases where a write-off is recognised, the Agency releases any relevant expected credit loss allowance already recognised in relation to the asset being fully or partially written-off.

In some cases, assets which are in default or are credit impaired (Stage 3) may not have a full or partial write-off proposed by the Agency's specialist team, due to specific conditions relating to the assets in question. In these cases, the Agency applies prudence by recognising the expected credit losses calculated for these assets regardless.

o) Financial liabilities

Financial liabilities are recognised in the Statement of Financial Position when the Agency becomes a party to the contractual provisions of the instrument.

All of the Agency's financial liabilities are non-derivative and are measured initially at fair value and subsequently at amortised cost.

Financial liabilities consist of trade and other payables. Financial liabilities are classified as current liabilities unless the Agency has an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

The Agency derecognises a financial liability only when the Agency's obligations are discharged, cancelled or they expire.

p) Pension costs

The Agency accounts for pension costs in accordance with International Accounting Standard 19 Employee Benefits (IAS 19). During the year the Agency's participating employees were members of one of the following contributory pension schemes: The Homes and Communities Agency Pension Scheme, The City of Westminster Pension Fund or the West Sussex County Council Fund. All three schemes are multi-employer defined benefit schemes as described in paragraph 8 of IAS 19.

Plan assets are measured at fair value. Liabilities are measured on an actuarial basis and discounted to present value. The net asset or obligation is recognised within pension assets or liabilities, respectively, in the Statement of Financial Position. The operating and financing costs of the schemes are recognised separately in the Statement of Comprehensive Net Expenditure. Service costs are spread over the working lives of employees and financing costs are recognised in the period in which they arise. Actuarial gains and losses are recognised in full in taxpayers' equity.

q) Financial commitments

The Agency records a financial commitment when it is legally or constructively committed to pay another body in relation to a specific matter and the commitment hasn't yet been recognised as a liability in the Agency's Statement of Financial Position (as the Agency is not currently liable based on past events but has contracted to be or will be constructively liable in the future if the counterparty reaches certain triggers or milestones). It is legally committed when it is subject to statute or is contractually bound. It is constructively committed when it has created a valid expectation in others, via its policies, conduct or established pattern of practice, for example, that it will be bound by certain obligations. The value of the financial commitment is determined by the amount which is still to be paid at the reporting date and profiled with reference to cash flow forecasts.

r) Impact of new standards and interpretations in issue

International Financial Reporting Standard 17 Insurance Contracts (IFRS 17)

IFRS 17 Insurance Contracts replaced IFRS 4 Insurance Contracts and became effective for entities reporting under the Government Financial Reporting Manual (FReM) on 1 April 2025. The new standard applies more standardised and rigorous requirements on accounting for insurance contracts, setting out clearer expectations on the recognition, classification and measurement of assets and liabilities in relation to insurance contracts.

The application of IFRS 17 has not had a significant impact on the Agency's Financial Statements as it does not hold material insurance contracts within the scope of the standard.

International Financial Reporting Standard 18 Presentation and Disclosure in Financial Statements (IFRS 18)

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements. It aims to improve financial reporting by requiring that items of income and expenditure in the statement of profit or loss be categorised and presented in defined categories (operating, investing, financing, tax and discontinued operations). It also mandates the

presentation of new subtotals in the statement of profit or loss, outlines new principles for the aggregation and disaggregation of items and requires disclosures over certain management-defined profit and loss performance measures.

While in the private sector IFRS 18 becomes effective for periods beginning on or after 1 January 2027, the impact of the standard on the public sector is still being assessed, and a decision has not yet been taken on an implementation date.

The Agency anticipates that the structure and presentation of its Statement of Comprehensive Net Expenditure will change accordingly following implementation of the standard.

International Financial Reporting Standard 19 Subsidiaries without Public Accountability: Disclosures (IFRS 19)

IFRS 19 is a voluntary standard that permits reduced disclosure requirements for certain subsidiary entities. While it becomes effective for reporting periods beginning on or after 1 January 2027 for entities in the private sector, at the time of writing, it is not yet known when it will become effective for entities reporting under the FReM.

As the Agency does not meet the criteria of a subsidiary without public accountability, it does not anticipate that IFRS 19 will have a significant impact on its Financial Statements.

2. Principal/Agent Relationships

Homes England is party to a number of significant arrangements where it acts as an Agent for another entity. In these arrangements, Homes England uses its skills and expertise to help bring forward programmes and initiatives. These programmes and initiatives are in addition to the core business of the Agency. It therefore would not be appropriate to show income or expenditure in respect of these transactions or to report on assets and liabilities. The below sets out these arrangements.

Managing programmes for MHCLG

The Agency has agreements with MHCLG for the management and delivery of their Cladding Fund, Building Safety Fund, Next Steps Accommodation, Rough Sleepers Accommodation and Single Homelessness Accommodation programmes:

Cladding Fund: the fund was set up to replace aluminium composite material (ACM) cladding panels on large-scale residential social housing

and this has been extended to the private sector. During the year, grants totalling £5.0m (2024/25: £12.0m) were paid out by the Agency and reimbursed by MHCLG.

Building Safety Fund: This fund is focused on unsafe non-ACM cladding systems – high pressure laminates, other metal composite materials etc. – on both social and private sector buildings over 18m in height. The fund opened to new applications in July 2022 for eligible buildings. During the year, grants of £80.4m (2024/25: £138.7m) were paid out by the Agency and reimbursed by MHCLG.

Next Steps Accommodation: Homes England is supporting MHCLG, leading housing associations and local authorities to deliver the ambitious plans which will fast-track thousands of long-term homes for rough sleepers. During the year, grants of £6.6m (2024/25: £6.6m) were paid out by the Agency and reimbursed by MHCLG.

Rough Sleepers Accommodation: Homes England is supporting MHCLG, leading housing associations and local authorities to deliver the ambitious plans which will fast-track thousands of long-term homes for rough sleepers. During the year, grants of £6.7m (2024/25: £6.3m) were paid out by the Agency and reimbursed by MHCLG.

Single Homelessness Accommodation: Homes England is supporting MHCLG, providing supported housing, Housing First and housing-led accommodation for two target groups: adults experiencing multiple disadvantages who may have a history of rough sleeping and require high levels of support, and young people at risk of or experiencing homelessness or rough sleeping. During the year, grants of £9.9m (2024/25: £64.6m) were paid out by the Agency and reimbursed by MHCLG.

Managing assets for third parties

The Agency manages home equity portfolios on behalf of the Greater London Authority (GLA), Ministry of Defence (MoD) and multiple housing

developers via our mortgage administrator. At the year end the Agency managed 4,405 (2024/25: 4,814) assets on behalf of these parties. During the year the Agency also collected 409 (2024/25: 390) disposal receipts with total proceeds of £12.5m (2024/25: £11.0m). The mortgage administrator collects and distributes disposal receipts to the GLA and housing developers on behalf of the Agency. The Agency receives disposal receipts on behalf of the MoD and subsequently transfers the receipts to the MoD. At the year end the Agency held £0.7m (2024/25: £0.9m) which is due to be paid to the MoD.

The Agency manages one science park on behalf of the Department for Science, Innovation and Technology (DSIT). During the year the Agency incurred expenditure of £0.8m (2024/25: £0.5m) and collected income of £0.9m (2024/25: £0.4m) as a result of day-to-day management of the sites. The net income of £0.1m is due to DSIT from the Agency.

MHCLG guarantee programmes

Homes England acts as licence or concession manager on behalf of MHCLG for a number of guarantee programmes:

Affordable Housing Guarantee Scheme 2013 - a £3.5bn programme to support the delivery of additional new-build affordable homes by enabling registered providers to borrow on a long-term fixed rate basis. The loans carry a government guarantee and the benefit of the guarantee is passed through to borrowers in the form of a lower cost of borrowing. This scheme is closed to new applications.

Private Rented Sector Guarantee Scheme - a £3.5bn programme to support the building of new homes for the private rented sector by enabling developers or investors to raise low cost debt to refinance development funding on a long-term basis. The scheme reopened in March 2025.

Affordable Homes Guarantee Scheme 2020 - this is a £6bn successor programme to the 2013 scheme and also provides low cost long-term loans

to registered providers of homes for affordable social rent, affordable rent and shared ownership. It funds new homes and quality and energy efficiency improvements to existing homes.

Provision of shared services

The Agency provides services to the Regulator of Social Housing (RSH) under a service level agreement (SLA). While the provision of most of the services previously provided under the SLA ceased during 2025/26, the Agency continues

to receive service income for the provision of certain software systems to RSH. During the year, Homes England has charged RSH a total fee of £0.4m (2024/25: £0.8m) for services under the SLA, credited to other operating income. Due to the shared use of certain software systems, the systems and processes of Homes England are an important part of the control environment of RSH, and as such, the annual statutory audit of RSH covers a review of the relevant systems and processes.

3. Grants

Payments were made to registered providers of social housing, local authorities and other public and private sector partners under the following programmes:

	2025/26 £'000	2024/25 £'000
Affordable Housing:		
Strategic Partnerships	1,466,091	1,780,027
Affordable Housing	636,682	673,783
Cladding Safety Scheme	480,950	150,599
Housing Infrastructure Fund	408,746	596,263
Brownfield, Infrastructure and Land	183,749	67,771
Other	12,707	8,922
City Growth Deals	5,648	8,761
	3,194,573	3,286,126

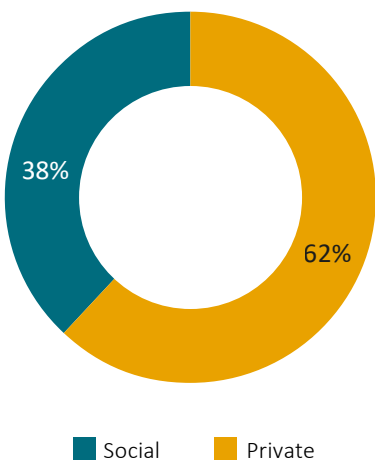
The Agency's largest grant programme is the Affordable Housing Grant programme. This aims to increase the supply of new affordable and shared ownership homes in England. Strategic Partnerships is part of the Affordable Housing Grant Programme; these partnerships provide additional support to registered providers for the construction of affordable homes. Within

the Affordable Homes Programme there are two routes to access funding. Providers can apply for funding on a scheme-by-scheme basis bidding through continuous market assessment, or providers can become a strategic partner and access grant for a longer-term development programme through a multi-year agreement. Both types are paid to partners across England.

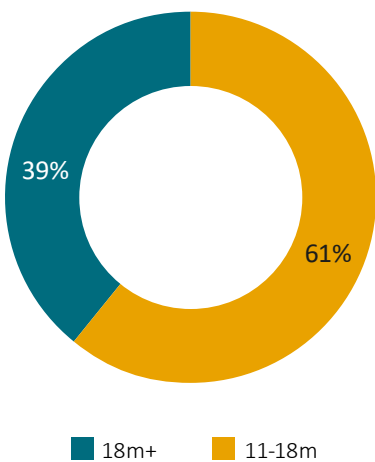
The Cladding Safety Scheme allows eligible building owners or their representative to come forward and apply for grant to help them pay for the costs associated with making a building safe in relation to fire risk. The scheme will focus its effort on making buildings safe from risk caused by unsafe

cladding – providing funding for remediation of buildings over 11 metres in height (11-18 metres in London) with unsafe cladding. An analysis of the grants paid by building tenure and building height is as follows:

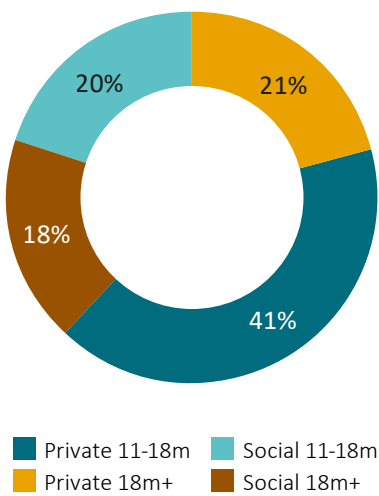
Building tenure



Building height



Building tenure and height



The Housing Infrastructure Fund aims to unlock house building by funding local authorities to build vital physical infrastructure projects, including the construction of roads, bridges, energy networks and other utilities.

Brownfield, Infrastructure and Land (BIL) spans Homes England’s land, grant and equity activities so it can better support the needs of places, partners and their projects. The primary objective of BIL is to bring forward strategic sites and

housing-led opportunities which support economic growth and long-term housing supply, with at least 60% of activity focused on brownfield land (land that has been previously used and is now vacant, derelict and sometimes contaminated).

Other includes Markets, Partners and Places revenue grants to local authorities and revenue grants awarded under the New Homes Accelerator, Cambridge and Atlas programmes.

4. Disposal of Land and Property Assets

	Note	2025/26 £'000	2024/25 £'000
Proceeds from disposals		178,630	104,338
Cost of disposals:			
Book value of disposals	18	135,082	52,756
Direct costs of sale		1,518	3,015
		136,600	55,771
Gain on disposal		42,030	48,567

The proceeds from disposals can be further analysed as follows:

	2025/26 £'000	2024/25 £'000
Disposals of land (freehold disposal/building lease)	178,630	100,957
Direct Commissioning (market sales)	-	3,381
Proceeds from disposals	178,630	104,338

Income from the disposals of land (freehold disposal/building lease) is recognised when there is a legally binding sale agreement, which has become unconditional and irrevocable by the end of the reporting period. The income is recognised at the unconditional date and measured at the fair value of the consideration received or receivable for the disposal of land. The income is from contracts with customers.

Income in relation to Direct Commissioning (market sales) was recognised at legal completion and measured at the fair value of the consideration received or receivable for the property. Direct Commissioning sales ceased in 2024/25.

5. Programme Costs

Programme costs are the operational costs incurred by Homes England to run the various programmes. More information on the Agency's programmes can be found within the Detailed Performance Review section of the Performance Report.

A breakdown of programme costs by nature is as follows:

	Note	2025/26 £'000	2024/25 £'000
Professional fees		52,436	45,057
Staff costs directly attributable to programmes	6a	25,089	21,722
Land and property costs		20,239	13,053
Other		506	1,501
Impairment of intangible assets		-	6,311
		98,270	87,644

Professional fees arise across the breadth of programmes and are the costs to cover activities such as due diligence, legal advice, financial investigation and the administration of payments.

Staff costs directly attributable to programmes are the salaries and wages, social security costs and pension costs for staff members directly involved in programme delivery. A breakdown of these costs by programme can be seen in Note 6a.

Land and property costs are the costs associated with holding and maintaining the Agency's portfolio of land and property assets, including estate management services, repair and maintenance works, security, utilities, rates and insurance costs. The vast majority of these costs are in relation to activity undertaken by the Agency's land programmes, including the Single Land Programme and the Land Assembly Fund.

Other primarily includes the irrecoverable VAT arising on programme expenditure and incidental expenses attributable to programmes.

A breakdown of total programme costs by programme is as follows:

	2025/26 £'000	2024/25 £'000
Land	24,973	22,075
Markets, Partners and Places	19,531	12,292
Cladding Safety Scheme	13,680	9,015
Brownfield, Infrastructure and Land	9,515	5,750
Financial Investment Programmes	8,872	8,331
Integrated Change Programme	5,400	-
Help to Buy	3,552	2,763
Housing Infrastructure Fund	2,951	2,529
Managing programmes on behalf of MHCLG	2,252	3,751
National Housing Bank set-up	2,145	-
Affordable Homes	1,562	179
National Housing Delivery Fund set-up	1,226	-
New Towns	829	-
Strategy Research Analysis Sponsorship	753	932
New Homes Accelerator	503	-
PRS Guarantees	333	-
Low Interest Loans set-up	193	-
Evolve Transformation Change Programme	-	17,593
Organisational Blueprint	-	2,434
	98,270	87,644

The land programme costs total of £24,973k (2024/25: £22,075k) includes both land and property costs and professional fees.

Note 2 details the programmes that Homes England manages for MHCLG and other

government departments. The costs included within programme costs above are the staff costs and professional fees associated with these programmes.

6. Staff Costs

The costs of salaried staff for the year, excluding Board Members, were as follows:

a) Total staff costs

	2025/26 £'000	2024/25 £'000
Staff costs charged to net expenditure comprise:		
Staff costs	79,678	74,338
Pension costs	11,842	14,185
Total staff costs	91,520	88,523

The costs can be further analysed as follows:

	2025/26 £'000	2024/25 £'000
Salaries and wages	95,910	85,961
Social security costs	12,953	10,096
Pension costs - current service cost*	9,188	11,562
Pension costs - expenses	2,654	2,623
	120,705	110,242
Temporary staff	8,548	10,930
Seconded staff	(40)	410
	129,213	121,582
Less staff costs capitalised: land and property	(12,604)	(11,337)
Less staff costs transferred to programme costs	(25,089)	(21,722)
	91,520	88,523

* The current service pension cost does not include costs relating to early retirements, which are included within administration expenditure, Note 7.

During the year, £12.6m of staff costs were capitalised (2024/25: £11.3m) against Land and property assets. The costs relate to direct labour involved in the enhancement of land and property assets.

In addition, the below staff costs were reclassified to programme costs.

	2025/26 £'000	2024/25 £'000
Markets, Partners and Places	10,328	7,310
Cladding Safety Scheme	4,006	2,986
Integrated Change Programme	3,698	-
Brownfield, Infrastructure and Land	1,865	681
Building Safety Fund	1,861	2,692
Help to Buy	696	95
Affordable Homes	691	57
Housing Infrastructure Fund	532	506
National Housing Delivery Fund set-up	442	-
National Housing Bank set-up	346	-
Financial Investment Programmes	367	289
Low Interest Loans set-up	134	-
Private Sector Cladding	123	161
Evolve Transformation Change Programme	-	5,724
Next Steps Accommodation Programme	-	609
Organisational Blueprint	-	612
	25,089	21,722

b) Staff bonuses

Staff members who are direct employees of the Agency benefit from a performance related pay scheme whereby any bonuses are determined with reference to performance against agreed objectives during the year. Performance related pay accrued but not yet paid during the year totalled £0.5m (2024/25: £0.4m).

During the year, executive directors received bonuses of £22k (2024/25: £35k). The bonuses received during the year relate to 2024/25 performance. The Accountability section of the Annual Report includes further details of bonuses, the average number of staff employed by the Agency, staff numbers by pay band and exit packages.

c) Staff composition

The average number of staff employed by the Agency (full time equivalents) over the course of the year is as follows:

	2025/26 Number	2024/25 Number
Permanent UK staff	1,435	1,332
Fixed term UK staff	91	78
Temporary staff	70	95
Board members	9	12
Seconded staff	5	4
	1,610	1,521

d) Loans to employees

The Agency has provided travel season ticket loans, cycle scheme loans and electric vehicle charge point loans to employees during the year. The total amount outstanding in respect of these at 31 March 2026 was £79k (2024/25: £67k). There were no other loans to employees.

7. Administration Expenditure

	2025/26 £'000	2024/25 £'000
Depreciation and amortisation	11,090	8,062
Accommodation and office running costs	10,051	11,118
Professional fees	3,846	3,590
Travel and subsistence	3,382	3,729
Staff welfare, learning and development	2,167	2,397
Taxation not recoverable	1,647	1,463
Other	682	810
Auditor's remuneration (Statutory Audit)	648	630
	33,513	31,799

8. Other Operating Income

	2025/26 £'000	2024/25 £'000
Grant clawback	136,464	59,420
Other	28,816	6,051
Rent and property income	4,429	4,708
	169,709	70,179

Grant clawback mostly comprises grant recovered from registered providers of social housing via the Affordable Homes Programme. Clawback may arise where the recipient of grant funding does not meet the conditions set out in the grant agreement resulting in recovery.

The increase in grant clawback in the year is attributable to the 2016–2021 Shared Ownership Affordable Homes Programme concluding in March 2026. For schemes that had not yet completed, any unspent grant has been reclaimed and redirected to other eligible schemes. The total value of reclaims of this nature is £125.8m. The

2021–2026 Affordable Homes Programme will then be utilised to support the completion of these schemes next year.

Other includes income from investments, contributions, income charged to the Regulator of Social Housing in respect of services provided, planning windfall income (where a developer buys land which subsequently receives planning permission, increasing its value and the Agency shares in this uplift in value) and other windfall income (where the legal restriction on land sold is varied resulting in income to the Agency).

9. Share of Profits and Losses of Associates and Joint Ventures

The aggregated amounts of the Group's share of results of associates and joint ventures (JVs) included in the Statement of Comprehensive Net Expenditure is as follows:

	2025/26 £'000	2024/25 £'000
Share of results of associates	(4,056)	(3,785)
Share of results of joint ventures	(1,053)	(3,982)
Share of profits/(losses) of associates and joint ventures	(5,109)	(7,767)

The aggregate share of results is the net profit or loss from continuing operations. There was no profit or loss from discontinued operations and no other comprehensive income was recognised in the year.

10. Investments in Subsidiaries, Associates and Joint Ventures

a) Subsidiary undertakings - Agency

Cost	2025/26 £'000	2024/25 £'000
At 1 April	100,000	100,000
Investments in the year	-	-
Redemptions	-	-
At 31 March	100,000	100,000

During the year, the Agency held interests in the following subsidiaries, each of which are registered in England and Wales and are wholly owned by the Agency:

Name of undertaking	Share capital	Nature of business
English Partnerships (LP) Limited	£100,000,000	Investment holding company
The Estuary Management Company Limited	£1	Property management company
Blandford Brewery Estate Management Company Limited	£0	Property management company
National Housing Bank Limited	£1	Public financial institution

The National Housing Bank Limited was incorporated as a wholly owned subsidiary of the Agency on 17 November 2025 but did not commence trading until 1 April 2026. As at 31 March 2026 it had no significant assets, liabilities or transactions to consolidate.

The property management companies are held as non-profit making entities to manage shared costs.

During the year, the Agency also held interests in the following subsidiaries which have now been dissolved due to dormancy.

Each of the dissolved subsidiaries was registered in England and Wales and was wholly owned by the Agency:

Name of dissolved undertaking	Date of dissolution	Share capital	Nature of business
AWM (Subsidiary) Limited	05 August 2025	£1	Investment holding company
Norwepp (NWDA subsidiary) Limited	02 September 2025	£500	Investment holding company
ONE NorthEast General Partner Limited	05 August 2025	£100	Investment holding company

Homes England's subsidiary undertakings, except for the National Housing Bank Limited, are exempt from the requirements of the Companies Act 2006 relating to audit of individual financial statements by virtue of Section 479A of the Act.

Only English Partnerships (LP) Limited is consolidated into these Group Financial Statements. The transactions in the year and balances at 31 March 2026 for all other subsidiaries are wholly immaterial.

The National Housing Bank Limited will prepare its first set of audited financial statements for the period ending 31 March 2027.

Post year end transfer of assets to the National Housing Bank Limited

On 17 November 2025, the National Housing Bank Limited (the NHB) was incorporated as a wholly owned subsidiary of the Agency. As a public financial institution, the NHB's purpose is to accelerate housebuilding in England by delivering purpose-led financing and to subsume an existing portfolio of the Agency's relevant financial assets and investments. The NHB commenced operations

on 1 April 2026 and on the same date, the Agency transferred relevant assets (being certain financial asset investments, investments in subsidiaries and investments in associates and joint ventures) to the NHB at carrying value. No adjustment has been made in these Group Financial Statements as a result of the transfer, as it is a non-adjusting event under IAS 10 Events After the Reporting Period.

With regards to investments in subsidiaries, the Agency transferred across its investment in English Partnerships (LP) Limited to the NHB on 1 April 2026. Please see Note 24 for further information on the transfer.

b) Associated undertakings and joint ventures - Group and Agency

The aggregated movements in the Group's share of net assets of associates and joint ventures are as follows:

Cost or valuation	Note	Group 2025/26 £'000	Group 2024/25 £'000	Agency 2025/26 £'000	Agency 2024/25 £'000
At 1 April		56,948	59,303	13,906	14,184
Investments in the year		18,638	16,464	6,726	2,722
Redemptions		-	(4,374)	-	(3,000)
Redemptions reclassified to other operating income		-	-	892	-
Share of (losses)/profits of associates and joint ventures	9	(5,109)	(7,767)	-	-
Impairment of investments in associates and joint ventures		(4,782)	(6,678)	(12,057)	-
At 31 March		65,695	56,948	9,467	13,906

In 2025/26, £nil (2024/25: £3.0m) was received in dividends from group companies and treated as redemptions under the equity method per IAS 28.

In January 2024, the Agency committed an additional £50m of funding to English Cities Fund, via the subsidiary English Partnerships (LP) Limited. This included an additional capital payment of £5,000. The Agency is committed to the English Cities Fund up to December 2036.

In 2025/26, £11.9m (2024/25: £13.7m) of committed funding was invested by English Partnerships (LP) Limited, the Agency's wholly owned subsidiary, into English Cities Fund. There

have been £nil (2024/25: £1.4m) of repayments of funding made during the year.

In 2025/26 an impairment of £4.8m (2024/25: £6.7m) was recognised on a joint venture investment following an updated assessment of the recoverable value. For the Agency, an impairment of £12.1m was recognised, which includes an amount relating to prior year conditions identified during 2025/26.

In 2024/25, disposal receipts of £0.9m were deducted from the carrying amount of an investment for the Agency. This has now been reclassified as income and presented separately above.

The aggregated amounts of the Group's share of net assets and liabilities of associates and JVs are as follows:

	2025/26 £'000	2024/25 £'000
Group share of net assets of associates	57,224	52,091
Group share of net assets of joint ventures	8,471	4,857
Group share of net assets of associates and joint ventures	65,695	56,948

During the year, the Group had interests in the following associated undertakings and joint ventures, all of which are active and are registered or resident in England and Wales:

Name of undertaking	Group/Agency	Interest	Nature of business
English Cities Fund Limited Partnership	Group	48%	Property development
Tilia Community Living LLP ^	Agency	26%	Property development
Newton Development Partners LLP ^	Agency	25%	Property development
MADE Partnership LLP ^	Agency	33%	Property development
Habiko LLP ^	Agency	33%	Property development
Juniper JVCO Limited ^	Agency	20%	Property development
PlacePoint Housing Partnership LLP ^*	Agency	25%	Property development
The Impact & Places Partnership Limited ^*	Agency	25%	Property development
Countryside Maritime Limited ^	Agency	50%	Development of land
Temple Quay Management Limited	Agency	24%	Property management company
Kings Waterfront (Estates) Limited	Agency	50%	Property management company
Cambridge Growth Company Limited ^**	Agency	100%	Property management company
Pride in Camp Hill	Agency	33%	Regeneration of Camp Hill area of Nuneaton
Bristol Temple Quarter LLP ^	Agency	33%	Regeneration of Bristol Temple Quarter

^ Joint venture

*During the year, the Agency entered into a partnership agreement to invest equity funding in a joint venture, The Impact & Places Partnership Limited, a private company limited by shares. The Agency also entered into a partnership agreement to invest equity funding in PlacePoint Housing Partnership LLP. The carrying value of the investment, included in the preceding table, reflects the equity component of an interest-free loan to the joint venture. Please see the recognition and derecognition section of Note 1n for more information.

The same funding structure, comprising both an equity interest and an interest-free loan, also applies to MADE Partnership LLP and Habiko LLP. These arrangements were entered into in prior years and their carrying values similarly include the equity components on the interest-free loans, being the differences between the fair values of the loans under IFRS 9 and the cash advanced.

**Although the Agency holds a 100% interest in Cambridge Growth Company Limited, it does not control the company under IFRS 10. Key strategic decisions require joint approval from the Agency and MHCLG, meaning the Agency cannot unilaterally direct relevant activities.

Post year end transfer of assets to the National Housing Bank Limited

On 17 November 2025, the National Housing Bank Limited (the NHB) was incorporated as a wholly owned subsidiary of the Agency. As a public financial institution, the NHB's purpose is to accelerate housebuilding in England by delivering

purpose-led financing and to subsume an existing portfolio of the Agency's relevant financial assets and investments. The NHB commenced operations on 1 April 2026 and on the same date, the Agency transferred relevant assets (being certain financial asset investments, investments in subsidiaries and investments in associates and joint ventures) to

the NHB at carrying value. No adjustment has been made in these Group Financial Statements as a result of the transfer, as it is a non-adjusting event under IAS 10 Events After the Reporting Period.

With regards to associated undertakings and joint ventures, the Agency transferred across its investments in English Cities Fund Limited

Partnership, Tilia Community Living LLP, Newton Development Partners LLP, MADE Partnership LLP, Habiko LLP, Juniper JVCO Limited, Countryside Maritime Limited, PlacePoint Housing Partnership LLP and The Impact & Places Partnership Limited.

Please see Note 24 for further information on the transfer.

c) Commitments for associated undertakings and joint ventures - Group and Agency

In 2023/24, the Group committed to invest a further £50m into English Cities Fund. During 2025/26, £11.9m (2024/25: £13.7m) has been drawn down from the total commitment. As a result of the net drawdowns and repayments, at 31 March 2026 there is a balance of £22.5m (2024/25: £24.3m) available to be drawn.

In 2022/23, the Agency committed £50.0m of funding to Newton Development Partners LLP. During 2025/26, £0.2m (2024/25: £nil) was drawn down. As a result of drawdowns, at 31 March 2026 there is a balance of £49.8m (2024/25: £50.0m) available to be drawn.

In 2024/25, the Agency committed £50.0m of funding to MADE Partnership LLP. During 2025/26, £0.5m (2024/25: £1) was drawn in equity funding and £1.7m (2024/25: £3.4m) was drawn in loan funding. As a result of drawdowns, at 31 March 2026 there is a balance of £44.4m (2024/25: £46.6m) available to be drawn.

In 2024/25, the Agency committed £18.0m of funding to Habiko LLP. During 2025/26, £0.4m (2024/25: £0.1m) was drawn in equity funding and £1.0m (2024/25: £nil) was drawn in loan funding. As a result of drawdowns, at 31 March 2026 there is a balance of £16.5m (2024/25: £17.9m) available to be drawn.

In 2024/25, the Agency committed £50.0m of funding to Juniper JVCO Limited. During 2025/26, £1.0m (2024/25: £1.8m) was drawn in equity funding and £4.0m (2024/25: £7.4m) was drawn in loan funding. As a result of drawdowns, at 31 March 2026 there is a balance of £35.8m (2024/25: £40.8m) available to be drawn.

In 2025/26, the Agency committed £40.0m of funding to The Impact & Places Partnership Limited. At 31 March 2026 £0.3m had been drawn in equity funding and £2.4m had been drawn in loan funding. As a result of drawdowns, at 31 March 2026 there is a balance of £37.3m available to be drawn.

In 2025/26, the Agency committed £60.0m of funding to PlacePoint Housing Partnership LLP. At 31 March 2026 £4.0m had been drawn in equity funding and £14.4m had been drawn down in loan funding. As a result of drawdowns, at 31 March 2026 there is a balance of £41.6m available to be drawn.

In 2025/26 the Agency formed a constructive obligation to provide £30m of funding to a partnership which will be set up as a joint venture. This is considered a commitment held at 31 March 2026.

11. Financial Assets

	Note	2025/26			2024/25		
		Fair value £'000	Amortised cost £'000	Total £'000	Fair value £'000	Amortised cost £'000	Total £'000
Cash and cash equivalents	a)	-	302,521	302,521	-	388,501	388,501
Trade and other receivables	b)	272,115	90,163	362,278	219,890	114,621	334,511
Financial asset investments	d)	14,367,688	1,385,926	15,753,614	16,712,231	1,416,852	18,129,083
		14,639,803	1,778,610	16,418,413	16,932,121	1,919,974	18,852,095

a) Cash and cash equivalents - Group and Agency

	2025/26 £'000	2024/25 £'000
Cash held with Government Banking Service	253,724	275,636
Cash held with third parties	48,684	112,751
Cash held with commercial banks	113	114
	302,521	388,501

The Agency draws Grant in Aid from MHCLG on a monthly basis which is received on the eighth working day. At 31 March the Agency held cash balances to enable it to meet its short-term cash requirements until receipt of the next instalment of Grant in Aid.

The cash figure takes account of BACS payments initiated by 31 March 2026 to settle short-term liabilities, but not cleared by 31 March 2026. These

payments totalled £68.4m (2024/25: £62.3m) and cleared the bank in early April 2026. There were no cash equivalents at any of the reporting dates shown.

Cash held with third parties covers amounts retained by external legal firms and the Agency's mortgage administrator for home equity investments. Cash is held to Homes England's order.



b) Trade and other receivables - Group and Agency

		2025/26			2024/25		
	Notes	Non-current assets £'000	Current assets £'000	Total £'000	Non-current assets £'000	Current assets £'000	Total £'000
Fair value							
Land sale receivables	c)	133,724	110,654	244,378	108,599	89,990	198,589
Other receivables and prepayments	c)	-	27,737	27,737	-	21,301	21,301
Total trade and other receivables measured at fair value through profit or loss		133,724	138,391	272,115	108,599	111,291	219,890
Amortised cost							
Gross balances							
Land sale receivables		1,590	11,125	12,715	2,611	3,826	6,437
Taxes and social security		-	949	949	-	21,473	21,473
Other receivables and prepayments		32,936	43,874	76,810	11,012	75,927	86,939
		34,526	55,948	90,474	13,623	101,226	114,849
Expected credit loss allowances	16b	-	(311)	(311)	-	(228)	(228)
Total net trade and other receivables measured at amortised cost		34,526	55,637	90,163	13,623	100,998	114,621
Total trade and other receivables		168,250	194,028	362,278	122,222	212,289	334,511
Of which:							
Trade and other receivables measured at fair value through profit or loss							
Balances with private sector counterparties		133,724	138,391	272,115	108,599	111,291	219,890
Balances with public sector counterparties		-	-	-	-	-	-
		133,724	138,391	272,115	108,599	111,291	219,890
Trade and other receivables measured at amortised cost							
Balances with private sector counterparties		34,072	38,891	72,963	13,268	32,702	45,970
Balances with public sector counterparties		454	16,746	17,200	355	68,296	68,651
		34,526	55,637	90,163	13,623	100,998	114,621

Land sale receivables

Land sale receivables are measured with reference to the underlying agreement. As highlighted in Note 1l, in most cases the inclusion of an overage clause within the land sale agreement requires the receivable to be measured at fair value through profit or loss (FVTPL). Where the contractual terms give rise to cash flows that are solely payments of the principal amount these are measured at amortised cost.

Other receivables and prepayments

Other receivables held at FVTPL relate to home equity management fees and interest.

The remainder of other receivables are held at amortised cost and include amounts due from MHCLG for programmes delivered on their behalf, utility prepayments, trade receivables and other smaller balances.

Credit risk of receivables classified to FVTPL

The Agency is exposed to credit risk in relation to receivables measured at FVTPL. The credit risk exposure at the year end is £287.0m (2024/25: £232.8m).

c) Movements in trade and other receivables measured at fair value - Group and Agency

	Level 3		
	Land sale receivables £'000	Other receivables and prepayments £'000	Total £'000
Balances as at 1 April 2024	241,356	13,550	254,906
Additions	57,898	129,326	187,224
Disposals	(104,478)	(121,344)	(225,822)
Fair value gains/(losses)	3,813	(231)	3,582
Balances as at 31 March 2025	198,589	21,301	219,890
Additions	132,690	151,908	284,598
Disposals	(89,688)	(145,452)	(235,140)
Fair value gains/(losses)	2,787	(20)	2,767
Balances as at 31 March 2026	244,378	27,737	272,115

d) Summary of financial asset investments - Group and Agency

			2025/26			2024/25		
	Fair value hierarchy (where relevant)	Note	Non-current assets £'000	Current assets £'000	Total £'000	Non-current assets £'000	Current assets £'000	Total £'000
Fair value								
Home equity loans								
Help to Buy equity loans	Level 2	14	13,492,586	-	13,492,586	15,917,039	-	15,917,039
Other legacy equity loans	Level 2	14	165,527	-	165,527	180,556	-	180,556
			13,658,113	-	13,658,113	16,097,595	-	16,097,595
Loans receivable								
Infrastructure loans	Level 3	15	359,438	4,332	363,770	298,859	14,104	312,963
Development loans	Level 3	15	25,634	4,387	30,021	2,048	21,765	23,813
Other loans	Level 3	15	27,522	1,956	29,478	13,186	539	13,725
			412,594	10,675	423,269	314,093	36,408	350,501
Other investments								
PRS REIT	Level 1	17	-	-	-	24,539	10,000	34,539
Development and infrastructure equity	Level 3	17	154,120	9,369	163,489	82,277	15,587	97,864
Managed funds	Level 3	17	73,264	5,920	79,184	83,501	5,545	89,046
City Growth Deals	Level 3	17	7,836	20,763	28,599	28,288	945	29,233
Other equity	Level 3	17	2,001	185	2,186	2,168	6,434	8,602
Overage	Level 3	17	17	12,831	12,848	1,005	3,846	4,851
			237,238	49,068	286,306	221,778	42,357	264,135
Total financial assets measured at fair value through profit or loss			14,307,945	59,743	14,367,688	16,633,466	78,765	16,712,231
Amortised cost								
Loans receivable								
Infrastructure loans		15	710,958	67,074	778,032	605,021	196,068	801,089
Development loans		15	74,619	255,013	329,632	42,121	325,064	367,185
Other loans		15	265,787	12,475	278,262	226,496	22,082	248,578
Total financial assets measured at amortised cost			1,051,364	334,562	1,385,926	873,638	543,214	1,416,852
Total financial asset investments			15,359,309	394,305	15,753,614	17,507,104	621,979	18,129,083
Of which:								
Financial asset investments measured at fair value through profit or loss								
Balances with private sector counterparties			14,232,311	29,964	14,262,275	16,576,249	68,216	16,644,465
Balances with public sector counterparties			75,634	29,779	105,413	57,217	10,549	67,766
			14,307,945	59,743	14,367,688	16,633,466	78,765	16,712,231
Financial asset investments measured at amortised cost								
Balances with private sector counterparties			1,047,028	334,415	1,381,443	868,130	540,482	1,408,612
Balances with public sector counterparties			4,336	147	4,483	5,508	2,732	8,240
			1,051,364	334,562	1,385,926	873,638	543,214	1,416,852

Assets measured at fair value through profit or loss are carried at fair value, using the valuation methods described in Note 13. Following initial recognition, all movements in the fair value of these assets are recognised in net expenditure. On disposal of the related assets, the net difference between proceeds and the carrying value of the asset is recognised in net expenditure.

Loans and receivables are measured at amortised cost where they meet the criteria of solely payments of principal and interest (SPPI) and therefore meet the requirement to be described as a basic lending arrangement under IFRS 9.

Current and non-current split

For most financial asset investment classes, the Agency provides a best estimate of the portion of the total balance expected to be settled within twelve months of the year end based on cash flow forecasts. These cash flow forecasts take into account contractual terms, including repayment dates.

For home equity assets (being Help to Buy equity loans and other legacy equity loans), the proportion that will be redeemed within twelve months depends on when homeowners choose to sell their properties or make staircasing payments. The Agency cannot know what choices homeowners will make in advance of them being made. While the Agency internally estimates redemptions for the following financial year using historic data and trends, these estimates

can be materially different to the redemptions that actually occur. As a result, the Agency opts to present all of its home equity assets as non-current, which also reflects the contractual final redemption dates for all outstanding home equity loans.

Post year end transfer of assets to the National Housing Bank Limited

On 17 November 2025, the National Housing Bank Limited (the NHB) was incorporated as a wholly owned subsidiary of the Agency. As a public financial institution, the NHB's purpose is to accelerate housebuilding in England by delivering purpose-led financing and to subsume an existing portfolio of the Agency's relevant financial assets and investments. The NHB commenced operations on 1 April 2026 and on the same date, the Agency transferred relevant assets (being certain financial asset investments, investments in subsidiaries and investments in associates and joint ventures) to the NHB at carrying value. No adjustment has been made in these Group Financial Statements as a result of the transfer, as it is a non-adjusting event under IAS 10 Events After the Reporting Period.

With regards to financial asset investments, the Agency transferred across the vast majority of its loans receivable, some of its development and infrastructure equity investments and all of its managed funds investments.

Please see Note 24 for further information on the transfer.

e) Summary of movements recognised in consolidated net expenditure in relation to financial assets

	Note	2025/26 £'000	2024/25 £'000
Movements in net expenditure in relation to assets held at fair value			
Home equity loans			
Fair value gains/(losses) on home equity loan assets held at FVTPL	14a	(245,071)	411,162
Gain/(loss) on disposal against fair value	14b	49,749	(6,047)
Monthly homeowner fees recognised on Help to Buy equity loans		147,745	125,328
Monthly homeowner fees recognised on other legacy equity loans		4,163	3,998
		(43,414)	534,441
Loans receivable			
Fair value gains/(losses) on loans receivable held at FVTPL	15b	(4,690)	5,187
		(4,690)	5,187
Other investments			
Fair value gains/(losses) on other investments held at FVTPL	17a	24,383	19,016
Gain/(loss) on disposal against fair value	17b	434	-
		24,817	19,016
Trade and other receivables			
Fair value gains/(losses) on trade and other receivables held at FVTPL	11c	2,767	3,582
		2,767	3,582
Movements in net expenditure in relation to assets held at amortised cost			
Loans receivable			
Interest on loans		121,506	119,329
Credit impairment loss (charges)/reversals, including modification (losses)/gains	11f	(128,532)	29,605
		(7,026)	148,934
Trade and other receivables			
Credit impairment loss (charges)/reversals, including modification (losses)/gains	11f	59	109
		59	109
Net (expenditure)/income recognised in consolidated net expenditure		(27,487)	711,269

f) Credit impairment loss charges to net expenditure in relation to assets held at amortised cost

	Note	2025/26 £'000	2024/25 £'000
Loans receivable measured at amortised cost			
Net movements in expected credit loss allowances - loans	16	9,685	(53,379)
Amounts written-off/(written-back) loan balances	15d	114,113	21,634
Modification losses/(gains)	15a	4,734	2,140
		128,532	(29,605)
Trade and other receivables measured at amortised cost			
Net movements in expected credit loss allowances - receivables	16	83	(227)
Net amounts written-off/(written back) on receivable balances		(142)	118
		(59)	(109)
Total credit impairment loss charges/(credits)		128,473	(29,714)

The distinction between the recognition of write-offs and expected credit losses is detailed at the end of Note 1n.

Please refer to the losses and special payments breakdown within the Parliamentary Accountability Disclosures section of the Accountability Report for more information on the write-offs and modification losses that have occurred in the year ending 31 March 2026.

g) Sensitivity of significant valuation modelling assumptions

The carrying values of both the Agency's home equity loans portfolio and its loans receivable at amortised cost balance are subject to significant valuation modelling assumptions.

The sensitivity of the assumptions in respect of the home equity valuation has been analysed in Note 14d.

The sensitivity of the assumptions in respect of the Agency's expected credit loss allowance, which impacts the carrying value of its loans receivable at amortised cost balance, has been analysed in Note 16d.

12. Financial Risk Management - Financial Instruments

The Group and Agency's financial assets and liabilities are detailed in Notes 11 & 19. The statements in this Note apply to both the Agency itself and the Group, except where indicated.

The exposure to financial risk arising from financial assets is a key focus for management. In order to mitigate this risk, the Agency adopts the following approach to transactions with developers:

- potential exposure to credit risk is subject to a level of analysis which would be seen in UK financial institutions, which includes the consideration of aggregated exposures where applicable;
- for existing recoverable investments, cash flows are managed monthly based on client's agreed cash flows for drawdowns;
- when selling property, the Agency is normally secured by use of a building lease giving the right to retake possession of the disposed property in the event of a default by the buyer;
- loan and equity agreements are generally backed by a charge on land, parent company guarantees or other available security as appropriate to the individual circumstances. These are subject to individual review and structuring.

a) Market price risk

The Agency's results and equity are dependent upon the prevailing conditions of the UK economy, especially UK house prices, which significantly affect the valuation of the Agency's assets.

Home equity portfolio

Market price risk on the Agency's home equity portfolio has been analysed in Note 14c.

Other investments

The Agency's market price risk on its other investments portfolio has been analysed in Note 17c.

Land portfolio

Market price risk on the Agency's land and property assets portfolio has been analysed in Note 18b.

b) Interest rate risk

Interest rate risk arises on the Agency's loans receivable and has been analysed in Note 15e.

c) Liquidity risk

Liquidity risk is the risk that the Agency will be unable to meet its liabilities as they fall due.

To the extent that the Agency's liabilities cannot be met from its own sources of income, they may be met by future grants or Grant in Aid from the Agency's sponsoring department, MHCLG. Such grants are paid on a monthly basis to fund net liabilities as they are expected to fall due. Short term liquidity is managed through the investment of any cash surpluses with the Government Banking Service.

The Agency does not allow the use of more complex financial instruments, which could result in increased financial liabilities, such as derivatives.

Substantially all of the Agency's financial liabilities (as described in Note 19) are contractually due within one year of the reporting date.

d) Currency risk

The Agency's dealings are almost entirely sterling denominated, and therefore the Agency has no material exposure to currency risk.

e) Credit risk

Credit risk is the risk of financial loss where counterparties are not able to meet their obligations. The Agency's maximum exposure to credit risk, without taking into account any security held, is the same as the carrying amount

of financial assets recorded in the Financial Statements, as disclosed in Note 11.

With regard to the credit risk of home equity loans, amounts receivable from homeowners are secured by a second charge over their property. The remaining credit risk predominantly arises on the Agency's loans receivable and receivables due

from the sale of land and property.

The credit risk in relation to loans receivable has been detailed in Note 15e.

In relation to the Agency's land and property sale receivables, the exposure at 31 March 2026 is spread across counterparties as follows:

Analysis of receivables due from disposal of land and property exposure by counterparty at 31 March 2026	Exposure £'000	Percentage of total land and property receivables
Counterparty 1	78,893	30.7%
Counterparty 2	41,907	16.3%
Counterparty 3	37,450	14.6%
Counterparty 4	23,181	9.0%
Counterparty 5	17,885	7.0%
Counterparty 6	11,820	4.6%
Counterparty 7	8,890	3.5%
Counterparty 8	8,751	3.4%
Counterparty 9	8,478	3.3%
Counterparty 10	8,219	3.2%
Total exposure of top 10 counterparties at 31 March 2026	245,474	95.5%
Total receivables due from disposal of land and property balance at 31 March 2026	257,093	

The Agency's cash is generally held with the Government Banking Service, except where commercial reasons necessitate otherwise, for example when cash is held by solicitors around completion of property sales or purchases or by the Agency's mortgage administrator pending allocation to accounts.

There are no significant concentrations of credit risk in the Agency's other financial instruments.

For all financial assets excluding cash, the maximum exposure to a single counterparty at 31 March 2026 was £244.1m (2024/25: £227.3m), with the combined exposure of the five largest counterparties totalling £810m (2024/25: £741m).

Credit policies

Credit policies are developed which set the context of the appetite for risk, requirements for risk assessment (both at the outset and through the cycle of facilities provided) and the operational aspects of managing the overall risk profile. Details are provided in the Agency's accounting policies (Note 1).

13. Financial Assets and Financial Liabilities: Fair Values

The fair values of financial assets are assessed at least annually to meet the reporting requirements of IFRS 9 and are determined as follows:

Level 1	The fair value of the Agency's shareholding in the PRS REIT plc was calculated with reference to prices quoted on the London Stock Exchange and was therefore categorised as Level 1 in the fair value hierarchy as defined by IFRS 13. The Agency disposed of its shareholding in the PRS REIT plc in January 2026 and consequently did not hold any financial assets categorised as Level 1 at 31 March 2026.
Level 2	The fair values of assets held at fair value through profit or loss relating to the Agency's equity loan mortgage portfolio are calculated with reference to movements in the Office for National Statistics (ONS) house price index (HPI) at a regional level, being the most relevant available observable market data. This is supplemented by adjustments for experience of actual disposals which have occurred in the final three months of 2025/26, which consider geography, age, property type and transaction type. The price achieved on disposal can differ depending on whether a disposal occurs through a staircasing or a sale transaction. Actual disposals which have occurred in the final three months of 2025/26 have been used to determine the expected proportion of redemption transactions which could occur by a staircasing or a sale transaction for each category of experience adjustment (e.g. geography, age and property type). A weighted average valuation is then calculated which reflects the probability of each redemption option occurring. These experience adjustments are observable as they are developed using publicly available market and transaction data. Therefore, these fair values are categorised as Level 2 in the fair value hierarchy as defined by IFRS 13.
Level 3	The fair values of assets held at fair value through profit or loss relating to managed funds, equity investments in development / infrastructure projects and overage follow the income approach under IFRS 13. The fair value of Level 3 assets are calculated using project-level cash flow forecasts, discounted at rates set by HM Treasury, or the effective interest rate of the underlying loan agreement for loans at FVTPL if higher. This approach is as prescribed by the Government Financial Reporting Manual, issued by HM Treasury. This reflects the valuation methodology which would be employed by market participants when pricing the assets and, since the inputs which inform the calculation of fair value are unobservable to users of the accounts, the assets are categorised as Level 3 in the fair value hierarchy as defined by IFRS 13. The nature of the investments disclosed within this category vary in nature, as the Agency tailors the type of support or funding available to the individual situation. The nature of investments categorised within the Level 3 category is summarised in Note 11d. In addition, the mechanism by which the Agency obtains returns on these investments is specific to the asset. For example, the Agency may be due a share of returns from a development project, or the Agency may be due a share of profit which is determined based on the underlying performance of an investment. As a result of this, the inputs used to determine the fair value of each individual asset vary in nature. Input data can include project-level cash flows which are either provided by counterparties and moderated by the Agency's project managers or are obtained via independent valuation or monitoring reports from professional advisers (for individually significant assets). The fair value of other financial instruments (including liabilities, where significant and long-term) are similar in nature to other Level 3 assets and are calculated by discounting their future cash flows using discount rates set by HM Treasury, or the rate intrinsic to the financial instrument if higher. For financial assets, this results in classification as Level 3 in the fair value hierarchy as defined by IFRS 13.

No financial assets have moved between categories during 2025/26 (2024/25: None).

Measuring fair value on recognition

Where differences between the fair value at initial recognition and the price paid by the Agency to acquire the instrument are considered to be significant they are either:

- recognised as grant expenditure where fair value is considered to be below cost, in accordance with IAS 20 Government Grants, as would be the case when the Agency is permitted to and intentionally provides instruments at a discount to market rates; or
- deferred and released over the expected life of the instrument in accordance with IFRS 9, as would be the case when the Agency is not intentionally providing discounted instruments and differences between the fair value at inception and cost arise due to the use of unobservable, variable inputs in calculating the fair value; or

- recognised within investments in associates and joint ventures. This occurs when the Agency provides interest-free loans to associates or joint ventures and recognises the discounted future cash flows as a financial asset in line with IFRS 9. The difference between the fair value of the loan and the cash advanced is recognised as an equity contribution, as it represents the value provided to the associate or joint venture that is not recoverable through the loan's contractual cash flows.

The cumulative value of gains deferred and yet to be recognised in net expenditure is £nil (2024/25: £nil). No significant differences arose between fair values at initial recognition and the prices paid by the Agency to acquire relevant instruments in 2025/26.

14. Home Equity Loans

The Agency holds a portfolio of home equity loans, reflecting the future income due from homebuyers as a result of the Agency providing them with financial assistance in order to purchase their homes. The majority of home equity loans arise from the Help to Buy scheme, with the remainder arising from 'other legacy' schemes which consist of amounts due from homebuyers in relation to the following legacy equity schemes - First Buy: £36.8m (2024/25: £40.9m), Home Buy Direct and

Kickstart Home Buy Direct: £72.2m (2024/25: £79.3m), FTBI: £53.8m (2024/25: £57.5m), and amounts due in relation to deferred land charges of £2.7m (2024/25: £2.9m).

The Agency measures its home equity loan portfolio at fair value through profit or loss. The fair values of these assets are under Level 2 of the IFRS 13 hierarchy.

a) Movements in home equity loans - Group and Agency

	Help to Buy equity loans £'000	Other legacy equity loans £'000	Total home equity loans £'000
Balances as at 1 April 2024	17,441,103	183,804	17,624,907
Additions	628	-	628
Disposals	(1,925,504)	(13,598)	(1,939,102)
Fair value gains/(losses)	400,812	10,350	411,162
Balances as at 31 March 2025	15,917,039	180,556	16,097,595
Additions	89	-	89
Disposals	(2,181,988)	(12,512)	(2,194,500)
Fair value gains/(losses)	(242,554)	(2,517)	(245,071)
Balances as at 31 March 2026	13,492,586	165,527	13,658,113

The fair value loss recognised in the year is mainly a result of the decrease in house prices observed since March 2025.

b) Gain/(loss) on disposal of home equity loans

2025/26	Help to Buy equity loans £'000	Other legacy equity loans £'000	Total home equity loans £'000
Proceeds from disposals	2,231,308	12,941	2,244,249
Fair value of assets disposed	2,181,988	12,512	2,194,500
Gain/(loss) on disposal against fair value	49,320	429	49,749

2024/25	Help to Buy equity loans £'000	Other legacy equity loans £'000	Total home equity loans £'000
Proceeds from disposals	1,919,304	13,751	1,933,055
Fair value of assets disposed	1,925,504	13,598	1,939,102
Gain/(loss) on disposal against fair value	(6,200)	153	(6,047)

c) Financial risk management - Home equity loans

General financial risk management in relation to the Agency's financial instruments has been detailed in Note 12. The below disclosures relate specifically to the Agency's home equity portfolio.

The valuation of the Agency's equity loan portfolio is highly sensitive to changes in assumptions, in particular about market prices.

Using economic scenarios produced by the Agency which account for the key economic risks and macroeconomic uncertainty facing the Agency, further analysis has been undertaken in the Performance Report section of the Annual Report in relation to the impact of these scenarios on the valuation of the Agency's assets which are held at fair value under the Level 2 hierarchy.

Market price risk

The Agency is notably exposed to significant

market price risk in its equity loan mortgage portfolio. Any market price movements are reflected in net expenditure for the period.

The Agency accepts market price risk as an inherent feature of its operation of Help to Buy and other home equity schemes. It therefore does not attempt to directly mitigate this risk, for example via hedging, but monitors the exposure at a strategic level using a range of scenario analysis techniques.

The Agency has performed a sensitivity analysis that measures the change in fair value of the financial assets held for hypothetical changes in market prices. The sensitivity analysis is based on a proportional change to all prices applied to the relevant financial instrument balances existing at the year end. Stress testing is performed which looks at exposure to adverse scenarios to ensure that the financial risks are understood.

The following table shows the effect on net expenditure arising from movements in the fair value of these portfolios at 31 March 2026, before the effects of tax, if UK house prices had varied by the amounts shown and all other variables were held constant. This illustrates the impact of the mortgage providers' first charge, which disproportionately affects the estimated fair value when house prices reduce.

Modelled change in house prices (%)	Estimated portfolio value (£m)	Incremental change in fair value recognised in net expenditure (£m)	% Incremental change in fair value recognised in net expenditure
20.0%	16,396.6	2,738.5	20.1%
10.0%	15,028.0	1,369.9	10.0%
0.0%	13,658.1	-	0.0%
(5.0%)	12,968.1	(690.0)	(5.1%)
(10.0%)	12,254.9	(1,403.2)	(10.3%)
(20.0%)	10,564.7	(3,093.4)	(22.6%)
(30.0%)	8,478.2	(5,179.9)	(37.9%)

Credit risk

With regard to the credit risk of home equity loans, amounts receivable from homeowners are secured by a second charge over their property.

d) Sensitivity of significant valuation modelling assumptions - Home equity loans

Help to Buy

Homes England models the fair value of Help to Buy on the basis of the estimated proceeds that would be achieved were all homeowners to redeem their equity loans on the reporting date. Homes England considers these estimated proceeds to be a significant accounting estimate, because the fair value of the portfolio is highly sensitive to market price risk as set out in Note 14c. In addition, the estimate is sensitive to significant assumptions that Homes England makes within the valuation model. In the following disclosure, we have shown the individual impact of the assumptions that currently have a material impact on the estimates. Other assumptions within the valuation model, including estimated rates of first charge mortgage arrears and discount to sales on repossession, do not have a material impact at present, but could do if there was a significant decrease in house prices.

Assumptions of market adjustments

Office for National Statistics House Price Indices – which are used by Homes England to estimate the effect of house price inflation over time – are based on all market activity. Help to Buy is only available on new-build properties purchased with a mortgage, and redemptions can occur via staircasing as well as by sale. This means that the market price of the property on redemption may differ from that estimated by HPI alone. Homes England therefore makes regional market adjustments using its accumulated experience of gains and losses on disposals across different redemption transaction types to allow for these differences. These assumptions have a significant effect on the fair value because they modify the expected market price of properties from which Homes England's percentage share is calculated.

The table considers how the portfolio valuation would vary with 1% changes in the adjustments applied

	Fair value (£m)	Movement from base assumption (£m / %)	
2% increase in market adjustment (decrease in house prices)	13,202.1	(290.5)	(2.2%)
1% increase in market adjustment (decrease in house prices)	13,347.4	(145.2)	(1.1%)
Base assumption	13,492.6	-	0.0%
1% decrease in market adjustment (increase in house prices)	13,637.7	145.1	1.1%
2% decrease in market adjustment (increase in house prices)	13,782.8	290.2	2.2%

Assumptions of expected proportions of transaction types

Help to Buy is redeemed at the earlier of the sale of the property, or when the homeowner staircases the equity loan with a payment equivalent to Homes England's share of the current estimated value of the property (as determined by a Chartered Surveyor). Homes England applies regional assumptions based on its accumulated experience to estimate the proportion of its

portfolio that will be redeemed by each of these two redemption types. These assumptions have a significant effect on the estimated fair value because the proceeds recovered via a sale may be reduced by the balance due to the first charge mortgage lender and because different transaction types are observed to generate differing returns (as reflected in the regional market adjustments applied).

The table considers how the portfolio valuation would vary with changes in the expected proportions of transaction types

	Fair value (£m)	Movement from base assumption (£m / %)	
All redemptions are staircasing transactions	13,348.3	(144.3)	(1.1%)
10% increase in the rate of staircasing	13,462.3	(30.3)	(0.2%)
Base assumption (a blend of sales and staircasing)	13,492.6	-	0.0%
10% increase in the rate of sales	13,523.1	30.5	0.2%
All redemptions are sales	13,652.9	160.3	1.2%

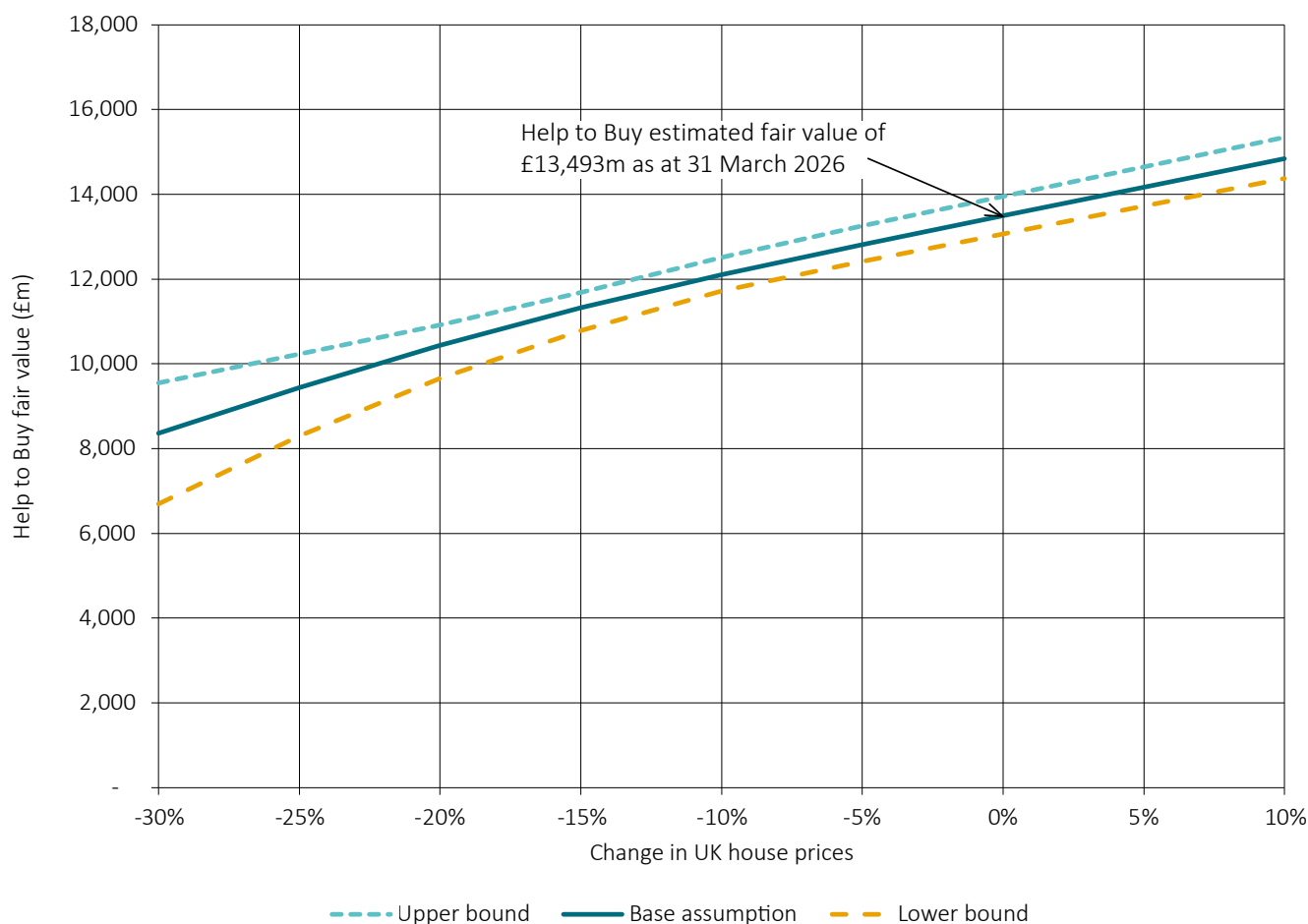
Combined impact of assumptions

The following graph illustrates a potential spread of fair value from the combined impact of assumptions at different market prices. The upper and lower bounds correspond to assumptions within the following ranges:

- market adjustments between 2% lower and 2% higher than the base assumptions
- proportion of transaction types between 100% sales and 100% staircasing
- mortgage arrears rates ranging from no arrears to a 7.5% increase on the base assumption
- discounts on repossession between 15% lower and 15% higher than the base assumption

For example, the lower bound corresponds with a 2% increase in market adjustment, a 7.5% increase in accounts in arrears, and 15% increase in discount on repossession. Each bound has been calculated by selecting the value which is furthest from the base assumption for each of the 100% sales and 100% staircasing scenarios.

The combined impact of assumptions generates a spread in estimated fair value of £0.9bn at current market prices. This spread would increase in a falling market, reaching approximately £2.9bn should market prices fall by 30%. The combined impact of assumptions is therefore more sensitive in a falling market. This is primarily due to the impact of the mortgage providers' first charge, which disproportionately affects the estimated fair value when house prices reduce.



15. Loans Receivable

The Agency categorises its loans receivable as being in relation to 'Infrastructure', 'Development' or 'Other'.

Infrastructure loans have been made to private sector developers and local authorities in order to fund infrastructure on stalled sites, or to unlock potential development sites. Development loans have been made to private sector developers in order to bring forward the development of housing under the Agency's programmes. Other loans mainly relate to commercial non-site specific

loans, such as corporate type facilities. Further details are provided in Notes 15a and 15b.

While most loans are measured at amortised cost, there are a number of loans containing equity elements which are measured on a fair value basis under the Level 3 hierarchy as they do not clearly meet the requirements under International Financial Reporting Standard 9 Financial Instruments (IFRS 9) to be described as basic lending arrangements.

a) Movements in loans receivable measured at amortised cost - Group and Agency

	Note	Infrastructure loans £'000	Development loans £'000	Other loans £'000	Total £'000
Gross balances as at 1 April 2024*		711,083	431,743	123,081	1,265,907
Additions		100,804	182,113	139,781	422,698
Repayments		(45,518)	(249,598)	(17,446)	(312,562)
Capitalised interest		50,907	32,611	4,474	87,992
Movement in accrued interest balance*		(893)	1,676	1,262	2,045
Loans derecognised	15d	(389)	(21,820)	-	(22,209)
Amounts recovered or recoverable in relation to loans derecognised	15d	224	351	-	575
Modifications gains/(losses)		368	(2,508)	-	(2,140)
Gross carrying values as at 31 March 2025*		816,586	374,568	251,152	1,442,306
Expected credit loss (ECL) allowance:					
ECL allowance as at 1 April 2024		(46,887)	(29,662)	(2,284)	(78,833)
ECL allowance remeasurement		31,390	20,003	(290)	51,103
ECL allowance on loans derecognised		-	2,276	-	2,276
ECL allowance as at 31 March 2025	16b	(15,497)	(7,383)	(2,574)	(25,454)
Net carrying values as at 31 March 2025		801,089	367,185	248,578	1,416,852

*The Agency has amended the presentation of accrued interest to improve the clarity of this Note. At 1 April 2024 there was a cumulative accrued interest balance of £6,098k, and in the year ending 31 March 2025 the balance increased by £2,045k, giving a cumulative balance at 31 March 2025 of £8,143k. In the prior year financial statements as published, the cumulative balance at 31 March 2025 of £8,143k was presented in a separate line outside of the gross carrying value. This has now been represented, with the £6,098k being included in the gross carrying value at 1 April 2024 and the £2,045k movement showing as a separate line within the movement in gross carrying values section.

	Note	Infrastructure loans £'000	Development loans £'000	Other loans £'000	Total £'000
Gross carrying values as at 1 April 2025		816,586	374,568	251,152	1,442,306
Additions		42,252	200,340	64,832	307,424
Repayments		(31,275)	(230,516)	(33,952)	(295,743)
Capitalised interest		52,696	27,928	6,449	87,073
Movement in accrued interest balance		(133)	(1,096)	81	(1,148)
Loans derecognised	15d	(86,181)	(32,273)	-	(118,454)
Amounts recovered or recoverable in relation to loans derecognised	15d	1,512	2,829	-	4,341
Modifications losses		(2,917)	(377)	(1,440)	(4,734)
Gross carrying values as at 31 March 2026		792,540	341,403	287,122	1,421,065
Expected credit loss (ECL) allowance:					
ECL allowance as at 1 April 2025		(15,497)	(7,383)	(2,574)	(25,454)
ECL allowance remeasurement		(6,228)	(4,704)	(6,286)	(17,218)
ECL allowance on loans derecognised		7,217	316	-	7,533
ECL allowance as at 31 March 2026	16b	(14,508)	(11,771)	(8,860)	(35,139)
Net carrying values as at 31 March 2026		778,032	329,632	278,262	1,385,926

Development loans have been made to private sector developers in order to bring forward the development of housing under the Agency's programmes, including the Home Building Fund and the Levelling Up Home Building Fund. These loans are repayable during periods ranging up to 2033. Infrastructure loans have been made to private sector developers and local authorities in order to fund infrastructure on stalled sites, or to unlock potential development sites. These loans are repayable during periods ranging up to 2041. Other loans include £21.9m of loans made to utility companies (2024/25: £22.9m) in respect of water infrastructure for new town developments (due for redemption by 2053), and £4.5m of loans made to local authorities (2024/25: £4.4m) which are repayable during periods ranging up to 2036. Other loans also include amounts due to the Agency in relation to loans provided under the Home Building Fund, the Levelling Up Home Building Fund and the Brownfield, Infrastructure and Land Fund totalling £258.9m (2024/25:

£219.7m) and mainly relate to commercial non-site specific loans, such as corporate type facilities. These loans are due over periods up to 2035.

It is a requirement of International Financial Reporting Standard 7 Financial Instruments: Disclosures (IFRS 7) that for each class of financial instruments the fair value of these assets is disclosed. For assets held at amortised cost, it is considered that the amortised cost carrying value after adding back the expected credit loss allowance is an appropriate proxy for fair value. This value was £1,421m at 31 March 2026 (£1,442m at 31 March 2025).

Please refer to the losses and special payments breakdown within the Parliamentary Accountability Disclosures section of the Accountability Report for more information on the write-offs (loans derecognised) and modification losses that have occurred in the year ending 31 March 2026.

b) Movements in loans receivable measured at fair value through profit or loss - Group and Agency

	Infrastructure loans £'000	Development loans £'000	Other loans £'000	Total £'000
Balances as at 1 April 2024	269,234	41,184	7,984	318,402
Additions	57,634	(24)	15,844	73,454
Disposals	(15,696)	(20,804)	(10,042)	(46,542)
Fair value gains/(losses)	1,791	3,457	(61)	5,187
Balances as at 31 March 2025	312,963	23,813	13,725	350,501
Additions	88,447	17,911	15,202	121,560
Disposals	(20,391)	(21,688)	(2,023)	(44,102)
Fair value gains/(losses)	(17,249)	9,985	2,574	(4,690)
Balances as at 31 March 2026	363,770	30,021	29,478	423,269

Infrastructure loans have been made to private sector developers and local authorities in order to fund infrastructure on stalled sites, or to unlock potential development sites under the Home Building Fund. Development loans have been made to private sector developers in order to bring forward the development of housing under the Home Building Fund. Other loans mainly relate to commercial non-site specific loans, such as corporate type facilities;

Credit risk of loans classified to FVTPL

The Agency is exposed to credit risk in relation to loans classified as FVTPL. The credit-risk exposure at 31 March 2026 in relation to these investments is £777.7m (2024/25: £640.7m).

c) Gain/(loss) on disposal of loans receivable measured at fair value through profit or loss - Group and Agency

2025/26	Infrastructure loans £'000	Development loans £'000	Other loans £'000	Total £'000
Proceeds from disposals	20,391	21,688	2,023	44,102
Fair value of assets disposed	20,391	21,688	2,023	44,102
Gain/(loss) on disposal against fair value	-	-	-	-

2024/25	Infrastructure loans £'000	Development loans £'000	Other loans £'000	Total £'000
Proceeds from disposals	15,696	20,804	10,042	46,542
Fair value of assets disposed	15,696	20,804	10,042	46,542
Gain/(loss) on disposal against fair value	-	-	-	-

d) Write-off allowances for loans receivable measured at amortised cost

As explained in Note 1n, Homes England manages distressed investments through a specialist team with experience in restructuring and insolvency. Loans held at amortised cost are derecognised as financial assets when there is no realistic prospect of recovery and the amount of the loss has been determined. Once a loan is

derecognised as a financial asset, the distressed investments team continues to pursue recovery until such time that HM Treasury gives approval to cease such activity. The table below discloses loans which have been derecognised as financial assets but for which loan recovery efforts continue.

	£'000
Loans derecognised but for which recovery was still being pursued at 1 April 2024	85,077
Loans derecognised in the year	22,209
Amounts recovered or recoverable in relation to loans derecognised	(575)
Loans for which recovery efforts were abandoned in the year	(122)
Loans derecognised but for which recovery was still being pursued at 31 March 2025	106,589
Loans derecognised in the year	118,454
Amounts recovered or recoverable in relation to loans derecognised	(4,341)
Loans for which recovery efforts were abandoned in the year	(2,423)
Loans derecognised but for which recovery was still being pursued at 31 March 2026	218,279

Please refer to the losses and special payments breakdown within the Parliamentary Accountability Disclosures section of the Accountability Report

for more information on the write-offs (loans derecognised) and modification losses that have occurred in the year ending 31 March 2026.

e) Financial risk management - Loans receivable

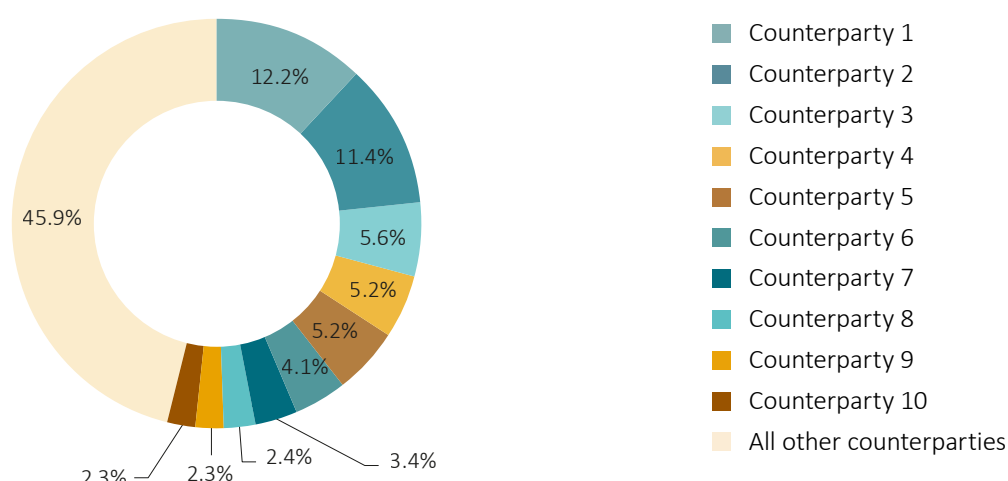
General financial risk management in relation to the Agency's financial instruments has been detailed in Note 12. The below disclosures relate specifically to the Agency's loans receivable.

Credit risk

The nature and concentration of the credit risk arising from the Agency's loans receivable (both measured at FVTPL and amortised cost) is as follows:

Analysis of total loan exposure by counterparty at 31 March 2026	Exposure £'000	Percentage of total loans
Counterparty 1	244,091	12.2%
Counterparty 2	227,020	11.4%
Counterparty 3	112,578	5.6%
Counterparty 4*	103,378	5.2%
Counterparty 5*	103,378	5.2%
Counterparty 6	81,386	4.1%
Counterparty 7	67,774	3.4%
Counterparty 8	46,998	2.4%
Counterparty 9	45,155	2.3%
Counterparty 10	45,055	2.3%
Total exposure of top 10 counterparties at 31 March 2026	1,076,813	54.1%
Total loans balance at 31 March 2026**	1,997,612	

Percentage of total loans



*The Agency has funding agreements in relation to investments or developments owned by multiple counterparties with equal ownership. As a result, the Agency's exposure to different counterparties can be identical.

**The balances analysed above include both loans measured at amortised cost and loans measured on a fair value basis. The exposures are before the application of the expected credit loss allowance and accounting write-off and impairments. The balances do not include capitalised fees and the effects of unwinding deferred income in relation to fees recharged to developers, with a net effect of £19.9m (2024/25: £15.0m).

Assessment of significant increases in credit risk

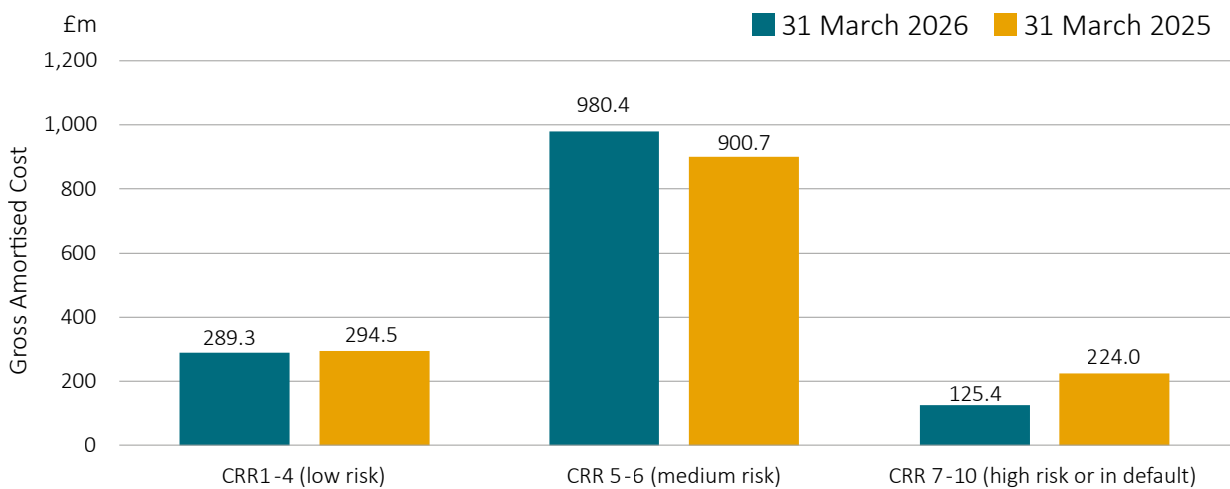
Individual loans are actively managed by dedicated project managers and are subject to ongoing review, enabling the Agency to react to early warning signs and to continually assess the relevant IFRS 9 stage for expected credit loss (ECL) allowances. This enables the Agency to consider the need for more intensive management to protect the exposure or, if needed, undertake a structure review to consider whether a write-off allowance is required. Forbearance is considered as part of any assessment and review of the customer risk rating during the term of facilities. This ensures that data which informs the ECL allowance calculation appropriately reflects current credit risk characteristics of the portfolio of investments.

All assessments and approvals are operated within a structured approval delegation matrix from HM Treasury and MHCLG.

Credit profile of investments

Of the total gross amortised loans cost exposures of £1,395m in 2025/26 (2024/25: £1,419m) excluding capitalised fees and the effects of unwinding deferred income, with the net effect of £19.9m (2024/25: £15.0m), £289m (2024/25: £295m) were categorised with a credit risk rating (CRR) between 1 to 4 (low risk), with £980m (2024/25: £901m) of exposures being categorised as CRR 5 to CRR 6 (medium risk). £125m (2024/25: £224m) of loan exposures were categorised as CRR 7 or above (high risk or in default).

Chart: Credit profile of investments



Collateral held as security for financial asset investments

Collateral is usually obtained as security against default. The primary sources of collateral are often land which is being developed with the aid of the investment finance, but they can be other land assets within the control of our counterparties or their parent groups. Parent company guarantees are also employed. For the expected credit loss

calculation, only land and property security values have a moderated security value (MSV), with an average base MSV adjustment of 54% for land and property applied to reflect reduced values which might reasonably be expected in a distressed sale. Because security values often relate to land under development, security values are modelled based on up-to-date information to take account of factors such as site expenditure and realised sales.

The Agency held gross collateral values against loans totalling £4,763m in 2025/26 (2024/25: £4,598m), the majority of which related to security over land and property assets held by third parties of £4,333m (2024/25: £4,320m). The modified value of this security value after applying MSV adjustments under the central economic scenario was £2,367m in 2025/26 (2024/25: £2,476m).

Of the total exposures relating to loans measured at amortised cost (excluding accounting write-offs) of £1,613m (2024/25: £1,526m), £1,171m (2024/25: £1,211m), 80.3% of agreements (2024/25: 73.9%), were fully covered by gross land and property security values held in relation to those investments. There were 30 exposures (2024/25: 35 exposures), 19.7% of agreements (2024/25: 26.1%), totalling £443m (2024/25: £314m) where gross security values held were less than the unimpaired exposure at that date. The total gross security values held for these investments was £130m (2024/25: £39m). This is £73m after applying MSV adjustments under the central economic scenario (2024/25: £22m). Of these 30 investments, there were 19 investments (2024/25: 22 investments), 12.5% of agreements (2024/25: 16.4%), with a gross exposure value of £224m (2024/25: £217m) where no security is held.

The total gross value (after adding back accounting write-offs) of loans measured at amortised cost which were credit impaired was £281.8m (2024/25: £133.9m). The Agency held gross land and property security values of £142.5m (2024/25: £35.7m) against these 18 assets at 31 March 2026 (2024/25: 19 assets). This is £81.1m (2024/25: £20.7m) of net security values after applying MSV adjustments under the central economic scenario. Of the 18 investments where no security is held, 8 of these are credit impaired investments (2024/25: 11 assets) with a gross pre-write-off exposure value of £90.9m (2024/25: £80.0m).

The Agency held total gross land and property security values of £445.8m (2024/25: £582.1m) against loan assets measured at fair value at 31 March 2026. This is £258.4m (2024/25: £355.5m) of net security values after applying MSVs under the central economic scenario.

Collateral held as security actively being realised

As at 31 March 2026, the Agency was actively in the process of holding or realising collateral with value in relation to 3 loan investments that were in administration or receivership. The collateral in all 3 cases relates to land and development assets. The cash flow forecasts that underpin the Agency's 2025/26 carrying values for these investments include expected receipts from the realisation of the collateral held as follows:

- The Agency's portfolio of infrastructure loans measured at amortised cost (2025/26 total carrying value of £778.0m) includes two investments which are currently in administration or receivership and through which the Agency is currently holding or realising collateral. The cash flow forecasts underpinning the 2025/26 carrying values for these investment includes the projected realisation of collateral and shows total forecast receipts of £4.3m (prior to discounting).
- The Agency's portfolio of development loans measured at amortised cost (2025/26 total carrying value of £329.6m) includes one investment which is currently in administration or receivership and through which the Agency is currently holding or realising collateral. The cash flow forecast underpinning the 2025/26 carrying value for this investment includes the projected realisation of collateral and shows total forecast receipts of £0.2m (prior to discounting).

Interest rate risk

The Agency's income is exposed to interest rate risk on its financial assets classified as loans and receivables, where these pay interest at a variable rate. For the majority of the Agency's loan portfolio, the variable element is the EC Reference Rate, which was 4.43% as at 31 March 2026 (5.35% as at 31 March 2025).

If interest rates on the Agency's variable rate loans had been 1% higher/lower throughout the year ended 31 March 2026, the Agency's net expenditure for the year, before the effect of tax, would have been £17.2m/£17.2m higher/lower. The Agency does not undertake any specific measures to mitigate against the risk of changes in variable interest rates.

16. Expected Credit Loss Allowances

The Agency is required to calculate an expected credit loss (ECL) allowance for financial assets measured at amortised cost. The majority of the assets the Agency measures at amortised cost relate to funding the Agency has provided as loans, and a small number of non-current trade receivables. The Agency also calculates a simplified expected credit loss allowance for current trade receivables as permitted under International Financial Reporting Standard 9 Financial Instruments (IFRS 9).

a) Consideration of materiality

The calculation of expected credit loss allowances is complex and involves the use of assumptions, primarily over the credit risks associated with the Agency's relevant financial assets in different economic scenarios and the amounts that could be irrecoverable in situations of default. Correspondingly, the relevant ECL disclosure requirements laid out in International Financial Reporting Standard 7 Financial Instruments Disclosures (IFRS 7) are extensive.

The Agency calculates the carrying values of its expected credit loss allowances with reference to baseline assumptions over economic scenarios

and the weightings of those scenarios, probability of default values, moderated security values and minimum losses given default. The Agency performs sensitivity analyses over each of these individual assumptions in isolation, as well as a 'combined impact of assumptions' sensitivity analysis which shows the minimum and maximum expected credit loss allowances that would arise when all of the key assumptions were changed at the same time, to reflect the most advantageous upside or adverse downside scenarios, within reasonable limits.

From this sensitivity work, the Agency is able to determine that the carrying values of its ECL allowances are not material to these Financial Statements and would not be material, even in the most adverse scenario within reason. Consequently, with reference to paragraph 31 of International Accounting Standard 1 Presentation of Financial Statements (IAS 1), the Agency does not include all of the IFRS 7 ECL disclosures in these Financial Statements, and instead opts to present simplified disclosures in the rest of this Note.

b) Expected credit loss allowances analysed for disclosure against asset categories

2025/26	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Simplified approach £'000	Total £'000
Development loans	7,645	3,511	615	-	11,771
Infrastructure loans	13,239	1,269	-	-	14,508
Other loans	6,083	2,777	-	-	8,860
Trade and other receivables	111	-	-	200	311
Total ECL allowances at 31 March 2026	27,078	7,557	615	200	35,450

2024/25	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Simplified approach £'000	Total £'000
Development loans	4,754	2,629	-	-	7,383
Infrastructure loans	7,397	8,100	-	-	15,497
Other loans	2,574	-	-	-	2,574
Trade and other receivables	109	-	-	119	228
Total ECL allowances at 31 March 2025	14,834	10,729	-	119	25,682

c) Expected credit losses on loan commitments

The Agency's total expected credit loss (ECL) allowances arise on existing financial assets (i.e. where drawdowns have already been made) and on undrawn loan commitments. Undrawn loan commitments arise under both contracts relating to existing financial assets (open loans) and under contracts in which no drawdowns have yet been provided at all. Almost all of the expected credit loss allowance on undrawn loan commitments is in relation to undrawn but committed amounts on existing, open loans, where some drawdowns have already been made. The ECL element arising on loan commitments under contracts in which no drawdowns have yet been made is immaterial. In line with section B8E of International Financial Reporting Standard 7 Financial Instruments: Disclosures (IFRS 7), the Agency recognises the element of the ECL allowance arising on undrawn loan commitments on open loans against its financial assets, rather than recognising it

separately within provisions, as it is not possible to readily identify this element separately from the ECL allowance arising on existing financial assets. This is because the Agency's ECL calculation uses forward-looking cash flows in which it is often not possible to accurately determine how much of any given future loan repayment or interest receipt is in relation to amounts already drawn or in relation to committed amounts expected to be drawn in the future.

d) Sensitivity of expected credit loss allowance modelling assumptions

Due to the complex nature of the expected credit loss methodology, the calculation is sensitive to some judgements and assumptions. As detailed in Note 16a, despite the assumptions involved in the calculation, which are detailed in the remainder of this Note, the Agency's sensitivity analysis shows that the impact of changing the assumptions within reasonable parameters cannot be material to these Financial Statements.

There are two assumptions which, when changed, only have a minimal impact on the ECL calculated. They are (a) the timing of when a default event occurs in a given year, where the Agency's baseline position is to assume that defaults happen at the mid-point of a given year, and (b) the profile of forecast expenditure and receipts for relevant financial assets within a given year, where the Agency's baseline position profiles forecast amounts based on the profiling of historic transactions.

The assumptions which are more consequential to the expected credit loss allowances calculation and the baselines applied in determining the carrying values of the allowances at 31 March 2026 are as follows:

Economic scenarios and scenario weighting assumptions

IFRS 9 requires the Agency to consider alternative economic scenarios in the calculation of the expected credit loss allowances. For each identified economic scenario, variations are made to the probability of default values applied based on an individual investment's credit risk rating. Weightings are applied to the expected credit loss calculation for each scenario, determined in relation to the probability of each scenario occurring, with reference to current market and credit risk expectations. At 31 March 2026, the Agency applied three economic scenarios: a base case central scenario, a downside scenario and an upside scenario. Further details in relation to these scenarios can be found in the Financial Risk section of the Performance Report. At 31 March 2026, a 40% weighting was applied to the base case scenario, a weighting of 30% to the downside scenario and a 30% weighting to the upside scenario calculation.

Probability of default (PD) assumptions

Baseline PD values are determined with reference to current economic conditions; however for alternative scenarios the PD values are migrated

to adjust the PD % values against each credit risk rating (CRR).

Moderated security value (MSV) assumption

To reflect the expected value which might reasonably be realised from the sale of security in the event of default, MSV percentages are applied to gross security values to determine a measure of loss given default (when compared against the estimated exposure on default). The baseline MSVs are varied depending on the type of security held and the economic scenario modelled (base, upside and downside).

Loss floor

A minimum percentage value has been applied to the loss given default (LGD) calculation with reference to individual investments. At 31 March 2025 and 31 March 2026 the baseline LGD floor applied was 35%.

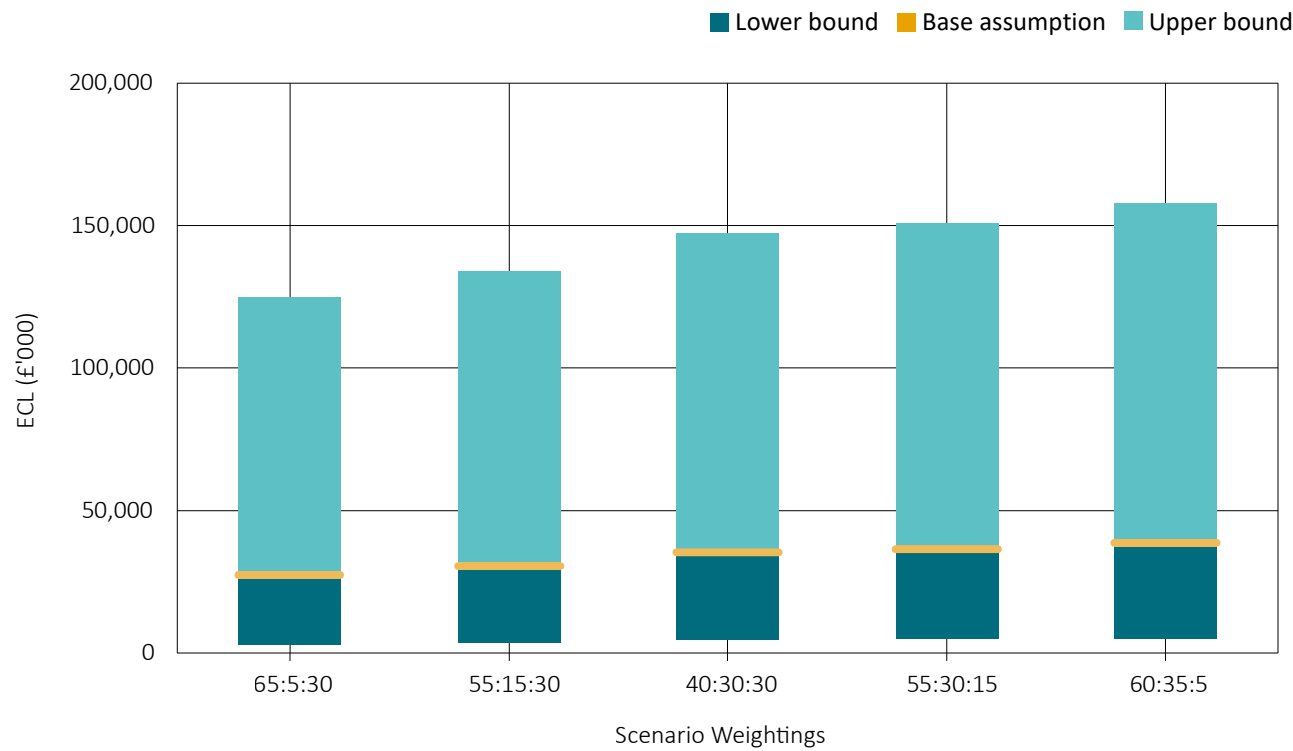
Combined impact of assumptions sensitivity analysis

An analysis has been performed to establish the impact if the assumptions (excluding scenario weightings) were changed within reasonable limits to consider the highest and lowest possible expected credit loss allowance. The upper and lower bounds correspond to assumptions within the following ranges:

- PDs adjusted by increasing (upper bound) and decreasing (lower bound) the underlying CRRs of investments.
- MSVs decreased by 10% (upper bound) and increased by 10% (lower bound) across all three scenarios.
- Increase in loss floor to 75% (upper bound) and decrease in loss floor to 0% (lower bound).
- Assuming default events occur at the beginning of the year (upper bound) and at the end of the year (lower bound).

- Assuming all spend occurs at the beginning of the year and all receipts at the end of the year (upper bound) and assuming all spend occurs at the end of the year and all receipts at the beginning of the year (lower bound).

A variation has then been applied to the economic scenario weightings against the highest and lowest expected credit loss positions in order to consider the impact of these variations in combination with all other assumptions changing.



17. Other Investments

The Agency's other investments balance comprises the following:

- Development and infrastructure equity, City Growth Deals and other equity: Investments in development and infrastructure projects under which the Agency benefits from variable returns based on income generated by the project funding, including projects with both the private sector and local authorities, some of which have arisen under City Growth Deals entered into to support the government's aim of promoting localism. The Agency has also invested capital into funds and has invested as a minority shareholder, and will receive returns from these investments based on the performance of the underlying investments or vehicle;

- Managed funds: Investments in Housing Growth Partnership, operated by Lloyds Banking Group;
- Overage: Future receipts due from the disposal of land to third parties, where the Agency includes contractual provisions in line with Managing Public Money to protect the public interest by requiring additional overage payments to be made where developments are more profitable than envisaged when the initial disposal consideration was agreed.

All of the Agency's other investments are measured at fair value through profit or loss.

a) Movements in other investments - Group and Agency

	Shares held in The PRS REIT plc £'000	Development and infrastructure equity £'000	Managed funds £'000	City Growth Deals £'000	Other equity £'000	Overage £'000	Total £'000
Balances as at 1 April 2024	23,754	123,012	77,448	30,029	2,436	4,998	261,677
Additions	-	24,525	14,656	-	6,715	-	45,896
Disposals	-	(45,501)	(6,605)	(582)	(2,842)	(6,924)	(62,454)
Fair value gains/(losses)	10,785	(4,172)	3,547	(214)	2,293	6,777	19,016
Balances as at 31 March 2025	34,539	97,864	89,046	29,233	8,602	4,851	264,135
Additions	-	66,406	7,399	-	1,422	-	75,227
Disposals	(33,762)	(13,003)	(13,628)	(989)	(8,222)	(7,835)	(77,439)
Fair value gains/(losses)	(777)	12,222	(3,633)	355	384	15,832	24,383
Balances as at 31 March 2026	-	163,489	79,184	28,599	2,186	12,848	286,306

b) Gain/(loss) on disposal of other investments

2025/26	Shares held in The PRS REIT plc £'000	Development and infrastructure equity £'000	Managed funds £'000	City Growth Deals £'000	Other equity £'000	Overage £'000	Total £'000
Proceeds from disposals	34,196	13,003	13,628	989	8,222	7,835	77,873
Fair value of assets disposed	33,762	13,003	13,628	989	8,222	7,835	77,439
Gain/(loss) on disposal against fair value	434	-	-	-	-	-	434

The gain on disposal of the Agency's shareholding in the PRS REIT plc arises due to additional, unforeseen consideration received after the asset was derecognised and disposed of in January 2026.

The fair value of the shareholding disposed reflects the share price at the point of disposal (113p per share).

2024/25	Shares held in The PRS REIT plc £'000	Development and infrastructure equity £'000	Managed funds £'000	City Growth Deals £'000	Other equity £'000	Overage £'000	Total £'000
Proceeds from disposals	-	45,501	6,605	582	2,842	6,924	62,454
Fair value of assets disposed	-	45,501	6,605	582	2,842	6,924	62,454
Gain/(loss) on disposal against fair value	-	-	-	-	-	-	-

c) Financial risk management - Other investments

General financial risk management in relation to the Agency's financial instruments has been detailed in Note 12. The below disclosures relate specifically to the Agency's other investments.

Market price risk

The Agency's portfolio of other investments is mainly affected by price risk through equity deals involving development and infrastructure projects.

At 31 March 2026, if development returns had been 10% higher/lower and all other variables were held constant, the effect on the Agency's net expenditure arising from movements in investments in private sector developments and infrastructure projects, before the effects of tax, would have been an increase/decrease of £28.6m/£28.6m from that stated.

18. Land and Property Assets

a) Movements in land and property assets - Group and Agency

	Note	2025/26 £'000	2024/25 £'000
Net book value at 1 April		1,156,089	1,064,633
Additions		276,837	322,476
Disposals	4	(135,082)	(52,756)
Write-downs		(271,307)	(178,264)
Net book value at 31 March		1,026,537	1,156,089

The net book value at 31 March 2026 includes land and property assets expected to be realised in more than one year of £875.9m (2024/25: £967.5m).

Write-downs of land and property assets

Write-downs include charges of £301m (2024/25: £221m) and reversals of £30m (2024/25: £43m).

Homes England's land and property portfolio is complex and comprises many different assets with different features and challenges. Assets may have specific challenges in terms of access, topography and profile, remediation of polluted land or the rectification of the negative impact of prior uses. The Agency may therefore need to

incur expenditure in relation to the construction of roads, bridges or other significant infrastructure and this may extend to regeneration of the land asset area. During the year, the Agency spent £57m (2024/25: £88m) in relation to assets in need of significant regenerative capital expenditure, as described above, and recognised £73m (2024/25: £55m) of write-downs in relation to these assets.

Whilst write-downs arise for a variety of different reasons, common themes relevant to the net write-down expense include: increases in build and infrastructure costs combined with relatively flat sales expectations, increases in the scope of development costs and in the cost of finance, and other regulatory impacts such as continuing

implementation of the Future Homes Standard, the Building Safety Levy (new for 2026) and the mandated minimum requirements for biodiversity net gain.

Following the determination of net realisable value at the reporting period, each asset is individually assessed in order to calculate a write-down/reversal of write-down. The valuation applied reflects the specific intentions Homes England has for the site and its particular disposal strategy as at the reporting date. As the portfolio includes many assets which may be deemed unviable without the intervention of Homes England, it is not unusual for assets to be written-down. Some assets may require significant investment which may not readily translate to increased value, at least in the short-term. Valuations are highly sensitive to changes in input assumptions - especially the larger schemes to be delivered over long timescales - some of which are subjective in nature and small changes can therefore lead to write-downs or reversals. Write-downs may be temporary in nature and values may increase in following years, resulting in reversals of write-downs.

Valuation

Land and property assets had a combined net realisable value of £1,229m (2024/25: £1,422m).

As described in Note 1l, the estimated valuation at the reporting period of the portfolio of land and property assets is obtained in accordance with the current edition of RICS Valuation - Professional Standards published by the Royal Institution of Chartered Surveyors. The information provided to the valuers, and the assumptions and valuation models used by the valuers are reviewed internally in accordance with the Agency's ALVVE (Annual Land Validation and Valuation Exercise) guidance.

The valuation models used by the external valuers will vary depending on the Agency's objectives and conditions for each asset. However, they will typically include a mixture of the following:

- Residual method: the residual method is based on the concept that the value of land or property with development potential is derived from the value of the land or property after development minus the cost of undertaking that development, including a profit for the developer.
- Comparable approach: this approach uses comparable evidence of similar assets, normally in a similar type of location or geographical area.

Where disposal processes are well advanced e.g. bids received, preferred bidder identified or conditional agreements entered into, the valuer would be expected to have regard to these. The valuer will make a judgement as to the appropriate weight to apply on a case-by-case basis depending on how advanced the process is and the considered likelihood of the transaction completing as currently structured.

In all cases, further allowances for risk will be applied as appropriate, for example planning risk. The net realisable value of each asset includes a deduction for expected costs to realise the forecast receipt including de-risking/enabling works where required and expected disposal fees (i.e. estimated marketing and legal costs).

The net book value is the lower of cost and net realisable value.

b) Sensitivity of significant valuation modelling assumptions - Land and property assets

As described in Note 11, the land and property asset portfolio is not homogeneous in nature as the valuation methodology reflects the Agency's objectives and conditions for each individual asset. Therefore, the underlying inputs used within the calculation for the net realisable value of each asset will vary depending on the nature of the asset, the Agency's objectives in respect of the asset and the conditions of the asset. This category is therefore sensitive to a range of underlying inputs which are not necessarily common across the land and property assets portfolio. A sensitivity analysis has been performed to provide an indication of the potential effect of a range of variations in land and property prices on the financial statements.

The following table shows the effect on net expenditure at 31 March 2026, before the effects of tax, if at 31 March 2026 average land and property prices had varied by the amounts shown and all other variables were held constant. This illustrates the lower of cost and NRV principle whereby write-downs will only be recognised when an asset falls below its cost base and write-down reversals will only be recognised to the extent the asset has previously been written-down.

Modelled change in land and property values (%)	Estimated portfolio value (£m)	Incremental change in land and property write-downs recognised in net expenditure (£m)	% Incremental change in land and property value (recognised in net expenditure)
20.0%	1,165.5	(139.0)	13.5%
10.0%	1,100.9	(74.4)	7.2%
0%	1,026.5	-	0.0%
(5%)	985.7	40.8	(4.0%)
(10.0%)	939.2	87.3	(8.5%)
(20.0%)	845.0	181.5	(17.7%)
(30.0%)	749.6	276.9	(27.0%)

Market uncertainty

Market conditions remain challenging with build cost inflation continuing during the year and average house prices (at a national level) being slightly lower in March 2026 than they were in March 2025.



19. Trade and Other Payables - Group and Agency

	Group 2025/26 £'000	Group 2024/25 £'000	Agency 2025/26 £'000	Agency 2024/25 £'000
Trade payables	252,391	448,941	252,391	448,941
Deferred income	26,493	10,875	26,493	10,875
Taxes and social security	4,746	8	4,746	8
Due to subsidiary	-	-	32,641	44,552
Other	26,180	33,671	26,180	33,672
Balance at 31 March	309,810	493,495	342,451	538,048
Of which:				
Current liabilities	273,670	466,521	306,311	511,074
Non-current liabilities	36,140	26,974	36,140	26,974
Balance at 31 March	309,810	493,495	342,451	538,048

20. Pension Arrangements and Liabilities - Group and Agency

During the year the Agency's employees were able to participate in one of the following contributory pension schemes:

- The Homes and Communities Agency Pension Scheme (HCAPS)
- The City of Westminster Pension Fund (LGPS)
- The West Sussex County Council Pension Fund (LGPS)

All three schemes are multi-employer defined benefit schemes as described in paragraph 8 of IAS 19 Employee Benefits. The Homes and Communities Agency Pension Scheme is the only scheme open to new employees. The scheme was originally established as a final salary scheme, however this changed to career average for benefits accruing from 1 April 2024. From 1

September 2019, new members accrue benefits on a career average basis. The other schemes are local government schemes which changed from a final salary to career average basis for benefits accruing from 1 April 2014. Further information on the funding arrangements for the schemes is contained within Note 20k.

Valuations of the Agency's assets and liabilities in each scheme as at 31 March 2026 have been prepared in accordance with IAS 19 and the results are disclosed in Note 20a. Note 20b shows the weighted average of the key assumptions used by each of the scheme actuaries in preparing the valuations, weighted according to each scheme's liabilities. Other information below is shown on a consolidated basis for all three schemes.

a) Pension assets/(liabilities)

	HCA Pension Scheme £'000	Westminster £'000	West Sussex £'000	Total £'000
2025/26				
Fair value of employer assets	421,779	480,111	82,526	984,416
Present value of funded liabilities	(347,781)	(182,914)	(39,653)	(570,348)
Net funded scheme assets	73,998	297,197	42,873	414,068
Impact of asset ceiling	(73,998)	(294,503)	(41,924)	(410,425)
Adjusted net funded scheme assets	-	2,694	949	3,643
Present value of unfunded liabilities	(782)	-	(1,896)	(2,678)
Adjusted net scheme assets/(liabilities)	(782)	2,694	(947)	965
Total of net pension assets				3,643
Total of net pension liabilities				(2,678)
2024/25				
Fair value of employer assets	390,783	458,555	83,803	933,141
Present value of funded liabilities	(329,306)	(177,851)	(39,818)	(546,975)
Net funded scheme assets	61,477	280,704	43,985	386,166
Impact of asset ceiling	(61,477)	(280,704)	(43,796)	(385,977)
Adjusted net funded scheme assets	-	-	189	189
Present value of unfunded liabilities	(778)	-	(1,932)	(2,710)
Adjusted net scheme assets/(liabilities)	(778)	-	(1,743)	(2,521)
Total of net pension assets				189
Total of net pension liabilities				(2,710)

Funded schemes with net assets as shown in the preceding table are disclosed within non-current assets in the Statement of Financial Position.

Unfunded schemes with net liabilities as shown above are disclosed within non-current liabilities in the Statement of Financial Position.

All schemes have reported an asset ceiling restriction in 2025/26 and 2024/25. This asset ceiling limits the recognition of further increases in net pension assets as per IAS 19, paragraph 64. This ceiling is determined by the maximum benefit obtainable through a refund or reduction in

employer contributions. Details of the asset ceiling movements are provided in Note 20h.

As principal employer of the HCA Pension Scheme, the Agency continues to monitor the scheme and has a good working relationship with the trustees. The trustees review the scheme's investment portfolio on a regular basis. At 31 March 2026, the scheme had a target allocation of 35% (2024/25: 30%) of assets to be held in a liability driven investments mandate, which aims to better match the scheme's liabilities and partially hedge the scheme against changes in inflation and

interest rates. A further 20% (2024/25: 20%) of the scheme's strategic asset allocation is held in corporate bonds. The liability hedging is managed through Insight Investment (one of the HCA Pension Scheme's investment managers) via a segregated mandate which allows Insight to invest directly in gilts, index linked gilts, gilt repurchase

agreements, gilt and index linked gilt total return swaps, interest rate and inflation swaps and various cash instruments. As at 31 March 2026, the scheme had a target interest rate hedge ratio of 65% (2024/25: 65%) and a target inflation hedge ratio of 65% (2024/25: 65%) relative to the gilts-flat liabilities.

b) Actuarial assumptions

The weighted average of the key assumptions used by the actuaries of the pension schemes are as follows:

i) Financial assumptions

	2025/26	2024/25
Inflation and pension increases rate (CPI)	3.0%	2.7%
Salary increases	3.7%	3.5%
Discount rate	6.2%	5.9%

ii) Mortality assumptions

Based on actuarial mortality tables, the average future life expectancies at age 65 are summarised below:

	2025/26 Years	2024/25 Years
Male - current pensioners	22.5	22.1
Male - future pensioners	23.4	23.2
Female - current pensioners	24.3	24.1
Female - future pensioners	25.8	25.6

c) Fair value of employer assets

	2025/26 £'000	2024/25 £'000
Equities - quoted	389,428	408,119
Equities - unquoted	3,054	2,650
Bonds - quoted	271,428	222,733
Property	64,535	61,354
Other assets - quoted (including cash)	141,472	145,325
Other assets - unquoted	114,499	92,960
Total	984,416	933,141
Actual return/(loss) on employer assets	56,133	5,786

Some of the funds in which the Agency's pension assets are invested permit the use of derivatives for the purposes of achieving their investment

aims. In all cases, funds are managed by professional investment managers.

d) Charge to net expenditure

	2025/26 £'000	2024/25 £'000
Amounts charged to net operating expenditure		
Current service costs	8,782	11,153
Expenses	2,654	2,623
	11,436	13,776
Amounts charged to finance (income)/costs		
Interest charged on liabilities	31,498	29,493
Expected return on assets	(54,381)	(45,078)
Interest on asset ceiling	22,434	15,247
	(449)	(338)
Total recognised in Statement of Comprehensive Net Expenditure	10,987	13,438

The total expected employer contributions to these schemes in the year ending 31 March 2027 are £18.7m.

e) Amounts recognised in the income and expenditure reserve

	2025/26 £'000	2024/25 £'000
Actuarial gains/(losses)	(3,298)	(3,784)

f) Reconciliation of fair value of employer assets

	2025/26 £'000	2024/25 £'000
Opening fair value of employer assets	933,141	934,730
Expected return on assets	54,381	45,078
Contributions by members	5,598	5,038
Contributions by the employer	17,533	16,134
Contributions in respect of unfunded benefits	238	237
Actuarial (losses)/gains	1,752	(39,292)
Expenses	(2,820)	(2,764)
Unfunded benefits paid	(238)	(237)
Benefits paid	(25,169)	(25,783)
Closing fair value of employer assets	984,416	933,141

g) Reconciliation of defined benefit obligation

	2025/26 £'000	2024/25 £'000
Opening defined benefit obligation	549,685	619,493
Current service cost	8,782	11,153
Interest cost	31,498	29,493
Contributions by members	5,598	5,038
Actuarial (gains)/losses - demographic	(3,457)	(1,157)
Actuarial (gains)/losses - financial	(5,331)	(84,502)
Actuarial (gains)/losses - experience	11,824	(3,672)
Expenses	(166)	(141)
Unfunded benefits paid	(238)	(237)
Benefits paid	(25,169)	(25,783)
Closing defined benefit obligation	573,026	549,685

h) Reconciliation of asset ceiling

	2025/26 £'000	2024/25 £'000
Opening asset ceiling	385,977	316,907
Interest costs	22,434	15,247
Actuarial (gains)/losses	2,014	53,823
Closing asset ceiling	410,425	385,977

i) Sensitivity analysis

The primary assumptions used in calculating the defined benefit obligation are: discount rate, salary increases, inflation and pension increases and mortality expectations. The assumptions used are specified in Note 20b. The assumptions are determined by independent professional actuaries whose work is compliant with Technical Accounting Standard 100: Principles for Technical Actuarial Work as issued by the Financial Reporting Council.

IAS 19 sets out the principles underlying the selection of actuarial assumptions, requiring them to be unbiased and based on the best estimates of future experience. It also provides clear guidance on the determination of discount rates. Assumptions should also reflect market conditions at the reporting date, including demographic assumptions and the mix of membership of Homes England's schemes.

The key assumptions are considered to be the discount rate and the rate of future inflation. The discount rate is important in determining the value of liabilities and is based on high quality corporate bonds at the year end. The rate is in line with the AA corporate bond yield curve at

the year end. Inflation expectations inform the rate at which current and future pensioners' benefits accrue. It is based on CPI at the year end with an inbuilt allowance for an insurance risk premium. Demographic assumptions, including mortality expectations can also have a bearing on the valuation of liabilities, as can the specific membership mix of our schemes.

To assess the defined benefit obligation, assumptions are used in a forward looking financial and demographic model to present a single scenario, using financial assumptions that comply with IAS 19. The valuation of the obligation at 31 March 2026 is a snapshot in time; actual experience over time may differ and the total cost of a scheme will depend on a number of factors including the amount of benefits paid, the number of people who benefits are paid to, scheme expenses and the amount earned on assets. These factors aren't known for certain at the valuation date. The calculation of liabilities is sensitive to movements in assumptions and even small changes to individual assumptions can have significant impacts. If they were to change, the impact would be as follows:

Adjustment to discount rate

	+0.25% £'000	Current £'000	-0.25% £'000
Present value of total obligation	555,335	573,026	591,389
Movement	(17,691)	-	18,363

Adjustment to inflation

	+0.25% £'000	Current £'000	-0.25% £'000
Present value of total obligation	590,840	573,026	555,708
Movement	17,814	-	(17,318)

Adjustment to life expectancy

	+1 year £'000	Current £'000	-1 year £'000
Present value of total obligation	589,706	573,026	556,346
Movement	16,680	-	(16,680)

j) Maturity profile of the defined benefit obligation

The weighted average duration of the defined benefit obligation of the pension schemes is 13 years.

Pension benefits, including insurance premiums, are expected to be paid over time as follows:

	£'000
Within 5 years	138,644
5-10 years	160,177
After 10 years	274,205
Total defined benefit obligation	573,026

k) Funding arrangements

Contribution rates for each of the three schemes are reviewed at least every three years following a full actuarial valuation. The funding strategy in each case is set to target a fully funded position, except for those liabilities which are intentionally unfunded within each of the schemes. Any underfunding is restored to a fully funded position via additional contributions over an appropriate period of time. The estimate of contributions to 31 March 2027 is £18.7m.

The HCA scheme is a multi-employer scheme that does not operate on a segregated basis. Therefore the assets and liabilities are not separately identified for individual participating employers. Benefit obligations are estimated using the projected unit credit method.

Both Homes England and the Regulator of Social Housing (RSH) are members of the HCA Pension Scheme although Homes England is the only significant contributing employer and accounts for the vast majority of the HCA scheme's liabilities. Based on actuarial data at 31 March 2026, the share of the HCA scheme's assets and liabilities attributed to RSH is approximately 5% (2024/25: 5%) with the remainder attributed to Homes England. All assets are pooled and a single employer contribution rate is determined as part of the actuarial valuation for the whole scheme. This contribution rate applies for the principal employer, Homes England, along with any other participating employers, including RSH. RSH ceased contributions to the HCA Pension scheme, effective from 30 September 2024.

Homes England and RSH record the cost of employer contributions in their own financial statements and account for their proportionate share of the scheme's asset and liabilities separately. The assets and liabilities disclosed in Homes England's Financial Statements relates only to its share of the scheme's assets and liabilities and not to the assets and liabilities of the entire scheme.

There are no formal arrangements in place for the allocation of a deficit or surplus on the wind-up of the HCA Pension Scheme or the Agency's withdrawal from the scheme. Under both scenarios, exit debts would become payable under Section 75 of the Pensions Act 1995.

The Westminster and West Sussex schemes are members of the Local Government Pension Scheme (LGPS). Assets and liabilities for all employers in LGPS funds are identifiable on an individual employer basis. There are no minimum funding requirements or winding up provisions in the LGPS. On withdrawal from the scheme, any deficit is calculated by the administering authority and must be settled by the withdrawing employer. In the case of a surplus, it would be for the fund to determine whether any refund is provided to the employer.

I) Virgin Media

Following the High Court and Court of Appeal judgments in the Virgin Media case regarding the requirement for section 37 certificates under the Pensions Act 1995, the government introduced a statutory remediation mechanism via the Pension Schemes Act 2026, which received royal assent and came into force on 29 April 2026. The Act introduced provisions enabling actuaries to issue retrospective confirmations to validate historic rule amendments that would otherwise be void due to a missing section 37 certificate.

The potential implications of the Virgin Media litigation and the subsequent 2026 Act provisions are being considered by the HCA Pension Scheme's trustees. It remains the expectation that the issue will not have a material impact on the HCA Pension Scheme. The Agency continues to monitor ongoing developments, liaising closely with HCA Pension Scheme trustees and adhering to relevant guidance issued by the Financial Reporting Council and The Pensions Regulator. At present, no benefit adjustments have been made.

No additional allowance has been made for the Virgin Media litigation in the LGPS valuations.

21. Contingent Assets and Liabilities

Contingent assets

The Agency has in certain instances disposed of land or made grant payments with certain conditions attached, which if no longer fulfilled will result in a payment to the Agency. Examples include where there is a subsequent change in use of land sold which materially increases the return to the purchaser, or if the conditions of a grant payment are no longer met. The normal term during which this arrangement remains in force is 21 years. For affordable housing and

other community related schemes the term is more usually 35 years. By its nature this income is variable and the timing of receipt is uncertain, therefore it is not possible to quantify the likely income which may ultimately be received by the Agency.

Contingent liabilities

a) The West Sussex County Council Pension Fund

At 31 March 2026, the Agency had 11 employees (31 March 2025: 11 employees) who were active

members of the West Sussex County Council Pension Fund. When the Agency's last active member leaves the scheme, the obligation to pay an exit debt will be crystallised. The timing and value of any exit debt due in the future is not yet known.

b) Other contingent liabilities

The Agency is potentially liable for miscellaneous claims by developers, suppliers, contractors and individuals in respect of costs and claims

not allowed for in development agreements, construction contracts, grants and claims such as compulsory purchase orders. Payment, if any, against these claims may depend on lengthy and complex litigation and potential final settlements cannot be determined with any certainty at this time. As claims reach a more advanced stage they are considered in detail and specific provisions are made in respect of those liabilities to the extent that payment is considered probable.

22. Financial Commitments

	2025/26 £'m	2024/25 £'m
Not later than one year	2,905	3,281
Later than one year and not later than five years	1,842	1,787
Later than five years	78	29
Total commitments at 31 March	4,825	5,097

The Agency has made financial commitments in relation to programmes for investments in loan and equity assets, and infrastructure grants, which had become unconditional at the reporting date, but which had yet to be drawn down by that date. The value of these commitments, excluding those disclosed in Note 10c, was £2,887m at 31 March 2026 (31 March 2025: £2,834m). The profiling of the commitments reflects the Agency's best estimate of when cash flows will arise, however the actual timing may vary based on factors not wholly within the Agency's control.

The Agency has entered into financial commitments in relation to affordable housing grant programmes totalling £1,146m at 31 March 2026 (31 March 2025: £1,627m).

The Agency has entered into financial commitments in relation to the Cladding Safety Scheme totalling £560m at 31 March 2026 (31 March 2025: £488m).

In addition, the Agency has entered into financial commitments in relation to land development of £228m (31 March 2025: £145m), leases of £2m (31 March 2025: £3m) and software licenses of £1m (31 March 2025: £1m).

The Agency transferred certain financial commitments to the NHB on 1 April 2026. No adjustments have been made in these Financial Statements as a result of the 1 April 2026 transfer, as it is a non-adjusting event under IAS 10 Events After the Reporting Period. Please refer to Note 24 for more information.

23. Related Party Transactions

Homes England is an executive non-departmental public body of the Ministry of Housing, Communities and Local Government (MHCLG). MHCLG is regarded as a related party. During the year, Homes England has had a number of material transactions with MHCLG and with other entities for which MHCLG is regarded as the parent department. These entities include HM Land Registry and the Regulator of Social Housing.

In addition, Homes England has had a number of transactions with other government departments

and other central government bodies. Most of these transactions have been with local authorities (including Stoke-on-Trent City Council, of which a Board member is a local councillor, and the London Borough of Croydon, of which a Board member is a commissioner), the Government Property Agency and the Ministry of Justice.

The Agency has also had a number of transactions with its associated undertakings, joint ventures and other related parties as follows:

2025/26	Capital and equity invested in / (redeemed from) entity £'000	Grants and other payments £'000	Loans advanced / (repaid) £'000	Loan interest / dividends received £'000
Payments out				
English Cities Fund Limited Partnership	11,911	-	-	-
MADE Partnership LLP	500	-	1,699	-
Habiko LLP	436	-	1,049	-
Juniper JVCO Limited	1,003	-	4,013	-
PlacePoint Housing Partnership LLP	3,949	-	14,421	-
The Impact & Places Partnership Limited	248	-	2,440	-
Home Group Limited	-	9,575	-	-
Sanctuary Housing Association	-	42,631	-	-
Grosvenor Hart Homes Limited	-	636	-	-
Metro Dynamics Limited	-	149	-	-
Receipts in				
Tilia Community Living LLP	-	-	(20,680)	-
Bristol Temple Quarter LLP	-	(90)	-	-

2024/25	Capital and equity invested in / (redeemed from) entity £'000	Grants and other payments £'000	Loans advanced / (repaid) £'000	Loan interest / dividends received £'000
Payments out				
English Cities Fund Limited Partnership	13,743	-	-	-
MADE Partnership LLP	-	-	3,365	-
Habiko LLP	61	-	-	-
Juniper JVCO Limited	1,848	-	7,392	-
Home Group Limited	-	1,329	-	-
Sanctuary Housing Association	-	32,339	-	-
Grosvenor Hart Homes Limited	-	1,484	-	-
Receipts in				
English Cities Fund Limited Partnership	(1,374)	-	-	-
Tilia Community Living LLP	-	-	(12,403)	-
Countryside Maritime Limited	-	-	-	(3,000)

In addition, the Agency holds £32.6m (2024/25: £44.6m) on behalf of English Partnerships (LP) Ltd, the Agency's wholly owned subsidiary.

The Agency's subsidiaries are listed in Note 10a. There have been no transactions in the year with The Estuary Management Company Limited or Blandford Brewery Estate Management Company Limited, which are wholly owned subsidiaries of the Agency.

In cases where the Agency has provided interest-free loan funding to an associated undertaking or joint venture, the loan amounts shown in this Note reflect the accounting carrying values, which include the effects of discounting. Differences between the loan cash advanced or repaid and the relevant loan addition or disposal accounting carrying values are included within the capital and equity column. Please refer to the recognition and derecognition section of Note 1n for further information.

The transactions with the joint ventures Tilia Community Living LLP and Countryside Maritime Limited, disclosed in the preceding table, relate to loan funding provided under the Short Term Fund,

Single Land Programme and Levelling Up Home Building Fund.

The balance of the loan to Tilia Community Living LLP at 31 March 2026 was £nil (2024/25: £14.3m) as this was fully repaid in the year. The loan was valued at fair value and the receipt above of £20.7m includes both interest payments and capital repaid.

At 31 March 2026, the Agency recognised a provision for £0.4m (2024/25: £nil) in respect of additional investment in Countryside Maritime Limited.

The transactions with the joint ventures MADE Partnership LLP, Juniper JVCO Limited, Habiko LLP, PlacePoint Housing Partnership LLP and The Impact & Places Partnership Limited relate to a combination of equity and loan funding provided under the Home Building Fund: Infrastructure Loans and the Brownfield, Infrastructure and Land funds, respectively.

At 31 March 2026, the balance of the loan to MADE Partnership LLP was £4.3m (2024/25: £2.5m) and the Agency had a total equity investment of £1.3m (2024/25: £0.8m).

At 31 March 2026, the balance of the loan to Habiko LLP was £1.0m (2024/25: £nil) and the Agency had a total equity investment of £0.5m (2024/25: £0.1m).

During the year, the Agency invested in two new joint ventures. Both a loan investment of £2.4m and an equity investment of £0.2m were made to The Impact & Places Partnership Limited, while a loan investment of £14.4m and an equity investment of £3.9m were made to PlacePoint Housing Partnership Limited.

The balance of the loan to Juniper JVCO Limited at 31 March 2026 is £11.4m (2024/25: £7.4m), and the total equity investment is £2.9m (2024/25: £1.8m).

Outstanding commitments for associated undertakings and joint ventures are disclosed in Note 10c.

During the year, Homes England entered into transactions with Home Group Limited, Sanctuary Housing Association and Grosvenor Hart Homes Limited. These entities are considered related parties due to members of the Agency's Board holding directorships at the respective organisations. The transactions in the year relate to grants and other payments provided by the Agency and have been disclosed in the preceding table.

During the year, Homes England entered into transactions with Metro Dynamics Limited for the provision of services, which is also considered a related party due to a member of the Agency's Board holding a non-executive directorship at the organisation.

During the year, Homes England received income in respect of salary recharges from Bristol Temple Quarter LLP. Bristol Template Quarter LLP is a joint venture of the Agency.

The Agency's internal approval procedures are established so that members of staff nominated to act as directors or officers of associated undertakings and joint ventures do not have delegated authority with regard to the relevant undertaking.

There were no other material transactions in which related parties had a direct or indirect financial interest other than those disclosed in this Note.

None of the senior managers or related parties have undertaken any material transactions with the Agency during the year.

For details of compensation paid to management please see the Remuneration Report.

24. Events After the Reporting Period

Date of authorisation for issue

The Agency's Financial Statements are laid before the Houses of Parliament by the Secretary of State for Housing, Communities and Local Government. IAS 10 Events After the Reporting

Period requires the Agency to disclose the date on which the accounts are authorised for issue. The certified accounts were authorised for issue by the Chairman and the Chief Executive and Accounting Officer on the same date as the Certificate and Report of the Comptroller and Auditor General.

Transfer of assets to the National Housing Bank

On 17 November 2025, the National Housing Bank Limited (the NHB) was incorporated as a wholly owned subsidiary of the Agency. As a public financial institution, the NHB's purpose is to accelerate housebuilding in England by delivering purpose-led financing and to subsume an existing portfolio of the Agency's relevant financial assets and investments.

The NHB commenced operations on 1 April 2026 and did not have any significant transactions or balances in respect of the year ended 31 March 2026. It will prepare its first set of financial statements for the extended accounting period ending 31 March 2027 and will be consolidated into the Group Financial Statements for the year ending 31 March 2027 onwards.

On 1 April 2026, the Agency transferred a relevant portfolio of financial asset investments and investments in subsidiaries, associates and joint ventures to the NHB. The transfer was under common control and so was outside of the scope of International Financial Reporting Standard 3 Business Combinations (IFRS 3). The transfer was accounted for as a transfer by absorption under the Government Financial Reporting Manual (FRm) and associated Application Guidance paper on Accounting for Business Combinations within the Public Sector. Accordingly, the assets were transferred at carrying value, totalling £2,061m. Related liabilities totalling £33m were also transferred.

The assets transferred were as follows:

- Loans receivable held at amortised cost with a carrying value of £1,359.6m, comprising the vast majority of such loans held by the Agency at 31 March 2026 and reflected in Note 15a of these Financial Statements
- Loans receivable held at fair value through profit or loss with a carrying value of £421.8m, comprising the vast majority of such loans held by the Agency at 31 March 2026 and reflected in Note 15b of these Financial Statements

- Other investments held at fair value through profit or loss with a carrying value of £168.5m, being some of the development and infrastructure equity investments and all of the managed fund investments as held by the Agency at 31 March 2026 and reflected in Note 17a of these Financial Statements
- Investment in subsidiaries with a carrying value of £100.0m, being the investment in English Partnerships (LP) Limited, as held by the Agency at 31 March 2026 and reflected in Note 10a of these Financial Statements
- The investments in associates and joint ventures as listed in the 'Post year end transfer of assets to the National Housing Bank' section of Note 10b, with a total carrying value of £9.5m as reflected in the Agency figures in Note 10b
- Trade and other receivables of £1.8m, being loan drawdown payments released by the Agency at 31 March 2026 but which hadn't been received into recipient bank accounts at 31 March 2026 due to payment clearing times

The liabilities transferred were as follows:

- The £32.6m as reflected in Note 19 ('Due to subsidiary'), being the obligation to provide cash to English Partnerships (LP) Limited
- A provision totalling £0.4m which is in relation to one of the investments in associates and joint ventures that also transferred on 1 April 2026

In addition to these assets and liabilities, the Agency also transferred financial commitments to the NHB on 1 April 2026 totalling £1,483m. These commitments are both in relation to loan and equity investment programmes and in relation to the associate and joint venture investments that transferred. The transfer has no impact on the Homes England Group and only affects the Agency as a standalone entity.

No adjustments have been made in these Financial Statements as a result of the 1 April 2026 transfer as it is a non-adjusting event under IAS 10 Events After the Reporting Period.

5. Contact us



Contact us
0300 1234 500
enquiries@homesengland.gov.uk
@HomesEngland

Our offices

Birmingham

3 Arena Central
Bridge Street
Birmingham
B1 2AX

Bristol

2 Rivergate
Temple Quay
Bristol
BS1 6EH

Leeds

2nd Floor
7 and 8 Wellington Place
Wellington Street
Leeds LS1 4AP

Liverpool

11th Floor
No. 1 Mann Island
Liverpool
L3 1BP

London

10 South Colonnade
Canary Wharf
London
E14 4PU

Manchester

2nd Floor
3 New Bailey
New Bailey Street
Salford
M3 5AX

Newcastle

2nd Floor
The Lumen
St James' Boulevard
Newcastle Helix
Newcastle upon Tyne
NE4 5BZ

Northstowe

Northstowe House
Rampton Road
Longstanton
CB24 3EN

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