Building futures

A new era of investment in social housing

Contents

3 **Foreword**

4 **Executive summary**

7 **Part one: A system that does not meet our modern needs**

14 **Part two: Investing in the next generation of social housing**

19 **Conclusion**

20 **Annex: Technical supporting material**

24 **Acknowledgements and Sources**

Foreword
Charlie Nunn

Everyone has the right to build a future from the foundation of a secure home. However, this is not the case for too many people across the UK. Around 1.5 million households are on waiting lists for social housing across England, Scotland and Wales, with some spending years in so-called temporary accommodation. As the charity Crisis can attest, the number of people who are homeless or at risk of homelessness grows each year. We need more good-quality, genuinely-affordable homes, and we cannot afford to wait.

This paper examines the post-WWII approach to housing provision; from the rapid growth in national housebuilding between the 1940s and 1970s (with a third of people renting from local authorities by the end of this period), to an increased focus on labour mobility and support for people to live in privately-rented homes in the locations they chose. However, over time, there has been a reduction in the provision of social housing and an increase of low-income households in unsuitable accommodation; too often low-quality and high-cost.

We need a new social compact for housing, for the present age. This requires an investment programme which helps pivot housing welfare payments into a mechanism to attract capital into building new social homes. We need to support housing supply in a way which doesn't put further strain on the balance sheets of housing associations and registered providers. And this is in addition to the priorities of the National Housing Federation and partners across the housing sector: a long-term rent settlement, increased central subsidy, and a housing strategy which encompasses everything from a new towns policy, to improving the quality and availability of social homes.

Lloyds Banking Group is the biggest supporter of social housing; partnering hundreds of housing associations, housebuilders, developers and investors. We have a unique perspective on the full spectrum of housing finance, and are the UK's biggest mortgage provider. However, we don't believe that only homeowners should aspire to have somewhere secure and decent to live. We need comprehensive, long-term reform of the sector, with new models of public and private partnership alongside increased and effective deployment of public funding. By working at regional and city-level, we could help unlock land where homes are needed most, bring empty homes back into use, and significantly increase provision of social housing stock.

In the past year, I have worked closely with leaders of the housing sector and local communities, as part of the Social Housing Initiative. I know there is considerable expertise, resource and determination to end the housing crisis; including within government, where many of the levers exist to deliver change. I hope that the examples and insight within this paper will help to inform investment in the right homes, in the places they're needed most.

Executive summary: Social housing is a critical part of the UK's infrastructure

High-quality, affordable housing serves as a cornerstone for social cohesion, economic stability, and public health and well-being. Alongside our charity partner Crisis, we are calling for one million more homes for social rent over the next decade.

We need a radical new era of investment in social housing. This will require a comprehensive long-term package of reform, and a switch in public subsidy from paying private landlords for what can be lower-quality private housing to social housing providers to build more homes for social rent. To help deliver the increase in homes for social rent, this paper proposes two new investment mechanisms based on public private partnership. Taken together, these could generate up to 200,000 new homes for social rent over the next decade at little additional public cost. With additional public subsidy, the same mechanisms could be used to substantially increase the availability of homes for social rent with much lower upfront public borrowing than alternative approaches.

The UK needs a new era of investment in homes for social rent. Social housing is the foundation of strong communities and productive economies. Its absence exacerbates insecurity, inequality and poor health outcomes. Low investment in homes for social rent over recent decades is leading to widely recognised social, economic and fiscal impacts, manifested in increased homelessness and rising overcrowding. In 2023, in England alone over 300,000 households were accepted as homeless or at imminent risk, up 9% on the previous year. In addition, over 145,000 children are currently living in temporary accommodation, up 15% in a year.

Since World War II, the UK's approach to social housing has gone through two distinct eras, each responding to the needs of the time:

1. From the 1940s to late 1970s: the era of mass council house building, when an average of 130,000 council homes were delivered each year.

2. From the late 1970s to now: the era of housing associations and the growth of the private rented sector.

During the second era, a lot of council housing was transferred to the rapidly growing housing association sector and public support switched from investing in buildings to supporting people primarily through the benefits system. Right to Buy was introduced and this period saw a reduction of around 1.4 million in the total number of homes for social rent, and a sharp increase in the size of the private rented sector.

Analysis shows:

- **The cost of housing benefits is rising rapidly and is forecast to increase further.** Under-investment in social housing over recent decades is now driving an increase in the housing benefits bill, as more recipients are in the higher cost private rented sector rather than the social rented sector. The housing benefit bill has risen from £30 billion in 2010/11 to £32 billion in 2023/24, with the Department of Work and Pensions (DWP) forecasting that the housing benefits bill will rise to over £36.5 billion by 2028/29.[1] Within the last five years, as a consequence, the total cost of supporting the housing needs of lower income households has risen above the level of the 1970s, when the country was building over 100,000 new homes for social rent every year. In effect, we are spending more on housing than in the 1970s, while building almost no homes for social rent.

- **The erosion of housing associations' and councils' capacity to invest in new social rent housing over the last decade.** The current financial settlement does not have the capacity to support a major expansion in investment in social housing. Since the 1988 Housing Act, the investment model has been based on the ability of housing associations to access low-cost, long-term private finance. This approach is now facing significant constraints as a result of previous policy decisions, increased leverage, declining operating margins and competing investment priorities. Analysis undertaken for this paper illustrates the sharp fall in the ability of the sector to undertake investment in new social housing.

[1] All figures in today's money.

Like the 1940s and the late 1970s, we now need radical change to usher in a new era of social housebuilding in this country, requiring a comprehensive, long-term reform programme. This needs to start with an overall government strategy for housing that includes a restatement of the vital role homes for social rent have at the heart of communities. No single measure will enable a new era of social house building on the scale required. The comprehensive package of reform will need to cover public subsidy, rent settlement, planning, the capacity and capability of local planning authorities, increased productivity and skills in the housebuilding sector, the role for social rent housing as part of a new towns strategy, and putting in place the regulatory, policy and funding framework to decarbonise the UK's homes. The provision of long-term rent stability, ideally to 2035, with a commitment to no mid-term changes, will be a key early step to signal confidence.

Identifying a funding model will be critical to unlocking a new era of investment in social housing, with the need for a switch in government subsidy from housing benefits to investment in new homes for social rent, based on new models of public private partnership. Discussions around the future of homes for social rent can become a sterile debate between the need for government subsidy versus the opportunity to use private capital in innovative ways. Both are required. Alongside increases in government subsidy, this paper proposes two public private partnership models that would supplement the current grant funding model and enable that funding to go as far as possible:

- **A proposed new public private partnership.** The 'Social Housing Contract' would provide a payment to housing providers, additional to the rental payment, linked to homes being made available for social rent. This mechanism would increase the guaranteed revenue being paid to providers of social housing, and, in so doing, increase the upfront private capital that can be raised to finance the development of new housing for social rent. Because the payments under the Social Housing Contract are spread through time, it allows for a transition in government subsidy from housing benefits to supporting the delivery of new housing supply without relying on upfront government borrowing. The cost in housing benefits for a household living in a social rent home is lower than for a household living in the private rented sector. If payments under the Social Housing Contract are set equivalent to average savings in housing benefits, then there would be no net additional cost to government for homes financed through the partnership. In effect, the difference between the two rates of rent would fund the building of more homes for social rent. Depending on the approach, this could generate 20,000 to 95,000 additional social homes over a decade at little to no additional public sector cost. With additional public financial support, the same mechanism could be used for a more substantial increase in social housing with much lower upfront public borrowing than alternative approaches.

- **Develop ambitious new regional partnerships to release the value of the land in our cities and towns as a form of "patient equity" investment.** This will require a transformation in local and regional delivery capability. There are compelling examples from Europe: in Vienna, Wohnsfond Wien, a city-owned development corporation, has provided land for over 50,000 new subsidised apartments; in Copenhagen, By & Havn, a publicly owned, privately-run corporation for the development of public sector land has overseen half of all redevelopment projects in the city. This intervention could result in 100,000 additional homes for social rent being built over a decade.

This paper is focused on the issues in social rent housing in England. As housing policy is a devolved matter, different specifics are applicable in Wales, Scotland and Northern Ireland, although there are many common issues.

Lloyds Banking Group's support for the social housing sector

Supported
£18.5 billion
in new funding since 2018

Launched charity partnership with Crisis, the homelessness charity

Working with
over 340
housing associations

Campaigning for
1 million more
homes for social rent

SOCIAL HOUSING INITIATIVE

In July 2023, we convened the **Social Housing Initiative**, a one year 'sprint' in the form of a cross-industry partnership, recognising the need for significant, swift and collaborative action in tackling the social housing crisis. The partnership has brought together a broad spectrum of housing stakeholders, including local authorities (Bristol City Council and Leeds City Council), financial services (Lloyds Banking Group and Legal & General), housebuilders (Taylor Wimpey and Barratt Homes), housing associations (Onward and Metropolitan Thames Valley Homes), the homelessness charity (Crisis), the industry representative body (National Housing Federation) and public sector body for technical and delivery insight (Homes England).

The aim of the **Social Housing Initiative** is to share knowledge and understanding of the systemic challenges underpinning the crisis, in order to conceive solutions at scale and in partnership. The Social Housing Initiative has developed and initiated several pilot initiatives to help deliver more social and genuinely-affordable homes. These multi-stakeholder initiatives are focused on unlocking land, exploring new financing models, and addressing the immediate pressures on local authorities caused by the lack of social housing. While the initiatives will have an impact in the short to medium-term, their long-term efficacy will be maximised by policy and planning reform at a national level.

Part one: A system that does not meet our modern needs

Social housing needs to be regarded a key piece of national infrastructure, alongside the transport, energy, and digital infrastructure that provide the basic foundations of thriving communities and a prosperous economy. Its absence exacerbates insecurity, inequality and poor societal outcomes.

There is a societal and economic imperative to ensuring sufficient provision of high-quality, low-cost homes for social rent. Social housing improves:

Societal health and wellbeing: Increasing the availability of affordable, high-quality, sustainable homes for social rent provides long-term health and wellbeing benefits to society.

Employment outcomes: Stable, sustainable homes for social rent in the right places support long-term employment prospects, providing certainty and security for those entering the workforce. There are also direct economic and employment benefits from building and retrofitting homes for social rent.

Educational attainment: Increasing the availability of homes for social rent helps address educational inequalities and improve longer-term outcomes for children.

Rent in the UK – a brief explanation

In the UK, there are broadly three types of rent:

1. **Social Rent:** Rent levels are based on a formula set by the government, typically around 50% of market rate and paid to registered providers and local authorities.

2. **Affordable Rent:** Introduced in 2011 and set at up to 80% of local market rent, bridging the gap between Social Rent and the private rented sector.

3. **Market rent:** The price a property commands in the open market. Market rent varies based on factors such as location, property size and amenities.

A

Since World War II, the UK's approach to social housing has gone through two distinct eras, each responding to the needs of the times: mass council house building from the 1940s and, since the late 1970s, the era of housing associations, local authorities and the private rented sector.

The UK's approach to providing housing for those on lower incomes has gone through two profoundly different eras, each responding to the particular circumstances, needs and challenges of the time. In each case, the approach taken responded to both the need for overall numbers of houses, and also addressed pervasive issues of poor quality in significant parts of the UK's housing.

1945 – mid-1970s:
The era of council-led house building

As World War II drew to a close, Britain faced its worst housing shortage of the twentieth century. Thousands of houses had been destroyed or damaged, and the country was faced with large areas of unused or decrepit housing, with many houses unfit to live in. Many of these houses had been due for demolition under prior clearance plans. It was estimated that 750,000 new homes were required in England and Wales in 1945 to provide all families with accommodation.

A major programme of public sector capital investment in new council housing was prioritised for the next 30 years, with new housing delivered by local authorities. From 1948 to 1977 an average of 130,000 local authority council homes were delivered each year. These homes were provided in addition to the development of an equivalent amount of market housing by the private sector.

New communities were established and, over time, there was a plentiful supply of homes. As a result of these changes, the percentage of people renting from local authorities rose to nearly a third of the population, from 10% in 1938 to 31% in 1979.

Mid-1970s to the present day:
The era of housing associations and the private rented sector

By the 1970s new challenges were emerging. Waiting lists for council housing were low, with the creation of additional council housing not universally seen as necessary. Housing for social rent was hard to let in some locations, and the economic and financial crises of the 1970s had placed huge pressures on public finances. Alongside this, there was interest in the possibility of enhancing the diversity of provision in the sector and increasing labour mobility.

In this context, the main elements of the current social housing settlement were put in place in the late 1970s and into the 1980s. Despite a number of amendments since that time, this model has remained largely unchanged and has been characterised by:

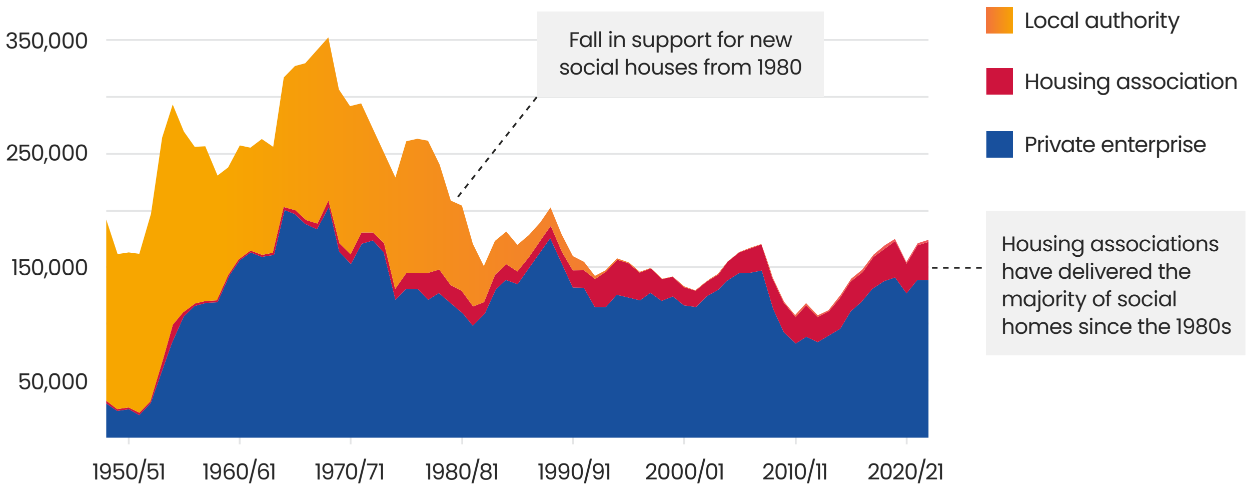
- Housing transfer from local authorities to the rapidly growing housing association sector. New social rent house building has largely been driven in the succeeding decades by housing associations.
- The financing of new housing development through private sector debt, alongside government grant, following the 1988 Housing Act. At the time of transfer, housing associations typically were not encumbered with debt, and in the time since housing associations have been able to borrow on the capital markets to drive investment. The housing association sector currently has over £98 billion in drawn private borrowing.
- Decreasing government capital investment in new housing stock and associated government borrowing pressures, replaced with higher demand side subsidies to support individuals and households through the benefits system.
- Continual sale of public housing and public land into the private sector, in particular through the Right to Buy scheme introduced in the 1980s.

Alongside this decline in investment in new social housing, there has been a significant outflow of houses from the sector: since 1980, 1.9 million local authority homes have been sold through Right to Buy. As a consequence, over the 40 years since 1979, there has been a net decline in the number of social homes of 1.4 million, from 5.5 million in 1979 to 4.1 million in 2022. In the last 10 years alone, there has been a net decline of 200,000 homes for social rent. While the volume of homes for social rent has fallen, the size of the private rented sector has grown. Since 1991, the private rented sector has nearly tripled, from 1.7 million households in 1991 to 4.8 million in 2022. Taken together, there has been a profound transformation in the UK housing market in recent decades.

There have been two distinct eras of social housing since World War II

From the mid-1940s, there was an era of high public investment in local authority housing; and, from the late 1970s, an era of lower volume housing delivered by housebuilders & housing associations.

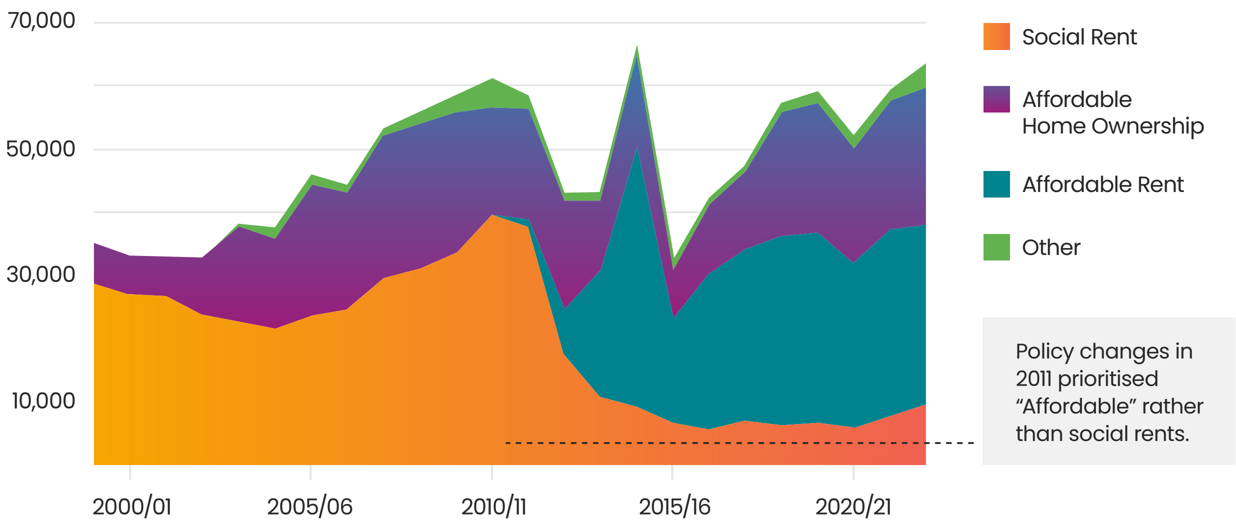
1. Housing completions in England 1948/49 to 2022/23



There has been a dramatic decline in the proportion of new affordable homes being built for social rent

Since 2010, new homes in the "Affordable" category have largely replaced new social rent homes.

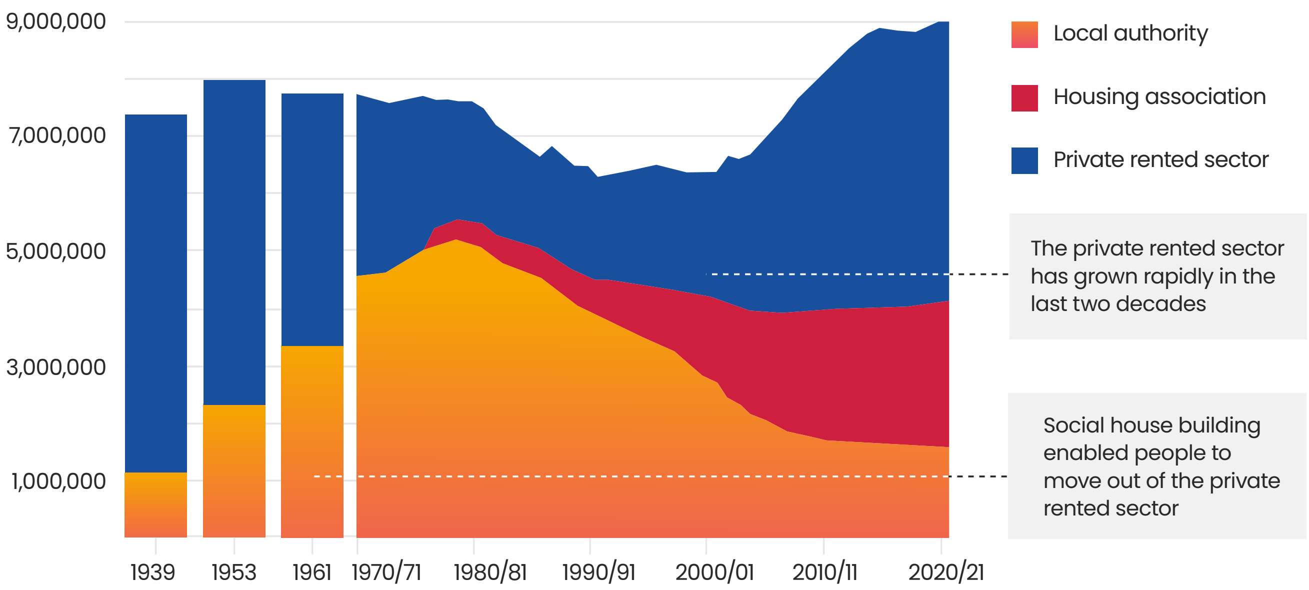
2. Affordable housing completions in England 1991/92 to 2022/23



The housing rental market has changed profoundly in recent decades

Following 1980, significant quantities of local authority stock was transferred to housing associations and nearly two million social rent homes have been sold through Right to Buy.

3. Housing stock (rented) estimates for England, 1939 to 2023



B **The current approach no longer works. Social housing provision is inadequate, the government's housing benefits bill is rising sharply, and there is no longer the investment capacity of housing associations to build new homes for social rent.**

The current housing model was designed for an era when there was a sufficient number of homes for social rent available. However, the housing challenges facing the country have changed significantly since the late 1970s. Low investment in new homes for social rent over the last four decades is leading to increasing and widely recognised social, economic and fiscal impacts, manifested in homelessness, rising overcrowding, and concealed households. Some 1.3 million households are on waiting lists for social housing in England alone. Further, the number of households in temporary accommodation has generally been increasing since 2011. There were 112,000 households in temporary accommodation in England at the end of 2023, compared with 48,000 in 2011, a 133% increase and the largest number on record. Local authorities bear the burden, with English councils' spending on temporary accommodation rising to £1.7 billion during the period to March 2023 – an increase of 9% in just one year, and a 62% increase over the last five years. One third of the total was spent on emergency B&Bs and hostels – £565 million.

This evolving picture sits alongside a private rented sector which is, on average, lower quality than other tenures. The English Housing Survey estimated that in 2021, 23% of private rented sector homes did not meet the Decent Home Standard – around 1 million homes. This compares with 13% of owner-occupied and 10% of homes for social rent. Private rented sector homes were also more likely to have at least one Category 1 hazard under the Housing Health and Safety Rating System.

One of the consequences of the reduction in availability of social rent homes is an increase in the government benefits bill. Within the last five years, the total cost of supporting the housing needs of lower income households has risen above the level of the 1970s, when the country was building over 100,000 new social homes every year. In effect, we are spending the same amount on housing as in the 1970s while building almost no homes for social rent.

The cost of housing benefit in the private rented sector is on average 22% higher than in the social rented sector, and 42% higher when looking at those on Local Housing Allowance (LHA) rates (see annex for further detail). This means that every household in the private rented sector supported by housing benefits costs more to the government than an equivalent household in the social rented sector.

Over the last 20 years, the housing benefits bill has grown significantly as more recipients are in the higher cost private rented sector. There were 1.8 million households in the private rented sector in 2022/23 vs. 1 million in 1992/93, an 80% increase. By comparison, the social rented sector saw a 2% increase over the same period.

The DWP forecasts that the housing benefits bill will rise from £29.1 billion in 2019/20 to £36.6 billion (in today's money) by the end of the fiscal forecasting period in 2028/29, an implied real terms growth rate during the 2020s of 2.6% per year. This is driven mostly by an increase in the number of households in the private rented sector reliant on housing benefits to afford housing. Extrapolating these trends suggests the housing benefit bill will hit £42.6 billion in real terms by 2034/35, a near 50% increase on the 2019/20 level without further policy change.

As well as an increase in the housing benefits bill, the temporary accommodation bill will reach nearly £4 billion by 2034/35 unless the rising numbers being housed this way are slowed. Some of this projected increase is captured in the anticipated increase in the housing benefits bill (above), but more than half will be additional - paid by local authority spending on homelessness services.

DWP housing support payments now represent the largest government subsidy to housing, far exceeding the government's housing capital budget. Overall, the total government expenditure on supporting the housing costs of low-income households is now higher than it was in the mid-1970s, in real terms.

The decision to prioritise investment in houses or support to people through the benefits system should reflect the circumstances at the time. In circumstances in which there is sufficient, appropriate housing, a focus on supporting people ('demand side') presents the opportunity to have:

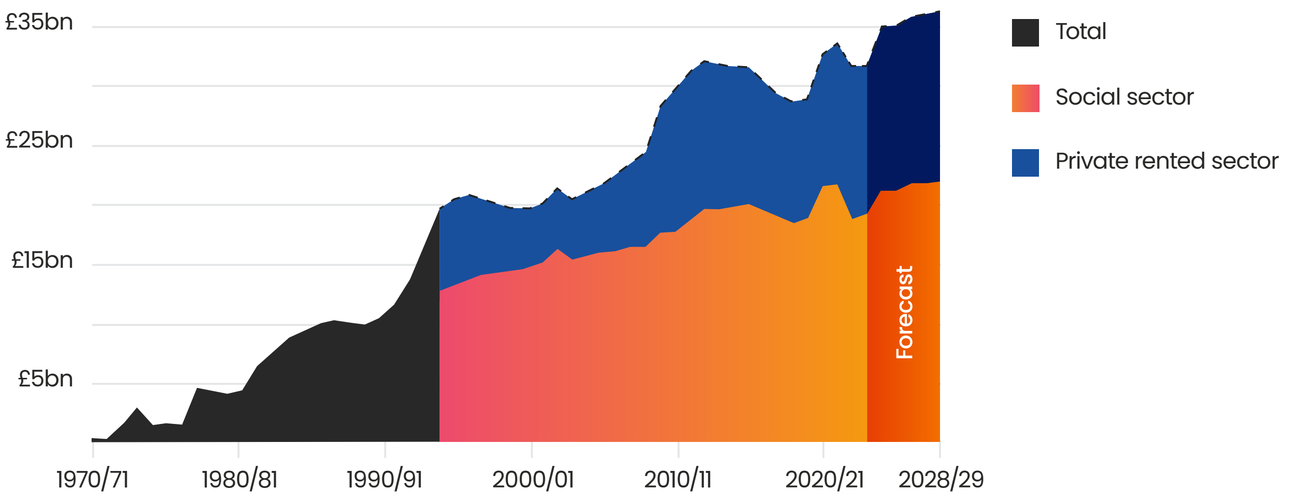
- More flexible programmes;
- A wider choice for recipients; and,
- Greater labour mobility

However, this approach only works if there are enough homes at the right rent levels, a situation that was broadly the case at the end of the 1970s. If there are not enough homes available, a crisis results, manifesting in rising homelessness and spiralling housing benefits costs. That is the situation in which the UK increasingly finds itself.

There is now significant, on-going real terms growth in the housing benefits bill

This increase in housing benefits is driven by the increasing number of households receiving housing benefits in the private rented sector, at greater cost per household than in the social housing sector.

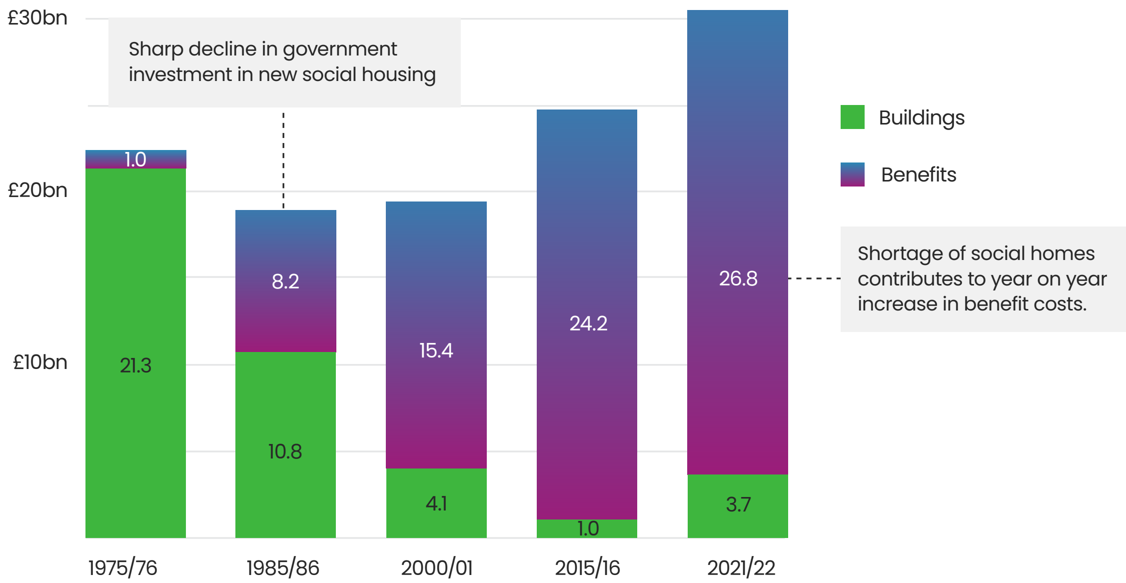
4. Housing benefits bill (Great Britain) 1970/71 to 2028/29 (2024-25 prices)



Government expenditure has shifted from 'buildings' to 'benefits'

Government support for social house building reduced dramatically from the early 1980s, leading initially to lower overall costs to government to support low-income housing needs. However, the housing benefit bill has risen in the last 20 years, and the total cost – adjusted for inflation – now exceeds the mid-1970s.

5. Estimated balance between demand and supply subsidies in England, 1975 to 2022 (UK Housing Review), adjusted for inflation



The shortage of investment capacity in the current system

The Housing Act of 1988 ushered in the model of investment in new social housing delivery that now exists: this model has been based on the ability of housing associations to access low-cost, long-term finance from the banking sector and the capital markets. This has been a powerful and successful model. In the last 10 years it has supported over £100 billion of investment in new supply, an average of £10 billion per year.

However, after a prolonged period where this model has enabled progress, there are now significant constraints on the ability of this system to meet the investment needs of the decades ahead. Levels of rental income and grant have meant that Registered Providers have cross-subsidised new development via surpluses from their existing asset base. New development is therefore reliant on a combination of government grant, cross-subsidy from market housing, and leveraging surpluses from Registered Providers' existing asset base by borrowing long-term capital.

The housing association sector is now facing significant constraints on its capacity to access the additional capital needed to fund new development, with this constraint particularly concentrated in those Registered Providers that have traditionally been those with the capability and willingness to pursue new development.

This is being driven by:

- Declining operating margins with the sector cost base having risen more sharply than its income – with cost pressures above Consumer Price Inflation, materially higher interest rates, and the effect of recent Social Rent caps leading to a 15% fall in real terms rent since 2015.

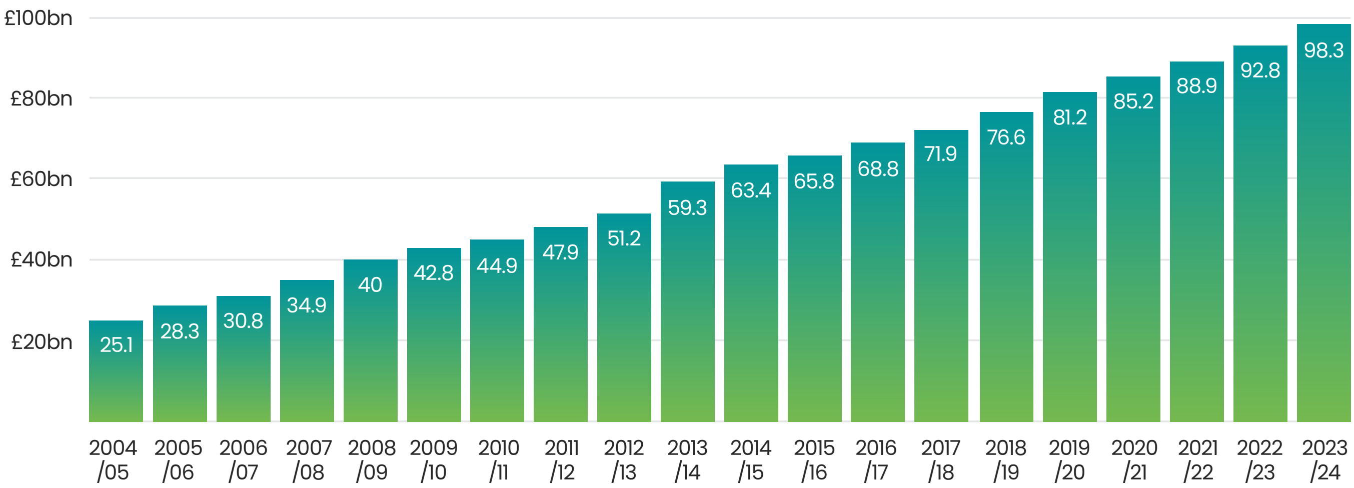
- Alternative investment priorities with providers facing significant demands on capital to invest in the existing stock. Total spending on repairs and maintenance was £7.7 billion in the year to March 2023 with providers needing to fund large retrofit and building safety programmes, with additional capital needs of £36 billion by 2050 on top of the £70 billion that Registered Providers already plan to invest.

New analysis undertaken for this paper illustrates the consequences of this, manifesting in a sharp fall in interest rate cover in the sector over the last five years. Interest cover is a measure of the ability for Registered Providers to service their borrowing through their Social Rent income, and hence the ability to take on more borrowing. Looking forward, the sector's effective interest rate of 4.2% is now significantly below the Bank Rate (5.25%), meaning Registered Providers risk being faced with rises in their debt servicing as existing fixed rate debt expires putting further pressure on financial capacity. Even if base rates were to fall from their current levels, under most projections the cost of refinancing for the foreseeable future will be significantly higher than over the last decade, when base rates were below 1%.

Total debt in the housing association sector has risen

Low-cost private finance has been important to housing association investment in new stock. Increased leverage alongside reduced operating margins are now limiting that ability.

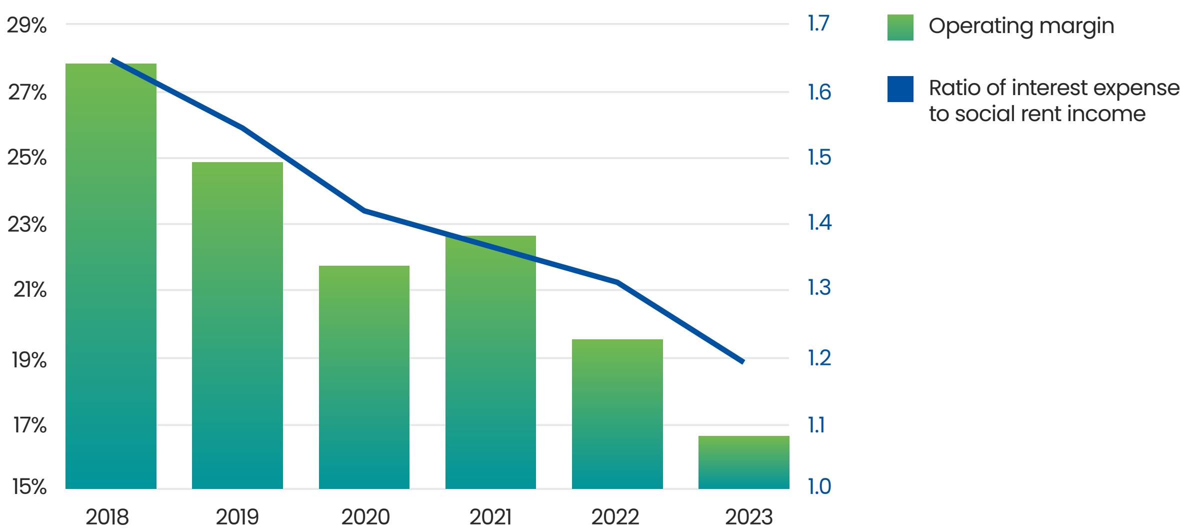
6. Total borrowing, £bn, inflation adjusted to 2023 prices



The declining ratio of income to debt interest is limiting the ability of housing associations to invest in new stock

The ability of housing associations to service increased borrowing to support new house building has declined, driven by reduced operating margins and competing priorities to invest in existing stock.

7. Sector level operating margin (%) and social letting interest cover ratio, 2018 to 2023



Part two: Investing in the next generation of social housing

The UK requires a new era of investment in social housing equal to the radical change in approach of the 1940s and the late 1970s. Most fundamentally, this needs to start with a change in the way in which we think about the role of homes for social rent, restating the role of social housing at the heart of communities. Achieving investment on the scale needed will require a deep programme of reform that will need to cross central government departments, local and regional governments, the private sector and financial markets. The new era of social housing investment needs, therefore, to be a truly national endeavour.

Despite the challenges, the UK's social housing sector is one of the oldest, most well-established in the world, which has been in existence for over 100 years. The UK's social housing sector has several strengths, including:

- A mature, independent housing association sector that is the envy of much of the world.
- A significant stock of social housing: the total stock of social housing across housing associations and local authorities comprises 16% of the UK housing stock – compared to an OECD average of 7%.
- Access to sophisticated banking services and capital markets that have proved capable in recent decades of channelling large quantities of low-cost, long-term debt into the provision of housing. There remains interest in investing in the sector given the strong credit track record, Environmental, Social and Governance credentials and largely index-linked income.
- A strong institutional structure to underpin social housing provision, including an independent regulator of social housing and sophisticated support through Homes England for the provision of a range of capital grant and public sector investment models.
- An increasing diversity of providers entering into the provision of social and affordable housing, with the emergence in recent years of a nascent 'for profit' social housing sector.
- Our local authorities have a long history as leaders, stewards and managers of place, including social housing.

A A new era of social rent housing will require a comprehensive programme of reform across both social housing and the broader UK housing sector, with the opportunity for early steps to restore confidence and catalyse immediate action.

This needs to start with an overall government strategy for housing that includes a restatement of the vital role homes for social rent have at the heart of communities. No single measure will enable a new era of social house building on the scale required. The comprehensive package of reform will need to cover public subsidy, rent settlement, planning, the capacity and capability of local planning authorities, increased productivity and skills in the housebuilding sector, the role for social rent housing as part of a new towns strategy, and putting in place the regulatory, policy and funding framework to decarbonise the UK's homes.

A core early step will be providing rent stability, reversing the uncertainty of recent years. Long-term rent stability will enable social housing providers to plan and invest over the medium-term with greater confidence. Set at the right level, this also has the potential to address fragility in social housing provider finances and rebuild financial capacity. This rent stability will ideally be set to 2035, alongside credible commitments to minimise, and ideally avoid, any mid-term changes. This should include the resumption of the stalled policy of rent convergence.

If reforms to social housing are undertaken in isolation from broader reforms to the effectiveness of the UK housing sector, there is a risk they will not secure the required objectives, and may result in unintended outcomes. For example, increased investment into social housing in the absence of reforms to, and an increase in the capability of, the planning system risks driving up land prices rather than delivering more homes. Key reforms include:

1. **Start work on and deliver reforms to the planning system at pace.** Invest in the capacity and capability of local planning authorities, so that projects can be approved, started and delivered in an efficient and timely way, and set a requirement in England that local planning authorities need to conduct robust local needs assessments, including setting an optimum local tenure mix.

2. **Address the UK's skills challenge by increasing provision for training to expedite the building process and reduce costs.** Government could work with house builders, education establishments and the construction industry to attract school leavers and apprentices to the industry, to help build more homes and retrofit existing homes.

3. **Put in place the regulatory, policy and funding framework to decarbonise the UK's homes.** Certainty over the future direction of Minimum Energy Efficiency Standards (MEES) for homes for social rent would enable providers to make informed, strategic decisions in their planning and development processes while also encouraging investment. It is important government supports local authorities and housing associations to meet these targets with incentives to ensure these obligations do not result in the further disposal of poor performing stock.

4. **Set a bold ambition for the role social housing can play as part of a new towns policy.** Social housing could form the core of any new towns policy, helping to build stable, inclusive, thriving communities over time. By including social housing as part of mixed tenure developments in a new towns policy, the government ensures new towns benefit families, couples and individuals on lower incomes while signalling clearly to investors that provision of new towns will need to include homes for social rent.

Taking immediate action on temporary accommodation

One of the most urgent consequences of the crisis in social rent housing is the rise in temporary accommodation. Placing households in insecure social rent housing can lead to significant short- and long-term negative impacts, for example insecurity in employment and schooling. Temporary accommodation often comes at comparatively high financial cost, and in the most extreme cases households are placed in B&B or hotel accommodation.

Alongside longer-term reforms to the social housing sector, there is the opportunity to develop early initiatives which would both immediately improve the quality of temporary accommodation and which would have short financial payback periods due to the immediate cashable savings that are generated. A number of these options would allow for housing to be built or acquired for temporary accommodation in the short-term, but be available for general needs social housing over the longer-term should the need for temporary accommodation abate.

One option would be to launch a new initiative to bring potentially vacant social housing stock and empty homes back into use. The range of challenges facing housing associations mean they need to balance the maintenance of their portfolio and the pursuit of new development opportunities. In this context, the high costs associated with older properties can present a significant burden, with limited public funding available to support the renewal of older properties. As a consequence, several thousand homes are sold each year from the social rented sector into the private rented sector. At the same time, local authorities face a growing challenge in providing temporary and supported accommodation for vulnerable individuals and families. There is an opportunity to find a mechanism that allows these properties to stay in social ownership, and be made available for temporary, supported, or social use without being sold to the private rented sector.

B

Funding the new era of investment will require new models of public private partnership alongside increases in public subsidy, enabled by switching government spending back from benefits to supporting long-term capital investment in new homes.

At the core of establishing a new era of social housing investment will need to be a model for how this will be funded. The model will need to factor in modern day realities:

1. A recognition that social housing needs public subsidy, but the current fiscal position means the scale of investment required cannot be wholly funded through upfront public borrowing.
2. The need for a switch in government support from the benefits system back into 'investing in buildings'.
3. Acknowledgement that the high cost and competition for land presents a constraint on organisations looking to deliver their ambitions for more homes for social rent, but also an opportunity.

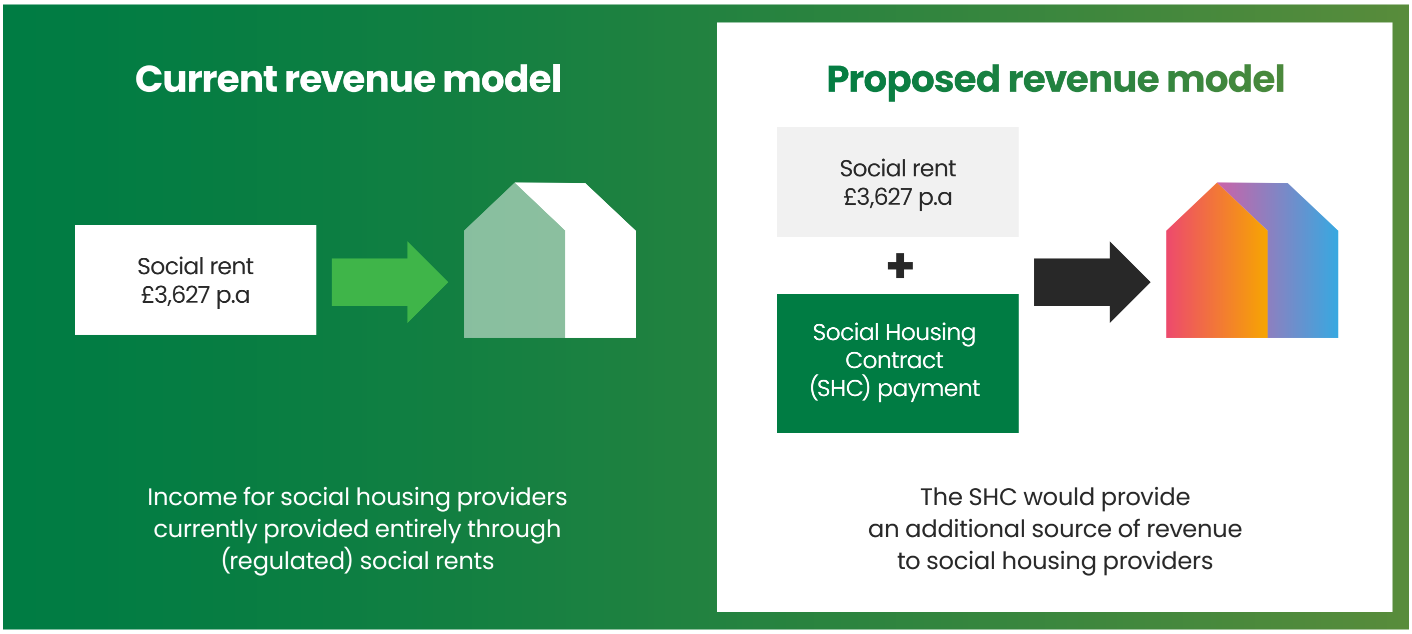
Alongside increases in government subsidy, this paper proposes two public private partnership models that would supplement the current grant funding model and that would enable that funding to go as far as possible:

A proposed 'Social Housing Contract'

This paper proposes a 'Social Housing Contract' (SHC), an innovative new public private partnership that could play a role in accelerating social housing delivery and facilitate a switch from housing benefits to capital investment without requiring a significant upfront increase in public sector borrowing. This would be a novel mechanism in this sector in the UK, although there is experience of similar approaches in other infrastructure sectors in the UK and in the housing sector internationally.

The SHC would provide a guaranteed additional revenue stream, with an additional payment made directly to housing providers from the government (beyond the standard rental payment) explicitly linked to homes being made available for social rent. This increases the revenue being paid to providers of social housing.

By increasing total revenue, the SHC increases the level of upfront private capital that can be raised to finance the development of new housing for social rent. The new income stream can be used to secure private investment into the sector, through debt, equity or both, to build additional housing for social rent. This model is potentially attractive to the infrastructure investment community, and one of the strengths of the SHC is that it could be used by a range of providers, including housing associations, local authorities, or For Profit Regulated Providers.



The SHC helps to address three key problems:

1. **Viability:** The sector needs more income per property to deliver at current grant levels, and the country needs more houses per £ of grant spent to deliver more houses for social rent from a finite budget.

2. **Recapitalising:** The sector needs new forms of capital to recapitalise provider balance sheets; this capital needs additional forms of income, and would supplement a long-term rent settlement.

3. **Ring-fencing:** Funding streams need to be ringfenced for new supply to avoid being drowned out by other demands for capital.

The SHC allows for a transition in government support from housing benefits into supporting the delivery of new housing supply without relying on upfront government borrowing. The cost in housing benefit for a household living in social housing is lower than for a household living in the private rented sector. For every household that moves from the private rented sector to the social rented sector, there is an immediate, cashable saving to government. The savings per household to government varies based on geography and household type ranging from £2,500 per year to nearly £8,000 per year (in London). Savings rates are even higher where households are moving out of temporary accommodation.

If the annual payments under the SHC are at the same level as the average savings in housing benefit for each household that moves from the private rented to the social sector, then there is no net additional cost to government for each additional home financed through the mechanism. In effect, the scheme would see public money directed to social housing providers to build more homes for social rent rather than currently paying private landlords.

There are options on the levels of ambition for this new mechanism. Analysis for Lloyds Banking Group suggests that the SHC could generate between 20,000 and 95,000 additional homes for social rent over a decade at the current level of the Affordable Homes Programme and with no net additional cost to government. More ambitious approaches are also possible, where the SHC could be combined with other government interventions to support the delivery of a much higher number of new homes for social rent over a decade, while requiring lower up-front government borrowing than the alternatives.

In order to be successful in accelerating social housing building, the SHC would need to be additional to the total current grant provision through the Affordable Housing Programme. What is not being proposed here is a replacement or reduction of the current grant programme.

There are also options to use the SHC as a mechanism to accelerate the provision of housing to address the temporary accommodation crisis: because of the high costs of temporary accommodation, this could lead to both immediate cash savings to government and local authorities, and a rapid acceleration in the number of quality homes available. There are options to structure these payments such that housing could be provided for temporary accommodation for a number of years, and then revert to general needs social housing. Other options include the provision of key worker homes.

Regional partnerships to release the value in public and private land

A key change since the era of mass house building in the 1950s and 1960s is both the cost and the availability of land, and this now plays a significant part in the challenge of building new homes for social rent. While mechanisms to address this will be central to any new era of social housing, the value of land also represents an opportunity, in particular for the public sector as the largest landowner in the UK.

The deployment of new land development vehicles at scale that bring together publicly owned land, private land, capital providers and the skills of private developers and Registered Providers can provide a dual purpose:

- To provide the **capacity and capability** needed to support land assembly, accelerating both social and general housing delivery.
- To use public sector land as **patient investment into social housing** development.

Capable land development vehicles have the potential to serve as a mechanism to unlock the value in the huge quantities of publicly owned land and contribute this to building new housing for social rent. Public land contributed through this approach may not be invested for free, but for a long-term patient financial return.

Investment into housing for social rent can take many years before it makes a positive cash yield, and the public sector is well placed to take a long-term view. This approach is effectively a way of allowing the public sector to share in any land value uplift that accrues through planning and development. It also reduces the risk that any focus on rapid increases in housing for social rent supply could fuel further land price inflation.

Financial analysis performed for this paper suggests that just 1% of the land and buildings owned by local government could provide the equivalent of £2 billion in patient equity. This would be the amount of equity required to unlock 100,000 additional social homes, leveraging £9 billion of additional private capital into the sector. As with the SHC, this 'land equity' would need to be invested alongside grant through the Affordable Homes Programme.

Achieving these objectives at scale will require a radical uplift in capability and capacity at the local level. Assembling land and entering into delivery joint ventures with the private sector is a complex undertaking, and there are examples in the UK of attempts to deliver this having foundered because of a lack of capability. For this reason, a smaller number of highly capable regional entities may have the greatest chance of success. While many local authorities already have strategic partnerships with the private sector to progress local development, these are typically at a small scale and for specific sites. The proposal in this paper is to seize the opportunity created by current land values, but to approach this programmatically and at scale.

International examples illustrate the potential for ambitious, commercially capable organisations to unlock the value in public land in order to deliver more social rent homes

Wohnsfond Wien, Vienna

Vienna has a strong tradition of social renting – over 80% of the population rents, with 23% in social housing. Wohnsfond Wien, a City-owned development corporation, was founded in 1984 with the purpose of strategic land pooling to provide land for state-subsidised housing construction and to supervise the restoration of old houses. The development corporation has a focus on brownfield sites, infill sites and strategic land along new rail corridors (to capture the value of wider infrastructure developments), often taking the lead in land assembly and promotion. Since its establishment, the development corporation has provided approximately 3.7 million square metres of land for more than 51,400 subsidised new apartments.

By & Havn, Copenhagen

By & Havn is a publicly owned, privately-run corporation, specifically for development of public sector land. The government transfers public land to By & Havn and then rezones it for residential and commercial use – causing the land to increase in value. By & Havn then borrows against this increased value of land and uses this to develop local infrastructure around the land – further increasing land value. Finally, By & Havn facilitates development whether through land sales or self-delivery with the revenues generated used to service their debt. Since 2007, By & Havn has overseen half of all redevelopment projects in the city. Funds generated have been invested in infrastructure, including roads, a huge extension of the metro, and other recreational and public amenities. The land has also been used for thousands of energy-efficient housing units and the waterfront has been developed into a multi-use area for the public.

Conclusion

With the right approach in place, collectively we can deliver a new era of investment in homes for social rent. This paper is aimed to be a contribution to the debate on what the future of the UK's social housing sector could look like. The evidence of the need for greater investment is stark, and the case for the next era strong. The new, innovative approaches outlined in this paper present an opportunity to come together as a sector and harness the power of public private partnerships to build more homes for social rent. By fostering collaboration between public entities and private organisations, we can pool resources, share risks, and ultimately, deliver housing solutions that help communities thrive.

Furthermore, the targeted areas for reform underscore the need for an overhaul of the current social housing policy framework. By addressing issues such as a lack of a strategy, funding levels and rent settlement, planning, and the decarbonisation of the UK's social homes, we can create a more equitable and inclusive housing sector. These reforms are not just about building more homes; they are about building stronger communities. They are about ensuring that everyone, regardless of their income, has access to safe, affordable, and high-quality housing.

The ability of the social housing sector to meet the needs of the country rests on our collective commitment to engender a new era of investment in social housing. It requires policymakers, housing providers, private sector partners, and community members to work together towards a common goal: to ensure that everyone has a place to call home. Together, we can ensure everyone has access to the housing they need to build their futures.

Annex: Technical supporting material

Housing benefit – a brief explanation, and recent policy

The Local Housing Allowance is the maximum amount of housing benefit (or Universal Credit for housing) that can be claimed by a household in the private rented sector. It is set by the government, usually in relation to local market rents. Local Housing Allowance was introduced from April 2008 at the 50th percentile of market rent. In April 2011, the level was reduced to the 30th percentile - meaning the bottom 30% of properties in a local area in terms of rent levels.

Eligible rent is the amount of housing benefit that can be claimed by a household taking account of their income (their 'means', hence 'means-testing') and other limits (for example, overall benefit cap, two child limit). It can be any amount up to the Local Housing Allowance. For example, a household may have a Local Housing Allowance bedroom entitlement of two-bedrooms, for which the local housing allowance may be set at £200 per week. If the household is out of work with no earnings (or savings), it will be entitled to £200 per week in housing benefit. But if the same household is in full time, low income work it will be able to afford some of the rent. Therefore, its housing benefit could be reduced to, for example, £100 per week, depending on the level of income.

Social Rents are a regulated submarket rent set by the government, historically in relation to local earnings to ensure their affordability. Social rented housing is provided by a social landlord, normally a local authority or a housing association, with a rent set at around 50% of market rents.

Annual social rent setting is at the government's discretion, which means it can in some cases be unpredictable. For example, during the 2013 Spending Review, the government announced that "from 2015-16 social rents will rise by the Consumer Price Index (CPI) plus 1% each year for 10 years". The policy was abandoned one year later with nominal cuts. This reduced certainty and undermined the sector's confidence when it came to financial planning and investment.

There has been considerable change to social rent policy over 20 years - social rent increases were:

- In the period up to and including 2014, capped at RPI plus 0.5%;
- In 2015, capped at CPI plus 1%;
- From 2016-2019, switched to 'decreases' of 1% nominally;
- In 2020, reverted to CPI plus 1%; and
- In 2023, cut in real terms (7% nominal increase vs 10.1% CPI)

A policy called rent convergence was about bringing a range of different social rents in a local area to one level, set by the social rent formula. Alongside overall social rent setting this meant increasing Social Rent by more than RPI plus 0.5% cap in many local areas until those rents reached the level of the formula. Convergence contributed to Social Rent and their associated housing benefit bill rising in real terms until 2015/16 when the policy was abandoned.

Conversely, the number of private rented sector households on housing benefit rose markedly from the turn of the year 2000 - and continues to rise - driving an increase in the housing benefit bill for this segment. This is despite the government attempting to control this by reducing the amount an individual household can claim (for example, by freezing Local Housing Allowance).

The Social Housing Contract: further detail

How does the SHC work?

The SHC would provide a guaranteed additional revenue stream, with an additional payment made directly to housing providers from the government (beyond the standard rental payment) explicitly linked to homes being made available for social rent. This would increase the revenue being paid to providers of social housing, with the payment made for an agreed number of years. The modelling in this paper assumes a commitment to a payment over 30 years, although this could be set at a different length.

Providing a guaranteed additional revenue stream in this way, will support providers of social housing to secure additional upfront capital.

2023	ONS market rent	Social Rent at 50% market rent	HB saving on SR 100% subsidy	HB saving on SR 50% subsidy
England	£13,644	£6,822	£6,822	£3,411
London	£15,874	£7,937	£7,937	£3,968
West Midlands	£10,613	£5,306	£5,306	£2,653

How is it linked to savings in housing benefit?

The SHC allows for a transition in government support from housing benefits to supporting the delivery of new housing supply without relying on upfront government borrowing. The cost in housing benefit for a household living in social housing is lower than for a household living in the private rented sector. Therefore, for every household that moves from the private rented sector to the social rented sector, there is an immediate, cashable saving to government.

The savings per household to government vary based on geography and household type ranging from £2,500 per year to nearly £8,000 per year (in London). The table above illustrates this.

Importantly, the model for the SHC set out here does not propose a direct, contractual link between housing benefit savings and the payment under the SHC. However, it does allow for cashable savings to be realised on the same time profile as the payments under the contract, meaning government is not required to make a significant upfront investment for payment at some point in the future. At the right level, this means that there is the potential for payments under the SHC to be cost neutral, on average, to government.

What might the overall levels of benefit be?

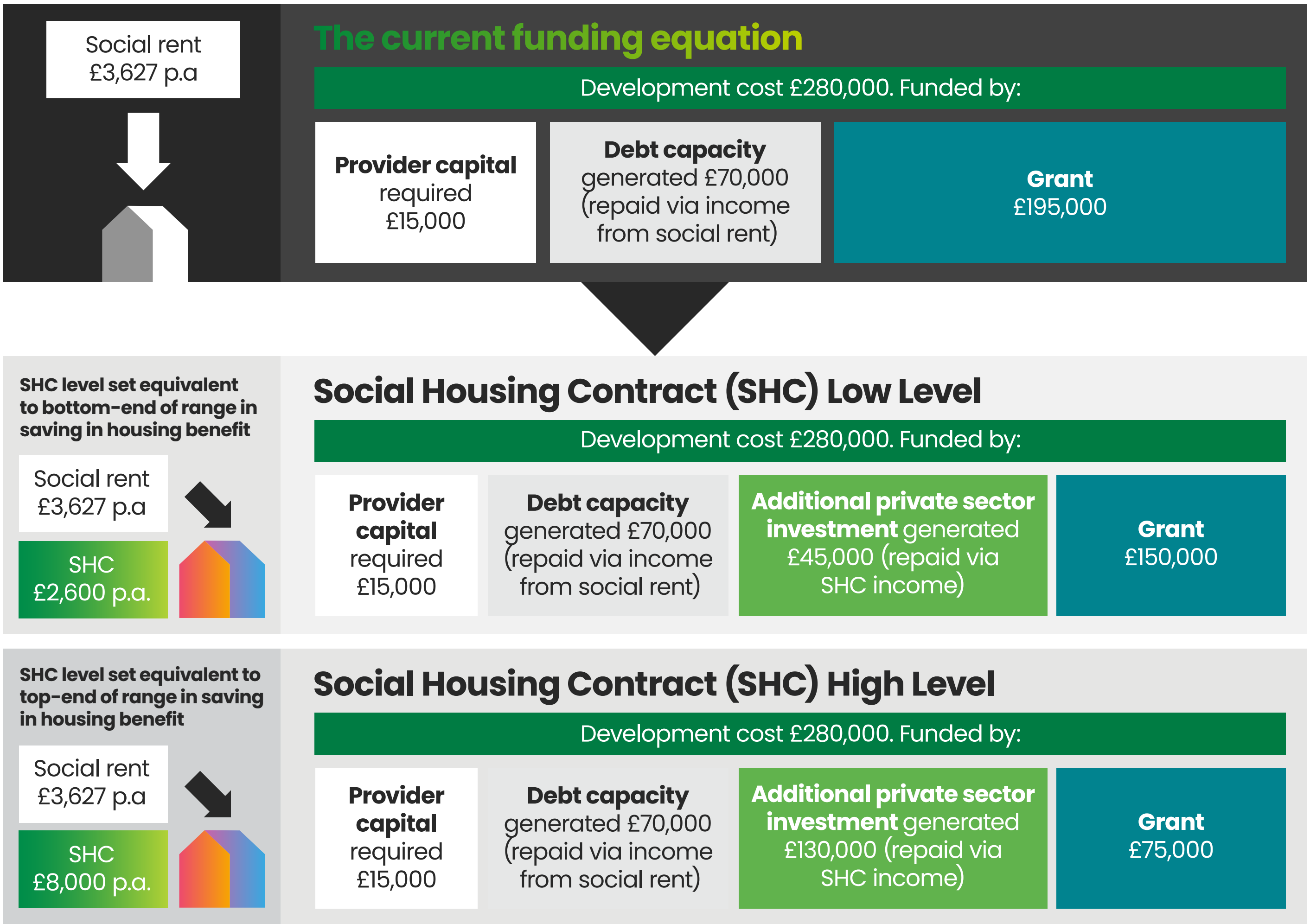
The potential benefits from the SHC are set out below under two alternative models, to reflect different levels of SHC payment: one at the lower end of housing benefits savings and the second equivalent to the higher end of household benefit savings. The modelling shows the additional upfront capital that could be generated through the SHC to be devoted to new social rent house building; and, therefore, the additional numbers of social rent homes that could be built for any given level of grant funding.

- **Current model:** Under the current funding equation, the £280,000 development cost of a home is funded through three sources: an upfront grant of £195,000; additional debt, repaid over time through social rent payments; and, an additional capital gap of £15,000, often currently funded by housing associations.

- **Model 1:** An SHC payment at a lower level might be set at £2,600 per annum for 30 years. Modelling undertaken for this paper suggests that this would allow for £45,000 of additional private capital to be invested upfront, repaid through the revenues provided over 30 years by the SHC. This would mean that the total grant requirement per home would be reduced.

- **Model 2:** At a higher level of SHC payment of £8,000 per annum, the total amount of upfront private capital that could be raised would increase to £130,000 per property.

These alternative scenarios are mapped out in the illustration below.



What is *not* being proposed in this paper is a reduction in the total amount of grant being paid to the social housing sector. Instead, a mechanism is being proposed that allows for that same grant to go further, generating more social rent homes in total.

The impact of this can be illustrated across on the number of social rent homes that might be generated with, for example, £100 million of total available grant.

- Under the current model, £100 million of grant would allow for just over 510 social rent homes to be built.
- Under model 1, with an SHC payment of £2,600 per annum, £100 million of grant would allow for over 660 social rent homes to be built.
- Under model 2, with an SHC payment of £8,000 per annum, £100 million of grant would allow for over 1,300 social rent homes to be built.

What is the right level of payment under the SHC?

The modelling above is based on two example levels of payments under the SHC. The choice over the right level of payment will depend on detailed design of the scheme, and has potential to vary by, for example, geography and/or tenure type.

There are several different mechanisms that could be used to set and regulate the payment made under the SHC, with different advantages and disadvantages. The consideration of these options will need to be subject to detailed commercial design. Potential mechanisms include:

- **Availability payment:** A fixed payment paid periodically (monthly or annually) based on a home being made available in a pre-agreed condition for social rent housing. It is likely this payment would be set by competition and differ per house by type or location. While simple to understand, this model provides limited ability to adjust the payment over time if there are broader changes to social rent settlements.
- **Regulated payment:** A payment to a provider that is reviewed at various intervals to allow a reasonable return for risks taken and forecast. This model transfers delivery risk (rather than market risk) to providers allowing for low cost of capital, facilitated through regulatory protections. This would require a change in regulatory framework, however draws parallels to other sectors such as water and electricity networks.

- **Contract for difference:** A price is set (through competition or auction) for the combined rent and SHC payment that is fixed subject to inflation each year. If sector rent levels change, SHC payment would adjust (e.g. if rents increase more broadly across the sector, the payment would reduce so that the public sector is not double paying). This model has been used successfully to crowd in private sector investment in sectors such as offshore wind. This model provides strong protection to investors from uncertain future cash flows while still allowing the public sector to reduce the payment if there are favourable future rent settlements. However, it does effectively result in the public sector fixing the total cost of new housing over a long period.

The purpose of this paper is not to conclude on the preferred model but rather illustrate the potential impact of this model and make the case for further detailed commercial design.

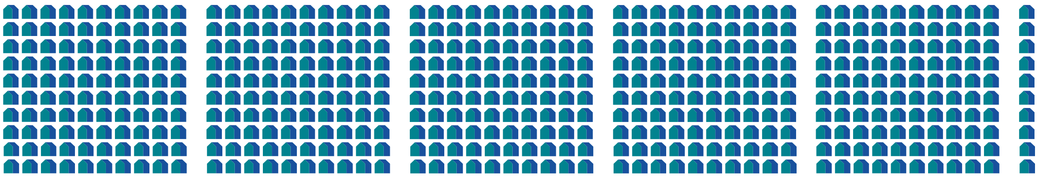
What should the SHC be targeted at?

The illustrative models set out here are based on funding for general purpose social rent housing. However, the SHC could be used in a more targeted way, depending on policy choices. For example, the SHC could be used to support intermediate rent housing, key worker housing, or housing in areas with particular need. An alternative approach could see the SHC used to support the provision of temporary accommodation, creating very significant immediate cashable savings to government.

The Social Housing Contract would allow for more social rent homes to be built without increasing the upfront level of grant funding.

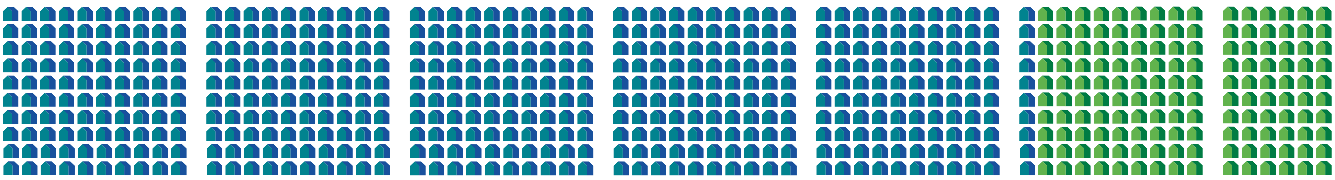
Current funding model

£100 million of grant would allow for **510** social rent homes to be built.



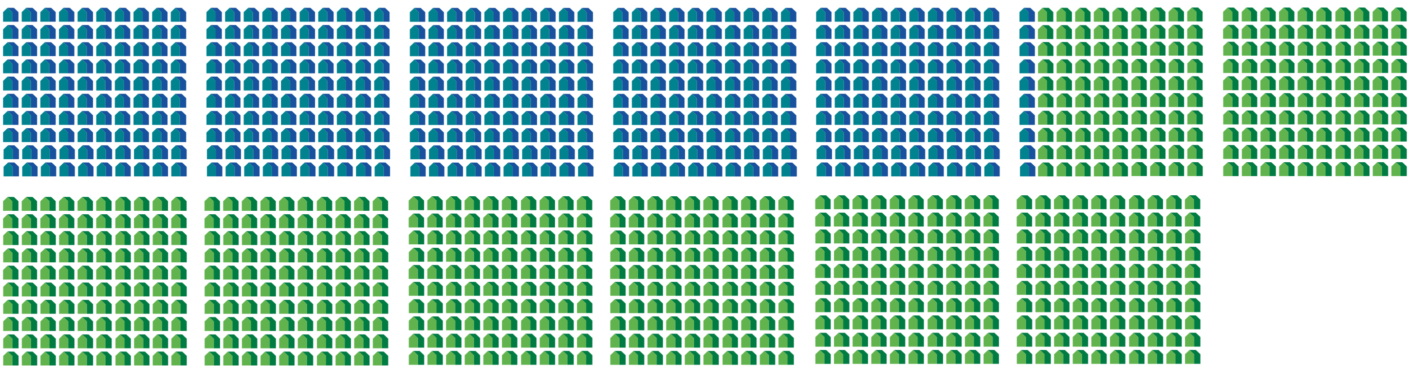
Model 1

£100 million of grant plus SHC payment of over £2600 per annum would allow for over **660** homes to be built.



Model 2

£100 million of grant plus SHC payment of over £8000 per annum would allow for **1,300** homes to be built.



Acknowledgements & Sources

This paper has been written with the support of, and insights from, Gwyn Llewellyn and Teagan Hallgath from KPMG, Chris Walker, David Morris and Ralph Mould from Chamberlain Walker and Tom Le Quesne and Gary Cook from Lloyds Banking Group.

Executive summary

"In 2023, in England alone over 300,000 households were accepted as homeless or at imminent risk, up 9% on the previous year".
Statutory homelessness in England (Department for Levelling Up, Housing and Communities)

"In addition, over 145,000 children are currently living in temporary accommodation, up 15% in a year"
Statutory homelessness in England (Department for Levelling Up, Housing and Communities)

"From the 1940s to late 1970s: the era of mass council house building, when an average of 130,000 council homes were delivered each year".
House building, UK: permanent dwellings started and completed by country (ONS)

"Right to Buy was introduced and this period saw a reduction of around 1.4 million in the total number of homes for social rent, and a sharp increase in the size of the private rented sector".
Live tables on dwelling stock (Department for Levelling Up, Housing and Communities), Table 104

"The housing benefit bill has risen from £30 billion in 2010/11 to £32 billion in 2023/24, with the Department of Work and Pensions (DWP) forecasting that the housing benefits bill will rise to over £36.5 billion by 2028/29."
DWP Benefit expenditure and caseload tables 2024

"Within the last five years, as a consequence, the total cost of supporting the housing needs of lower income households has risen above the level of the 1970s, when the country was building over 100,000 new homes for social rent every year".
UK Housing Review (2024)

"in Vienna, Wohnsfond Wien, a city-owned development corporation, has provided land for over 50,000 new subsidised apartments".
Wohnfonds Wien

"in Copenhagen, By & Havn, a publicly owned, privately-run corporation for the development of public sector land has overseen half of all redevelopment projects in the city".
The Copenhagen City and Port Development Corporation

"Lloyds Banking Group's support for the social housing sector".
Social housing - Lloyds Banking Group plc

Part one: A system that does meet our modern needs

"It was estimated that 750,000 new homes were required in England and Wales in 1945 to provide all families with accommodation".
Lloyds Banking Group

"From 1948 to 1977 an average of 130,000 local authority council homes were delivered each year".
House building, UK: permanent dwellings started and completed by country (ONS)

"As a result of these changes, the percentage of people renting from local authorities rose to nearly a third of the population, from 10% in 1938 to 31% in 1979".
50 years of the English Housing Survey, English Housing Survey data on tenure trends and cross tenure

"Within the last five years, the total cost of supporting the housing needs of lower income households has risen above the level of the 1970s, when the country was building over 100,000 new social homes every year".
UK Housing Review (2024)

Chart 1. All figures contributing to chart provided by Chamberlain Walker.
House building, UK: permanent dwellings started and completed by country (ONS)

Chart 2. All figures contributing to chart provided by Chamberlain Walker.
Live tables on affordable housing supply; (Department for Levelling Up, Housing and Communities), Table 1000

"since 1980, 1.9 million local authority homes have been sold through Right to Buy".
Live tables on social housing sales (Department for Levelling Up, Housing and Communities), Table 691

"As a consequence, over the 40 years since 1979, there has been a net decline in the number of social homes of 1.4 million, from 5.5 million in 1979 to 4.1 million in 2022".
Live tables on dwelling stock (including vacants), Table 104; Social rented housing in England: Past trends and prospects

"In the last 10 years alone, there has been a net decline of 200,000 homes for social rent". Crisis

"Since 1991, the private rented sector has nearly tripled, from 1.7 million households in 1991 to 4.8 million in 2022".
Live tables on dwelling stock (Department for Levelling Up, Housing and Communities), Table 104

Chart 3. All figures contributing to chart provided by Chamberlain Walker.
Live tables on dwelling stock (Department for Levelling Up, Housing and Communities), Table 104 & Housing Policy in Britain (Holmans, 1987)

"Some 1.3 million households are on waiting lists for social housing in England alone".
Social housing lettings in England, tenants: April 2022 to March 2023

"Further, the number of households in temporary accommodation has generally been increasing since 2011. There were 112,000 households in temporary accommodation in England at the end of 2023, compared with 48,000 in 2011".
Statutory homelessness in England: October to December 2023

"Local authorities bear the burden, with English councils' spending on temporary accommodation rising to £1.7 billion during the period to March 2023".
Shelter, LocalGov

"One third of the total was spent on emergency B&Bs and hostels – £565 million". Shelter, LocalGov

"23% of private rented sector homes did not meet the Decent Home Standard – around 1 million homes".
English Housing Survey 2021 to 2022: headline report

"This compares with 13% of owner-occupied and 10% of homes for social rent".
English Housing Survey 2021 to 2022: headline report

"Private rented sector homes were also more likely to have at least one Category 1 hazard under the Housing Health and Safety Rating System".
English Housing Survey 2021 to 2022: headline report

"The cost of housing benefit in the private rented sector is on average 22% higher than in the social rented sector, and 42% higher when looking at those on Local Housing Allowance (LHA) rates".
Benefit expenditure and caseload tables 2024 (ChamberlainWalker calculations)

"Over the last 20 years, the housing welfare benefit bill has grown significantly as more recipients are in the higher cost private rented sector. There were 1.8 million households in the private rented sector in 2022/23 vs. 1 million in 1992/93, an 80% increase. By comparison, the social rented sector saw a 2% increase over the same period".
Benefit expenditure and caseload tables 2024

Chart 4. All figures contributing to chart provided by Chamberlain Walker.
Benefit expenditure and caseload tables 2024

"The Department for Work & Pensions (DWP) forecasts that the housing benefits bill will rise from £29.1 billion in 2019/20 to £36.6 billion (in today's money) by the end of the fiscal forecasting period in 2028/29, an implied real terms growth rate during the 2020s of 2.6% per year".
Benefit expenditure and caseload tables 2024 (ChamberlainWalker calculations)

"Extrapolating these trends suggests the housing benefit bill will hit £42.6 billion in real terms by 2034/35, a near 50% increase on the 2019/20 level without further policy change".
Benefit expenditure and caseload tables 2024

"As well as an increase in the housing benefi ts bill, the temporary accommodation bill will reach nearly £4 billion by 2034/35 unless the rising numbers being housed this way are slowed".
Benefit expenditure and caseload tables 2024 (ChamberlainWalker calculations)

Chart 5. All figures contributing to chart provided by Chamberlain Walker. UK Housing Review (2024)

"Overall, the total government expenditure on supporting the housing costs of low-income households is now higher than it was in the mid-1970s, in real terms". UK Housing Review (2024)

"Total spending on repairs and maintenance was £7.7 billion in the year to March 2023 with providers needing to fund large retrofit and building safety programmes".
2023 Global Accounts of private registered providers

"With additional capital needs of £36 billion by 2050 on top of the £70 billion that Registered Providers already plan to invest".
National Housing Federation

Part two: Investing in the next generation of social housing

"Despite the challenges, the UK's social housing sector is one of the oldest, most well-established in the world, which has been in existence for over 100 years". Lloyds Banking Group

"A significant stock of social housing: the total stock of social housing across housing associations and local authorities comprises 16% of the UK housing stock – compared to an OECD average of 7%".
Organisation for Economic Co-operation and Development

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