



**MANCHESTER SOCIAL
HOUSING COMMISSION**

Funding a new generation of sustainable homes for social rent



About the Manchester Social Housing Commission

The Manchester Social Housing Commission was launched in July 2024 and is convened by the Social Homes for Manchester Coalition, a network of voluntary and community sector organisations. The Commission joins together tenants, grassroots community organisations, campaigners, political leaders and officers at Manchester City Council, senior public and voluntary sector housing and planning professionals, and academics in a shared purpose: to achieve accelerated delivery of housing for social rent that is ecologically sustainable in the City of Manchester by 2030.

We take a co-produced and evidence-based approach to engaging with the intersecting nature of the housing, climate, and cost of living crises. Over the life of the Commission, we will produce a set of practical and financially robust recommendations to help deliver the Manchester Housing Strategy targets as well as meet the housing growth, regeneration and decarbonisation challenges faced within the city.

Enquiries about the Commission can be directed to sophie.king@class-uk.com

For more information, please visit www.socialhomes4mcr.org.uk/commission

About this report

Written and researched by Dr Isis Barei-Guyot (GDI, University of Manchester) and Dr Stuart Hodkinson (University of Leeds), with support from Dr James Scott Vandeventer (Manchester Metropolitan University) and Dr Thomas Gillespie (University of Manchester).

This report outlines the costs of a lack of social housing in England, the social and economic benefits that investing in sustainable homes for social rent will deliver, as well as the main barriers at present. It provides clear policy options to overcome these barriers and deliver the sustainable homes for social rent that are so desperately needed, recommending five key areas of reform.

Enquiries about this report can be addressed to Dr Stuart Hodkinson, University of Leeds: s.n.hodkinson@leeds.ac.uk

Foreword from Cllr Gavin White

Executive Member for Housing and Development, Manchester City Council

Manchester has a rich and proud history of social housing. Our first council homes were built in 1894 at Victoria Square in the heart of Ancoats. These homes are still in place, providing 163 council homes around an award-winning community garden. These truly affordable, social rent homes for local residents are vital for our city.

In the early 1980s, Manchester had 95,000 social rent homes, this figure now stands at 70,000, about 30% of our total homes in the city. This is mainly due to right to buy policies since the mid-1980s that have not allowed councils and housing associations the access to finance to replace and build the social housing that our communities need.

This Policy Brief sets out the constructive case for a better funding model that allows councils and housing associations the ability to have longer term rent settlements, enhanced grant funding from Homes England for social rent housing, increase in brownfield land funding for social rent homes, and further flexibility in how right to buy receipts are used to build more social housing.

Recent changes made by the Labour government to allow councils to use right to buy receipts with Section 106 monies are welcome, but the changes need to go further and allow right to buy receipts to be used with grant monies too, alongside ongoing reforms to Right to Buy legislation.

Councils and housing associations also need a funding model that prioritises the retrofit of existing social housing by amending the VAT rules, and tax changes and incentives to encourage bringing empty homes back into use, ideally as social housing.



Councils all over the UK want to spend more of their budgets on social housing, rather than temporary accommodation for those experiencing homelessness; this long-term and joined up financial investment in social housing is the way we will solve the housing and homelessness crisis, and build the homes once again that our communities need.

A handwritten signature in black ink, appearing to read 'Gavin White', written over a faint, stylized circular graphic.

Foreword from Zoe Marlow

Dandelion Community Food Bank Manager Wythenshawe Central Network Committee member

I've lived in social housing all my life; it means everything to me. It's provided me with a decent and affordable home, predictable rent rises and security of tenure, meaning stability for myself and my two children, and real belonging to my local community in Wythenshawe. But that security has been thrown into disarray in recent years as my personal circumstances have combined disastrously with welfare reform and the acute shortage of genuine social rented housing.

When my abusive partner moved out, I was left with a growing backlog of rent arrears. I became a full-time carer for my son who has very complex special educational needs and his bouts of anger turned into violence against me. Soon after, my social landlord tried unsuccessfully to evict me.

To protect my daughter from this turmoil during her exams, she moved in with her grandparents, but this meant we were now 'under-occupying' our 3-bed house, and my housing benefit was cut by 14% a week by the 'bedroom tax'. As I was still paying for my daughter's upkeep, my rent arrears got worse again leading to more unsuccessful eviction proceedings. Cue more stress and a deterioration in my son's condition.

I managed to get him into supported accommodation 18 miles away because there was no such specialist housing in my area and his condition improved, but this meant more bedroom tax - a 25% reduction in my housing benefit - and my rent arrears were back to square one. With my own physical health deteriorating leaving me with mobility issues, I had to permanently move downstairs, meaning I was paying for 3 bedrooms that I couldn't even use in a house that I couldn't afford to heat any more.



Throughout this time, I tried to move to a smaller home and free up my 3-bed to one of the thousands of families living in overcrowded housing, but I was not allowed to bid for another social home because I was in rent arrears. Thankfully, I've finally been able to move to a smaller home I can afford. A lot of people are going through this. And that's why I've got involved in the Manchester Social Housing Commission, to work with others to get the millions of homes for social rent we need and abolish the cruel bedroom tax. That is the only way to address under-occupancy and reduce over-crowding.

Zoe Marlow

Table of Contents

Foreword from Cllr Gavin White	3
Foreword from Zoe Marlow	4
Abbreviations	6
Glossary	7
1. Introduction	9
2. Financing the social homes we need: the case for investment	10
2.1. The costs of the lack of social housing	10
2.1.1. The welfare bill	10
2.1.2. Homelessness and temporary accommodation	10
2.1.3. Non-decent homes and poor quality housing	11
2.1.4. The lack of Supported Housing	12
2.2. The benefits of investing in social housing supply	13
2.2.1. Reducing the cost of housing and the welfare bill	13
2.2.2. Savings from reduced homelessness	13
2.2.3. Health and social care savings	14
2.2.4. Environmental benefits and energy savings	14
2.2.5. Economic impacts of construction	15
2.2.6. Wider benefits	15
3. The barriers to delivering sustainable homes for social rent at scale	16
3.2.1. Barrier 1 - Capital Funding	16
3.2.2. Barrier 2 - Uncertain income	16
3.2.3. Barrier 3 - Land	18
3.2.4. Barrier 4 - New and Rising Costs	19
3.2.5. Barrier 5 - Capacity	20
4. Policy solutions for funding and delivering new sustainable social homes	21
4.1. Boosting funding	21
4.1.1. Higher levels of grant and changes to rules	22
4.1.2. Long-term rent settlement with convergence mechanism	22
4.2. Unlocking cheaper land	23
4.2.1. CPOs and hope value	23
4.2.2. Public land	24
4.2.3. Public-led land assembly	25
4.3. Reusing existing buildings	26
4.3.1. Converting long-term empty and non-decent homes	26
4.3.2. Commercial to residential conversion	27
4.4. Innovating finance	27
4.4.1. Closing viability loopholes in the planning system	27
4.4.2. Land value tax	28
4.4.3. Reform property taxes	28
4.4.4. Increased tax on international residential investment and multiple homes	28
4.4.5. Housing and Regeneration Tax Credit	29
4.4.6. Leaseback agreements and REITs	30
4.4.7. Renewable energy as revenue stream	30
4.5. Invest in an alternative supply chain	31
5. Conclusions and recommendations	32
Financing social housing for the 21st century	34

Figures

Figure 3.1. The current funding jigsaw for social rent - **pg. 17**

Abbreviations

AHP	Affordable Homes Programme
BNG	Biodiversity Net Gain
BTR	Build-to-Rent
Cebr	Centre for Economics and Business Research
CPO	Compulsory Purchase Order
CPI	Consumer Price Index
CSR	Comprehensive Spending Review
DHS	Decent Homes Standard
DLUHC	Department for Levelling Up, Housing and Communities
FIT	Feed-in-Tariff
FHS	Future Homes Standard
HBF	Home Builders Federation
HA	Housing Association
HRA	Housing Revenue Account
HART	Housing and Regeneration Tax
HCLGC	Housing, Communities and Local Government Committee
JRF	Joseph Rowntree Foundation
LVT	Land Value Tax
LUHCC	Levelling Up, Housing and Communities Committee
LHA	Local Housing Allowance
LGA	Local Government Association
LIHTC	Lower Income Housing Tax Credit
MMC	Modern Methods of Construction
NAO	National Audit Office
NHF	National Housing Federation
PDR	Permitted Development Rights
PFI	Private Finance Initiatives
PRP	Private Registered Providers
PRS	Private Rented Sector
PPT	Proportional Property Taxes
PWLB	Public Works Loan Board
REIT	Real Estate Investment Trust
RSH	Regulator for Social Housing
RPI	Retail Price Index
RTA	Right to Acquire
RTB	Right to Buy
S106	Section 106
SEG	Smart Export Guarantee
SDLT	Stamp Duty Land Tax
UC	Universal Credit

Glossary

Affordable Rent

This is a rental tenure offered by social housing providers set at no more than 80% of local market rents in the private rental sector.

Consumer Price Inflation

The rate at which prices paid by consumers rise or fall over time using a representative basket of goods and services.

Energy Performance Certificate

Records a property's energy use, typical energy costs, energy efficiency, and steps that can be taken to improve a property's energy efficiency and reduce energy costs.

Financialisation of housing

Refers to how housing is being increasingly treated as a financial asset for investors rather than a human right and a social good.

Future Homes Standard

A UK government commitment for all new build homes by 2025 to be future-proofed with low carbon heating and high levels of energy efficiency.

Fuel poverty

A household is considered to be fuel poor if they are living in a poorly-insulated home and the required cost to heat their home leaves them with a residual income below the official poverty line.

Housing Association

Not-for-profit organisations that own, let, and manage social rented housing as well as other housing tenures. Also known as Private Registered Providers.

Housing Health and Safety Rating System

A method for local authorities to assess the health and safety risks in housing introduced under the Housing Act 2004.

Homes England

The government's housing and regeneration agency that allocates funding for housing and construction.

Local Area Energy Plan

A non-statutory, whole system approach to delivering net zero in a particular region that maps energy supply and demand to outline the most cost-effective way for a local area to decarbonise.

Local Housing Allowance

Local Housing Allowance rates are used to calculate Housing Benefit for tenants renting from a private landlord based on the level of private market rents being paid in a given area.

Local Plan

It is a statutory requirement for local planning authorities to create a Local Plan to guide decisions on future development proposals to address local needs and opportunities including where development should take place and where it should be restricted.

Manchester Living Rent

A relatively new rental tenure introduced by Manchester City Council distinct from both Affordable Rent and social rent, 'set at or below the Local Housing Allowance level'.

Manchester Move

A website used to advertise and bid for ready-for-rent social homes let by around 18 not-for-profit landlords in Manchester.

National Housing Federation

An umbrella body representing England's housing associations.

National Planning Policy Framework

The UK government's planning policies for England. It outlines how these policies should be applied to local and neighbourhood plans, and to planning applications.

Private Rented Sector

Rental homes let by a private landlord (a person or company that owns the property you will be living in) on a for-profit basis, and subject to particular legal regulations.

Retrofit

Retrofitting consists of changes to a home that will make it more energy efficient and environmentally friendly.

Right to Acquire

Enables some housing association tenants who have had a public sector landlord for 3 years to buy their housing association home at a discount of between £9,000 and £16,000.

Right to Buy

Enables council tenants who have had a public sector landlord for 3 years to buy their council home at a discount set by how many years a tenant has lived at a property and the region it is located in.

Section 106 / Developer Obligations

Section 106 of the Town and Country Planning Act 1990 (as amended) allows for agreements focused on site specific mitigation of the impact of development - often referred to as 'developer contributions' – and include contributions to affordable housing.

Shared Ownership

As opposed to buying 100% of a property, Shared Ownership allows you to buy a share of between 25%-75% of your property and pay rent on the remaining share usually charged at 2.75% of the property value. There is an option to buy more shares as and when you can afford them.

Social Rented Housing

Low-cost, secure tenancies rented out by local authorities or housing associations to those deemed to be in priority need. Rent is set through the National Rent Regime in England at around 50% of market rents.

Strategic Housing Land Availability Assessment

An annual assessment of land suitable for housing development that the local authority expects to deliver housing over the next 15+ years. Alongside the SHLAA is a Five-Year Supply Statement which assesses how many homes the local authority expects to be built in the next five years, setting this figure against Government housing requirements.

Strategic Housing Market Assessment

An evidence-based picture of current and future housing need over the next 20 years for different groups calculated through a government-guided methodology.

Temporary Accommodation

A broad term that describes temporary housing for people who have been assessed as homeless by a local authority and eligible for assistance, including: B&Bs or hotels; private flats/houses; council or housing association properties.

1. Introduction

Our first report¹ highlighted the urgent need for increased delivery of social rent housing to address England's cost of living and housing crises. Across England, increasing numbers of people are denied decent, affordable and secure housing due to a crisis that is worsening by the day in almost every measure. Levels of homelessness and rough sleeping have been steadily rising over the past decade and are now on a steep upward curve. Last year, 127,890 homeless households – including over 165,000 children – were trapped in temporary accommodation, a 14% spike on the previous year and the highest on record.² Families are crammed into overcrowded properties riddled with damp and mould and lacking basic facilities for cooking and laundry. Some wake each morning not knowing where they will be sleeping that night. Around a quarter of households will have been stuck in this situation for more than five years. These are life-threatening housing conditions: a possible cause of 74 child deaths last year in temporary accommodation.³

Beneath these extremities lies a much larger national crisis of precarious housing and unmet need, with sharply rising evictions and 1.33 million households on social housing waiting lists - the highest numbers in a decade. In Manchester, there are almost 20,000 households on the social housing waiting list. Having lost over 16,000 social rented homes since 1979, the city is now almost completely dependent on private landlords to temporarily house its homeless population.⁴

Modelling commissioned by the *National Housing Federation (NHF)* and *Crisis* estimates the need for at least 90,000 net additional social rented homes across England every year for the next 10 years to address the backlog of need and meet future demand.⁵ Research by Professor Glen Bramley finds that at the Manchester scale, this national target translates into 32% of all net additional homes as social rent.⁶ These new homes must be energy efficient and sustainable to meet the UK's climate commitments. More housing for private sale or even 'affordable' rent (80% market rent) does little for those in temporary accommodation, sleeping rough, or sofa surfing. Only social rent linked to local incomes with allocation based on

need and security of tenure can alleviate the crisis. As this report will evidence, the economic benefits of investing in social rent vastly outweigh the initial financial costs. The shortage of social rent increases government spending on housing welfare support and homelessness. More sustainable homes for social rent will thus deliver significant savings to the public finances as well as increased tax revenues and direct benefits to society through boosting construction, employment, lowering carbon emissions and decreasing household bills. There will also be substantial indirect benefits through savings for the NHS from improved health outcomes, crime reduction, support for older people and those with long-term health conditions and disabilities, and better educational outcomes for children. However, given the shortage of social rented homes and the longstanding under-supply, there are clearly major barriers in the way of delivering the homes we need. These barriers to increasing the supply of social rent must be addressed as a matter of urgency. Alongside the recent welcome increase in grant funding, the government also needs to address the uncertainty caused by the current rent-setting system, rising operational costs, high land costs, limited borrowing capacity, and the impact of the 2012 Housing Revenue Account settlement on local authorities. This report sets out five key areas for reform to address these barriers:

1. Boost funding:

A long-term government funding settlement for all social landlords through much higher levels of grant, access to cheaper government borrowing with longer repayment terms, and long-term rent settlement that is fair to both tenants and social providers.

2. Unlock land:

Pursue options to unlock cheaper land for social housing delivery.

3. Reuse existing buildings:

Make better use of existing residential and commercial buildings through the planning system to deliver social rent homes at pace.

4. Financial innovation:

Support the development of alternative capital and revenue funding sources for social rent housing.

5. Transform supply chains:

Invest in an alternative social housing supply chain to unblock the existing capacity barriers and reduce the costs of construction and retrofit.

The report has five main sections, each of which is summarised in the remainder of this Section 1, the Introduction. Section 2 outlines the costs of a lack of social housing, as well as the social and economic benefits of investing in social housing; Section 3 focuses on the main barriers that are preventing social housing providers from increasing the volume of social rented housing in England; Section 4 outlines clear policy options to overcome these barriers and deliver the sustainable homes for social rent that are so desperately needed; and Section 5 concludes the report with recommendations for five key areas for reform.

2. Financing the social homes we need: the case for investment

Increasing the delivery of good quality social rent homes – which includes homes provided by local authorities, housing associations (HAs) and community-led housing organisations (e.g. cooperatives, community land trusts) – is not only a rights-based imperative but also creates economic and social value. After summarising the costs of the present lack of social housing, this section outlines the social and economic benefits of investing in social housing, which far outweigh any expenses incurred by the government.

2.1. The costs of the lack of social housing

The shortage of homes for social rent, combined with high and rising private rents, inadequate welfare support and low wages, is driving up the costs of housing benefit, fuelling poverty, compounding health inequalities, and placing unsustainable demand on the health and social care sector.⁷

2.1.1. The welfare bill

Public expenditure on housing benefit (including the housing component of Universal Credit (UC)) was around 15% of Great Britain's welfare budget in 2021/22 (£30.3 billion), a 51% increase from 2006/07 (£14.8 billion).⁸ The government is expected to spend over £70 billion subsidising private landlords between 2024-2029,⁹ with an estimated £35.1 billion spent on supporting renters in 2024/25 alone.¹⁰ These extraordinary increases have been driven by the growing number of housing benefit recipients in the private rented sector (PRS) at a greater cost per household than in the social rented sector due to market rent inflation.¹¹ According to a 2024 *New Economics Foundation* report, government subsidy of private landlords over a five year period was expected to be six times greater than the current Affordable Homes Programme (AHP) 2021-2026 (£11.5 billion).¹² Such largesse is particularly shocking in

light of the poor housing conditions in the PRS and the failure of the benefit system to protect private renters from escalating housing costs. The *Joseph Rowntree Foundation (JRF)* reports that 25% of all private renters on housing benefit are in poverty primarily due to their housing costs, compared to 14% of social renters.¹³ As our first report outlined, the expansion of the PRS to become England's second largest tenure can be largely attributed to the decline of social rented housing stock, with many social homes lost through Right to Buy (RTB) being converted for private renting.¹⁴

2.1.2. Homelessness and temporary accommodation

While housing benefit is a significant welfare expenditure, further costs directly result from the housing crisis. The economic and human costs of homelessness are extremely high. The number of people sleeping rough on a single night increased by 20% between 2023 and 2024, and is 164% higher since the government's approach to documenting rough sleeping was introduced in 2010.¹⁵ However, homelessness also includes people who are sofa surfing and the record breaking numbers of people living in temporary accommodation, where it is common to experience poor living conditions and extreme instability. In December 2024, 127,890 households and 165,510 children were living in temporary accommodation in England.¹⁶ In Manchester, 2,704 households and 4,498 children were living in temporary accommodation.¹⁷ Recently published data from the APPG for Households in Temporary Accommodation shows that between 1st April 2019 and 31st March 2024, temporary accommodation has been a contributing factor in the deaths of 74 children in England, 58 of whom were under the age of 1.¹⁸ As *Crisis* emphasises, social housing is key to homelessness prevention and preventing homelessness costs less than providing homelessness support.¹⁹

This rise in homelessness is placing further pressure on local authority budgets that have been eroded by over a decade of austerity.²⁰ A report published by University College London in 2023 calculates the net annual cost of homelessness in England at between £5.18 billion and £6 billion a year.²¹ To meet their statutory obligation to address homelessness, English local authorities

spent £2.3 billion on temporary accommodation between April 2023 and March 2024, a 29% increase from the previous year and a 97% increase in the last five years.²² As the *Centre for Homelessness Impact* highlights, taking a longer view, there has been a 406% increase in total spending by local authorities on temporary accommodation between 2010/11 and 2023/24, compared to a 145% increase in the number of households in temporary accommodation.²³

Housing benefit payments cover the bulk of the cost of temporary accommodation to local authorities. The maximum subsidy for temporary accommodation in the PRS is 90% of the Local Housing Allowance (LHA) rate for the size of the property and cannot exceed the upper cap of £375 per week (£500 per week in London).²⁴ However, local authorities are increasingly having to cover some of the shortfall between housing benefit and the rent for temporary accommodation from their general fund or reserves, with £1.06 billion (46%) of total temporary accommodation costs being met through either reserves or the Homelessness Prevention Grant in 2023/24.²⁵ This shortfall increased by over 120% between 2018/19 and 2023/24, whilst local government spending increased by only 24% in the same period.²⁶ Freezes to LHA are therefore likely to exacerbate the costs to local authorities relying on the PRS for temporary accommodation due to the mismatch between LHA rates and market rents, particularly in areas such as Manchester where private rents have significantly increased over the last decade and are now amongst the most unaffordable in the country. At least 81.4% of temporarily housed homeless households are in the PRS in Manchester,²⁷ and the gross cost of PRS accommodation increased by 557% between 2017/18 and 2021/22 (from £2.93 million to £19.29 million).²⁸ Manchester City Council's Annual Statement of Accounts for 2021-22 shows that the revised net budget for council spending on services was £572.5 million - a cut of £40.7 million - £29 million of which was allocated to spending on homelessness.²⁹

Temporary accommodation spending is therefore a risk to local authorities' financial stability at a time when several English local authorities have issued section 114 notices, effectively declaring bankruptcy.³⁰ Analysis from the *i* and *Inside Housing* reveals that while

the high costs of temporary accommodation are pushing local authorities to their financial brink, private companies are profiting from this sector.³¹ In 2023/24, an estimated £700 million was transferred from the public to the private sector through spending on commercial hotels and B&Bs.³² This issue is particularly acute in areas reliant on expensive nightly rate private accommodation.

The social rented sector has the potential to address this homelessness crisis by offering affordable, safe, long term homes that are allocated on the basis of need.³³ However, analysis from *St Mungo's* shows that the proportion of single homeless people who moved into social housing in England decreased by 44% between 2007/08 and 2017/18.³⁴ The primary reason for such a decline is that “there simply isn’t enough” social rented housing.³⁵

2.1.3. Non-decent homes and poor quality housing

The government’s Decent Homes Standard (DHS) is a set of minimum requirements for the condition of homes in England and Northern Ireland’s social rented sector, with plans in place to update the DHS and extend it to the PRS. Living in a non-decent home can mean being exposed to a serious hazard that poses a health or safety risk to inhabitants, or living in a cold, damp home, in a state of disrepair, or without reasonably modern facilities and services. The PRS contains the country’s worst housing conditions, with 21% (over 1 million homes) failing to meet the DHS in 2022/23 compared to 14% (2.2 million) privately owned and 10% (431,000) socially rented homes.³⁶ The prevalence of non-decent homes in the PRS is particularly severe in the North West, where 32% (181,000) of homes were classed as non-decent in 2022/23, a higher percentage than all other regions in England, including London (12%, 137,000).³⁷

In Manchester, the situation is even worse with one in four PRS homes non-decent, equating to 17,565 homes or 43% of the city’s non-decent stock.³⁸ Many of those in need of social housing will be residing in poor quality homes with higher rents in the PRS, which the government is subsidising through the indirect provision of

housing support to landlords with no guarantee of adequate housing conditions. As a policy paper published in 2022 by the Department for Levelling Up, Housing and Communities (DLUHC) observes, private landlords who rent out non-decent properties will receive an estimated £3 billion from the government in housing related welfare.³⁹

Alongside declining incomes and rising energy costs, poor quality housing is a root cause of fuel poverty and cold homes.⁴⁰ The overall level of fuel poverty in England in 2022 was 13.1%, referring to the proportion of households that face fuel costs above the national median level and who would be left with a residual income below the poverty line if they were to spend that amount on fuel costs.⁴¹ The proportion of people who are fuel poor rises to an estimated 16.7% (36,882 households) at the administrative area level in Manchester.⁴² Households living on low incomes, with dependent children, with people living with disabilities and minoritised ethnic households are more likely to experience fuel poverty.⁴³ Being unable to afford rising fuel costs results in cold and damp homes and the exacerbation of health inequalities that are most likely to affect older people, children, and households with members who have a chronic illness and/or disability.⁴⁴

Research has demonstrated the significant impact that poor quality housing has on health outcomes.⁴⁵ The costs of fuel poverty are high, with over 25,000 deaths a year due to living in cold temperatures and an NHS spend of around £2.5 billion a year treating health issues directly linked to cold and damp homes.⁴⁶ The environmental and financial costs of inefficient homes are also high; the increased energy needed to heat the UK’s 15 million energy inefficient homes makes a significant contribution to carbon emissions⁴⁷ and creates a significant financial burden for lower-income households. A major increase in the supply of sustainable social rented housing can therefore address both the climate and cost of living crises.

The health effects of poor quality housing vary among individuals based on factors such as age and health status. The English Housing Survey 2022/23 shows that, within the PRS, households with a member who had a long-term illness or disability were more likely to live in non-decent homes (26%) than households without (19%).⁴⁸ Recent research from the *Centre for Ageing Better*

shows that approximately 2.6 million of the 8 million people living in a dangerous home are aged 55 and over, and this demographic also accounts for over half of the NHS spending related to non-decent homes.⁴⁹ In the North of England, the number of over 65s is projected to increase rapidly, meaning that if things continue as they are, an increased number of older people are going to live in poorer housing conditions that present a serious risk to their health, primarily in the PRS.⁵⁰

A *BRE* report published in 2021 estimates that treating people affected by non-decent homes costs the NHS around £1.04 billion a year.⁵¹ Analysis conducted by the *Centre for Ageing Better* indicates that over half of this annual cost to the NHS (£595 million) can be attributed to homes headed by someone aged 55 or over.⁵² With additional societal costs relating to care, loss of economic potential and productivity, and mental health costs, the full cost of non-decent homes to society increases to an estimated £18.5 billion a year.⁵³

2.1.4. The lack of Supported Housing

Social housing can be roughly broken into two categories: General Needs and Supported Housing. DLUHC defines Supported Housing as “housing with special design facilities or features targeted at a specific client group requiring support.”⁵⁴ This can include housing for older people, rough sleepers and those fleeing domestic abuse. The nature of Supported Housing means that it is not always interchangeable with General Needs housing stock and is in short supply with growing demand, leaving increasing numbers of vulnerable people without access to the quality of housing and support they need.⁵⁵

Recently published research from the *NHF* shows that a lack of Supported Housing and appropriate accommodation for people to move into when they are ready to leave hospital is creating a bottleneck in the system.⁵⁶ For example, the delays in people being discharged from mental health inpatient stays is estimated to have cost the NHS an estimated £71 million in 2023/24.⁵⁷ A separate report commissioned by the *NHF* estimates that an additional 167,329 units of Supported Housing (including housing for older people) will be needed by 2040 to keep pace with population change.⁵⁸

The benefits of investing in Supported Housing outweigh the costs of the alternatives, which come in the form of increased demand on homelessness, healthcare services, and more expensive forms of care.⁵⁹

2.2. The benefits of investing in social housing supply

Given the significant costs of a lack of sustainable homes for social rent, increased and sustained investment in social housing supply will deliver both immediate and long-term savings to the government and widespread community benefit.

An evaluation of the economic case for building 100,000 new social rent homes a year conducted by *Capital Economics* in 2015 found that in almost all circumstances it is economically and fiscally viable once the future savings to the government are considered.⁶⁰ Research conducted for *Shelter* and the *NHF* by the *Centre for Economics and Business Research (Cebr)* estimates that the initial government funding (£11.8 billion) needed to construct 90,000 social homes in one year will be fully paid back in 11 years through the significant savings and additional tax revenue produced, and will go on to generate a net benefit of £11.9 billion.⁶¹ Overall, constructing 90,000 homes every year for 10 years would generate a net benefit of £51.2 billion, with the funding for construction costs being paid back in just 3 years.⁶²

2.2.1. Reducing the cost of housing and the welfare bill

Social rents offer tenants savings of around £9 billion a year compared to the cost of rent in the PRS, as well as around £6 billion in savings for the government in lower housing benefit payments.⁶³ Increasing the supply of social homes will thus enable people to move out of expensive and poor quality homes in the PRS that are currently being subsidised through housing benefits, creating the potential for significant welfare savings. A report from the *Centre for Homelessness Impact* and the *Chartered Institute of Housing* finds that moving in-work private renters receiving housing support into a social home would save an estimated £1,100

per person per year in benefit payments.⁶⁴

In addition to these direct savings, the higher employment associated with stable and good-quality social housing could also produce indirect welfare savings through a reduced number of UC claims.⁶⁵ *Cebr's* estimates indicate that providing 90,000 new social homes could reduce annual UC claims by £1,218 per household, totalling £3.3 billion in savings to the government over 30 years.⁶⁶ A similar analysis shows that the value of ensuring enough social tenancies are available to meet need includes £129.5 million in annual savings due to reduced UC claims, as well as £1.8 billion generated annually through increased employment (£1,667.9 million) and reduced presenteeism (£22.2 million) and absenteeism (£106 million).⁶⁷

These combined direct and indirect benefits from building a new generation of social homes could amount to as much as £7.8 billion in welfare savings over 30 years.⁶⁸

2.2.2. Savings from reduced homelessness

Investing in social housing is critical for preventing homelessness and reversing the growth in temporary accommodation. A major boost to social rent will speed up the rehoming of homeless households, reducing the demand for expensive and poor quality temporary accommodation in the PRS.⁶⁹ Local authority savings would be particularly significant in areas with a high reliance on private sector accommodation for temporary accommodation provision, such as Manchester.

Cebr estimates that 90,000 new social homes a year would reduce local authorities' spending on homelessness services by £245 million annually, totalling £4.5 billion over 30 years.⁷⁰ The bulk of these savings comes from the reduced demand for temporary accommodation (£4 billion), with the remainder attributed to reduced administrative costs (£493 million).⁷¹ A building programme for social homes at this scale can also end child homelessness for good, address the poverty that is increasingly associated with housing costs in the PRS,⁷² and reduce the number of people living in overcrowded accommodation by providing the right sized homes for families.⁷³

2.2.3. Health and social care savings

Building new sustainable social rented housing at scale will address the interrelated housing, climate, and cost of living crises, which offer major social and financial benefits for health and social care. Lower energy costs from more energy efficient social homes will reduce vulnerability to fuel poverty and the exacerbated health inequalities associated with cold and damp homes. Social homes can also produce savings through improvements to other aspects of physical and mental well-being, including fewer drug (£48.2 million) and alcohol (£88.1 million) issues, fewer falls for the elderly (£10.5 million), reduced incidence of childhood asthma related to living in damp conditions (£2.4 million), and fewer visits to the GP (£47.9 million) and A&E (£829.4 million).⁷⁴ This totals a potential savings of £1 billion per year to the NHS.⁷⁵

Further, the *Centre for Ageing Better* estimates that addressing the issue of poor quality housing for older people could directly save the NHS and social care sector over £1.5 billion a year.⁷⁶ Just removing serious hazards (known as Category 1) from older people's homes could save around £595 million a year, repaying the necessary investment in just eight years.⁷⁷ Investing in Supported Housing will also shorten hospital stays and give others quicker access to the treatment they need, generating savings of around £53-65 million a year.⁷⁸ Local authorities could also save around £50 million a year by helping the elderly to stay independent and out of residential care for longer.⁷⁹ Investing in high-quality sustainable social homes can therefore relieve some of the pressure on stretched NHS and adult social care budgets, while also providing individuals with access to the support and homes they need.

2.2.4. Environmental benefits and energy savings

Reducing the carbon emissions from homes is critical for meeting the UK's target to achieve net zero by 2050⁸⁰ and Manchester's target to become a zero carbon city by 2038.⁸¹ This means all new homes must be zero carbon and include on-site renewable energy production wherever possible. The Future Homes Standard (FHS), which comes into effect in 2025, aims to reduce carbon

emissions by 75-80% in new build homes. The reduced reliance on gas under the FHS, coupled with higher insulation and 'fabric first' standards, will make new build homes far cheaper to run, which is both critical for tackling fuel poverty and ensuring more environmentally friendly homes.⁸² Research from the *Home Builders Federation* (HBF) estimates that under the FHS new build properties reduce energy usage and bills by 55% and carbon emissions (tonnes) by 60%. The average annual energy bill savings for new home buyers are over £2,000, which increases to £2,600 for houses.⁸³

Alongside the decarbonisation of new housing developments, a long-term retrofitting policy that targets the lower-income households most likely to live in energy inefficient homes is also necessary to meet net zero targets.⁸⁴ The *Northern Housing Consortium* (2024) estimates that £2.4 billion investment is needed to improve the energy efficiency of social homes in the North to EPC C, and £53.03 billion to fully decarbonise the social housing stock.⁸⁵ Research from the *IPPR North* and the *Northern Housing Consortium* has estimated that decarbonising the housing stock could create a potential 77,000 new jobs in the North, 37,000 of which would be in the North West.⁸⁶

Government funding for both new build and retrofitting social rent to net zero standards will also act as a catalyst for scaling up supply chains and building capacity that will benefit all housing sectors, while also developing a skilled retrofit workforce that will address the 'green skills gap' in the UK's housing sector.⁸⁷ A report from the *Centre for Social Justice* highlights that the transition to a low carbon economy has the potential to create over 700,000 net new jobs by 2030, with the decarbonisation of social homes creating an opportunity to spread the benefits of decarbonisation to lower income communities through sustainable employment with low barriers to entry.⁸⁸

Taking a nature-first approach to social housing development offers additional benefits to the environment, tenants and communities.⁸⁹ Biodiversity Net Gain (BNG) regulations mandate that all major developments deliver a BNG of 10%, meaning that wildlife habitats are left in a measurably better condition than before development started. Through the inclusion of green infrastructure and biodiversity, social

housing developments can exceed biodiversity targets and address socio-economic inequalities in access to green space.

2.2.5. Economic impacts of construction

Cebr's analysis reveals that constructing 90,000 social homes will directly generate additional tax receipts for the Exchequer amounting to £2.5 billion through the increased economic activity in the construction sector.⁹⁰ Increased construction can also generate knock-on economic activity elsewhere in the economy, which produces further tax revenues.⁹¹ House building is a key source of national employment and building more social homes would create long-term, predictable employment for the construction industry and the supply chain that supports it.⁹² Constructing 100,000 social homes could create 228,000 jobs in the construction sector, as well as 228,000 indirect jobs for those working in supply chains.⁹³

2.2.6. Wider benefits

There are benefits of investing in a social house building programme beyond those set out above. Research conducted by *Capital Economics* in 2019 estimated that every £1 invested in the construction of a new social home generates £2.84 in the wider economy through direct, indirect and induced impacts.⁹⁴ Increased grant funding for social housebuilding supports the government's wider housebuilding goals and creates certainty for the construction industry and social housing providers.⁹⁵ Evidence shows that due to the counter-cyclical nature of social housebuilding, social home delivery continues during periods of recession that are associated with a decline in housebuilding.⁹⁶ Building sustainable homes for social rent can therefore serve as a counterbalance for England's economy during periods of instability or recession.

Many of these wider benefits result from people gaining access to the stability and improved conditions of a social home, such as being more likely to find and keep jobs.⁹⁷ Recently published analysis from *Shelter* reveals that the private rental market is unaffordable to key workers in a large majority of the country. Increasing the supply

of genuinely affordable housing to key workers will help to ease recruitment and retention challenges in essential services.⁹⁸ *Cebr* estimates that the increased employment resulting from the construction of an additional 90,000 social homes will generate £8.9 billion in present value over 30 years.⁹⁹

The stability associated with social housing can also be connected to improved educational outcomes, counteracting the negative impact of housing insecurity and poor conditions within the PRS and temporary accommodation, which contribute to issues such as absenteeism, sleep problems, and academic stress.¹⁰⁰ *Cebr* suggests that supplying an additional 90,000 social homes could save £2.7 billion over 30 years by reducing the number of children who don't end up in employment, education or training.¹⁰¹ Clifford, Hulbert and Yeung estimate the value of improved educational outcomes and earning potential for children living in social housing at £137.6 million a year.¹⁰² Making social housing more widely accessible will also address the stigma that has come with the sector's residualisation.¹⁰³

Living in social housing also reduces the likelihood that people will be involved in, or be victims of, crime, producing savings of up to £497.4 million a year.¹⁰⁴ Building a new generation of sustainable social homes could produce £3.1 billion in savings from lower crime over 30 years.¹⁰⁵

3. The barriers to delivering sustainable homes for social rent at scale

As the previous section showed, investing in sustainable homes for social rent is a win-win scenario for everyone. However, there are currently significant policy obstacles in the way of this. An inquiry into the finances and sustainability of the social housing sector launched in June 2023 revealed the significant financial pressures providers are facing. Many of these pressures apply to the sector as a whole, while others are specific to housing associations (HAs) or Private Registered Providers (PRPs), and local authorities. This section focuses on both financial pressures and other barriers that are preventing social housing providers from increasing the volume of social rented housing in England.

3.2.1. Barrier 1 - Capital Funding

Building social rent at scale with rents set at around 50% of market values is impossible without sufficient grant funding.¹⁰⁶ In the post-war heyday of council housing, local authorities built millions of homes through grant-supported borrowing. This subsidy effectively bridged the gap between the cost of building – paid for by a local authority taking out 60-year loans from the Public Works Loan Board (PWLb), an agency of the Treasury providing access to cheaper finance than direct market borrowing – and the rental income. Governments paid a fixed cash sum per dwelling per year. Until the mid-1970s, government did not really seek to control the total amount of borrowing by individual councils and that meant councils could build as many homes as they wanted. Councils could also set their own rent levels and use rental income to support their building programmes. From 1964, with the creation of the Housing Corporation, government also began to provide financial support to charitable HAs with 100% development finance.¹⁰⁷ This model enabled six million social rented homes to be built, and social landlords used the rental income to manage and maintain their homes, supported by additional central government funding.

However, from 1980, this model was radically changed, marked most notably by the gradual ending of government capital support for new council house building, restrictions on borrowing, and the introduction of the RTB policy, which gave tenants the power to buy their council home for a large discount. Local authorities gradually lost rental income from the effect of the RTB, while central government took 75% of the RTB capital receipts to pay for the 'historic debt' of building the homes and prevented local taxation from being used to fund housing.¹⁰⁸ Government also took control of councils' Housing Revenue Accounts (HRAs) with the creation of a national Council Housing Subsidy System that made assumptions about rent levels, management costs and maintenance needs, and redistributed rental income from local councils deemed to be 'in surplus' to those deemed to be 'in deficit'.¹⁰⁹ These controls worked to prevent local authorities from investing in the development of new social rent homes.¹¹⁰ Government controls on local authorities' HRAs remained in place until the 2012 debt settlement under the Localism Act 2011.¹¹¹ Although local authority borrowing is now technically possible through the HRA and PWLB; policy changes, rising costs, and austerity measures have all undermined the financial assumptions of the 2012 HRA settlement, leaving many councils with unsustainable debt and declining surpluses.¹¹²

Meanwhile, the capital subsidy provided to the HA sector to build new homes has significantly declined. Average government grant rates have fallen from around 75% of the costs of building social rent homes in the early 1990s to around 39% after the global financial crisis in 2008.¹¹³ Since 1988, HAs have had to borrow commercially as part of a mixed funding model with HAs expected to obtain increasing amounts of the capital funds for construction from private financial markets.¹¹⁴ As well as loans from high-street banks, some HAs raised bonds. From 1990, successive governments increasingly looked to the planning system and 'planning gain' from development to increase the supply of social housing. The Town and Country Act 1990 introduced Section 106 (S106) agreements, legally binding agreements between local authorities and developers. S106 agreements provide a means to get social homes built by capturing increases in land value when land is awarded residential planning permission to secure

community benefits.¹¹⁵ However, local authorities have increasingly acted as facilitators of private development, resulting in planning permissions being given to developers without a requirement for social returns such as affordable and social housing.¹¹⁶ As *Shelter* observes, where agreements for contributions are made, developers tend to meet their planning obligations with more expensive tenures such as Shared Ownership and Affordable Rent.¹¹⁷

This brief history helps to understand why the current funding picture for new social rent, set out in Figure 3.1, is a complex jigsaw puzzle of insufficient grant, private finance, homes funded by developers through S106 agreements, and

cross-subsidy from social landlords' own surpluses, including from developing and selling low-cost homes or shared ownership, or private rent, selling off land and other assets.

There has been a welcome increase in government funding for new social rented housing since 2018, and a positive shift in prioritising the remaining AHP fund for social rent by the new government. The government's recent announcement of a £39 billion 10-year AHP is a welcome development, providing that the majority of homes delivered are for social rent.

However, a sustained increase in funding for social housing delivery is still necessary to meet housing need. By way of illustration, an estimated £14.6 billion in capital funding is needed each year over a 10-year period just to meet social rented housing need,¹¹⁸ yet the 2021-2026 AHP equated to only £2.3 billion per year over five years with funds provided for a range of tenures.¹¹⁹

Insufficient grant funding is not the only barrier present in the current funding model. A 2022 report from *Shelter* highlights that the rules governing how the AHP is allocated contribute to the deprioritisation of social home delivery in favour of other types of 'affordable housing'.¹²⁰ The AHP includes a 'cost minimisation' rule, meaning that bids that deliver the most homes for the least amount of money are prioritised.¹²¹ As social rent homes require higher grant than other 'affordable' tenures due to the increased gap between social rents (typically around 50% of market rates), and construction costs, grant is more likely to be

allocated to other tenures, despite the greater backlog of unmet demand for social rented homes.¹²²

Moreover, the ‘net additional homes’ requirement reduces the amount of AHP funding where there is no net increase in housing stock,¹²³ such as where social rent homes would be provided through the refurbishment or conversion of existing buildings. Increasing the number of high-quality social homes to meet housing need cannot be limited to building additional homes when there are issues with the quality of existing stock. Addressing these issues involves the retrofit or replacement of existing social housing stock that is below environmental and building safety and quality standards. Analysis from *Savills* estimates that out of a total social housing stock of around 1.3 million homes in the north of England, over

100,000 homes may require replacement or major upgrades in the short to medium term.¹²⁴ A failure to replace homes now will merely displace the associated costs into the future at greater expense. Changes to the net additionality rules in the AHP would therefore enable social landlords to address issues with the quality and sustainability of existing stock by replacing homes.

3.2.2. Barrier 2 - Uncertain income

To invest in both new and existing homes, social housing providers use the anticipated income from social rents to secure debt financing and make business plans.¹²⁵ As grant funding only covers a percentage of the cost of building new social homes, social landlords must borrow against future rental income to make up the shortfall.¹²⁶

Figure 3.1: The current funding jigsaw for social rent



It is therefore important that alongside any grant funding provided through the AHP, social landlords can be sure of the income they can expect from social rents over the long-term to invest in both additional and existing social homes.¹²⁷ However, unexpected reductions in the government-set maximum social rent that tenants can pay, caps on maximum social rent below inflation by the government,¹²⁸ and welfare reforms since 2010 have reduced social housing providers' expected income and disrupted development plans.

Between 2002/03 and 2015/16, local authorities and HAs set rents according to the government's rent convergence policy, which sought to gradually bring council and HA rents into line with each other. This policy was necessary as council and HA rents were the product of two different rent setting systems that significantly diverged, with HA rents generally being more expensive. It worked as follows: for each property type a formula rent was calculated that would act as the 'target rent' to be achieved by the end of rent convergence; the formula was complex but essentially was based on an average rent for the social housing sector modified by a local income weighting, a bedroom size weighting and a local property market weighting with local incomes given more weight to counter property market inflation in certain areas; the rent would then be uprated by Retail Price Index (RPI) + 0.5% + £2 each year from 2001/02 values to the current year to give the formula or target rent. If a property became empty, the landlord could move to the formula rent immediately and increase it by RPI + 0.5% each year thereafter. This provided some level of certainty about rent levels to support borrowing and long-term business plans to build and refurbish their stock.

Over the last decade, the government has made unexpected policy changes that have reduced social rent or capped it below inflation.¹²⁹ The Coalition Government announced in 2013 that from 2015/16 social rents would now rise by the Consumer Price Index (CPI) + 1% each year for 10 years. This was then abandoned in favour of a 1% a year rent cut for four years (2016/17 to 2019/20) to save £1.4 billion by 2020-21 in reduced Housing Benefit expenditure. The rent cut was then replaced with a five-year settlement (2020 to 2024) of CPI + 1%. However, the pandemic was followed by high inflation and tenants were facing

an 11% rent increase for 2023/24; the government decided that this was unfair and announced rent increases would be capped at 7% in 2023-24.¹³⁰

Written evidence submitted by DLUHC in 2023 acknowledges that the rent cap has increased the scale of financial challenges faced by PRPs.¹³¹ A policy briefing from the *NHF* shows that between 2016 and 2024, social rents fell by 14.7% in real terms due to these changes.¹³² This means that in 2023, HAs received almost £3 billion less in rental income than if rent levels had remained as they were in 2015.¹³³ This rent reduction will continue to affect social housing providers' finances because the starting point from which any future percentage increases build upon is now lower.¹³⁴

Uncertain and lower than expected rental incomes have been further affected by welfare reform. The Regulator for Social Housing (RSH) highlights that social landlords' rental income is often supported by housing benefits, with changes to benefits policy and the administration of benefits therefore creating uncertainty around future rental revenue.¹³⁵ Housemark has warned that if just 5% of the UK government's planned welfare reforms result in unpaid rent, arrears could increase by as much as £240 million.¹³⁶ Such an increase in rent arrears will be detrimental for the well-being of social housing tenants and place additional strain on social housing providers' finances.

3.2.3. Barrier 3 - Land

A 2020 report from the Housing, Communities and Local Government Committee (HCLGC) described the cost of land as "one of the most significant barriers to delivering more social housing."¹³⁷ As a result of high land costs, social housing providers struggle to compete in bidding wars with housebuilders and private developers who can offer more for the land when proposing to build for market sale.¹³⁸ Between 2011/12 and 2014/15, the top 10% of local authorities in terms of land values experienced an estimated 70% drop in the numbers of new affordable or social rented homes, compared to a 20% drop across the rest of England.¹³⁹

A 2024 review by the *Competition and Markets Authority* concluded that the UK's under-supply is caused by an over-reliance on the speculative

development model of private developers buying land and seeking to sell parcels of that land at a profit.¹⁴⁰ For the developer to realise this profit, the housing must be sold at a premium to cover the build and land purchase costs and required contributions under S106 and Community Infrastructure Levy. This incentivises developers to “slow building and drip feed homes onto the market to maintain high house prices and protect their profit margin”, known as the market absorption rate.¹⁴¹ Supporting this argument, a 2024 study found that more than a million homes handed approval since 2015 remained unbuilt, equating to roughly one in three over the period.¹⁴²

Historically, alongside government funding, mass council housing was facilitated by a planning framework introduced under the *Town and Country Planning Act 1947*. The 1947 Act enabled the state to compulsorily purchase land at levels close to existing land value, and, alongside powers provided within the *New Towns Act 1946*, enabled the establishment of the New Towns. The state used these new powers to acquire cheap land for social housing.¹⁴³ However, the *Land Compensation Act 1961* changed this approach by introducing ‘hope value’ into compulsory purchase, namely the value that is added based on the potential planning permission a piece of land could have gained for other residential uses in the future, when purchasing land through a compulsory purchase order (CPO). Hope value drives the cost of land higher than is viable for most local authorities seeking to build housing for social rent. *The Centre for Progressive Policy* finds that hope value can increase the value of plots of land by up to 275 times on average.¹⁴⁴

The *Levelling-up and Regeneration Act 2023* gave local authorities the power to use CPOs to remove hope value when acquiring land for a development in the public interest, including building affordable housing. However, some barriers to their effective use of CPOs to tackle the housing crisis remain; *Centre for Cities* highlights that the requirement to obtain approval for the removal of hope value on a case-by-case basis from the Secretary of State creates uncertainty on what exactly ‘public interest’ constitutes, which can be addressed by introducing automatic conditions under which local authorities can exercise CPOs without hope value.¹⁴⁵ There is also the concern that local authorities are not in a

financial position to spend more on land, even at a reduced price, necessitating a concurrent increase in grant funding for social house building to allow authorities to take advantage of these changes.¹⁴⁶ For local authorities to make the most effective use of CPO powers to address the housing crisis, it is recommended that they start with large-scale developments that provide social housing where it is most needed.

Public land can be used as a subsidy for social housing development, addressing the barrier that high land costs present to social housing delivery.¹⁴⁷ However, data from an Ordnance Survey commissioned to monitor the progress of homes built on the land released through government programmes between 2011-2020 shows that of the land sold to developers with scope for 131,000 homes, only 2.6% were for social rent.¹⁴⁸

Current legislation also constrains the ability of local authorities to use public land to subsidise social housing development. *The UK Local Government Act 1972* dictates that local authorities must achieve the ‘best consideration reasonably obtainable’ when disposing of public land, unless ministerial consent is granted to sell at below market value. This was updated in 2003 when local authorities were given permission to dispose of land at below best consideration without ministerial consent if they considered this strategic to ‘economic, social or environmental well-being’. However, the guidance specifies that the undervalue of the disposed land should not exceed £2 million.

3.2.4. Barrier 4 - New and Rising Costs

In addition to reduced expected revenue streams and new uncertainties about future income, social housing providers are also facing new and increased costs. Recently, costs have risen due to high inflation and sudden energy bill hikes, delayed maintenance and other works from the Covid-19 pandemic, supporting tenants with increasingly complex needs, and increased borrowing costs and higher insurance premiums related to building safety issues.¹⁴⁹ In addition, several major cost increases have impacted social housing providers, including necessary investments in

fire safety remediation, housing quality, and decarbonisation.¹⁵⁰

The financial pressures have arisen from new fire safety standards in 2020, following the 2017 Grenfell Tower fire. A 2024 report from the National Audit Office (NAO) estimates that fire remediation will cost social housing providers £3.8 billion from their own resources.¹⁵¹ These pressures are particularly intense in urban areas such as Manchester where large numbers of flats require building safety works.¹⁵² The government's announcement in June 2025 that £1 billion will be invested in remediation funding, which the social housing sector will have the same access to as the private sector, is therefore welcome.

Social housing providers must also dedicate resources to ensuring that their stock meets the DHS. Investment in improving the quality of existing social homes is of critical importance, as has been tragically highlighted by the death of two-year old Awaab Ishak from exposure to damp and mould in his social home in Rochdale in 2020. A 2022 report from the Levelling Up, Housing and Communities Committee (LUHCC) points to the age and design of social housing stock as a key source of disrepair, with much of the better-quality stock being sold under the RTB policy.¹⁵³ The nature of social housing stock therefore increases the cost of meeting the DHS.¹⁵⁴

Social housing providers are also expected to meet net zero targets by 2050 and energy efficiency targets by 2030, both being critical for addressing the climate emergency. The estimated cost of decarbonising social housing is £36 billion for HAs and £23 billion for local authorities, which comes on top of existing spending plans.¹⁵⁵ As a 2024 report from the LUHCC states, it is challenging to meet these costs "through borrowing or private investment as these financial routes do not usually return cost savings for the investor".¹⁵⁶

In January 2025, the RSH reported that substantial and necessary investment in existing homes has weakened the social housing sector's financial position, with a continued trend of reducing financial performance in HA financial performance since 2018.¹⁵⁷ In the absence of sufficient government grant funding for new social homes, the scale of investment needs and new regulatory requirements for existing homes creates

competing pressures on social housing providers' finances, with many scaling back the output of new homes as a result.¹⁵⁸

3.2.5 Barrier 5 - Capacity

Like HAs, local authorities use rental income to borrow money to fund social housing delivery.¹⁵⁹ Local authorities can, in theory, bridge the gap between grant and the cost of development by borrowing from the PWLB at a discounted rate. The 2012 HRA self-financing debt settlement enabled local authorities to use any rental surpluses for improving services, new build or stock improvements.¹⁶⁰ However, to make sure that HRA surpluses were not used for extensive borrowing that would count towards national debt, a debt cap on each local authorities' HRA debt was included in the settlement, before eventually being abolished in 2018.¹⁶¹ The 2012 HRA settlement was underpinned by a series of assumptions about financial inputs that were subsequently undermined by significant and unexpected changes that central government has made to rents policy, increases to the cost of borrowing from the PWLB, cuts to housing benefits, the reinvigoration of RTB and the additional operational costs discussed above.¹⁶² The undermining of the 2012 HRA settlement has left local authorities facing severe financial pressures after a decade of austerity with unsustainable debt levels.¹⁶³ Since a peak of £467 million in 2014/15, local authority's aggregate HRA surpluses declined to -£88 million in 2021/22, with turnover remaining at similar levels.¹⁶⁴

HAs, in contrast, have much greater freedom to borrow. The 1988 Housing Act gave HAs the freedom to supplement government grant using private finance, and debt accounts for the majority of the social housing sector's financing.¹⁶⁵ However, increased borrowing can result in high leverage, or gearing,¹⁶⁶ that undermines HAs' capacity to invest in new homes. Interest rates have also risen significantly since 2022, increasing the cost of borrowing and exacerbating the deterioration of HAs' interest coverage.¹⁶⁷¹⁶⁸ The RSH reports that in 2023/24, PRP interest cover has fallen below 100% and the cost of servicing debt exceeded net earnings for the first time since 2009.¹⁶⁹

Issues surrounding borrowing and the increasing additional costs related to building safety, quality and sustainability create financial pressures that undermine HAS' capacity to take on additional debt and reduce the viability of potential social housing development schemes.¹⁷⁰ For many HAS, the availability of debt is not necessarily an issue, it is high gearing and low interest coverage that constrain their ability to take on additional debt.¹⁷¹ Modelling from *Legal & General* and the *BPF* published in 2022 shows that whilst there is still some headroom on gearing cover, HAS can only deliver 77,000 homes a year within internal policy limits on interest coverage.¹⁷²

Local authorities face additional barriers to increasing social housing delivery related to shortages of skilled staff, while the sector faces wider capacity issues with delivering sustainable social homes. Having not directly delivered social homes at scale since 2012, local authorities lack the necessary in-house skills and resources to increase delivery.¹⁷³ There are also barriers to delivering new build and retrofitted sustainable social homes related to the 'green skills gap' and supply chain issues.¹⁷⁴ The shortage of people with the skills and training for jobs that contribute to a sustainability and net zero transition, known as the 'green skills gap',¹⁷⁵ along with a lack of capacity in the supply chain, constrains the delivery of new sustainable homes.¹⁷⁶

4. Policy solutions for funding and delivering new sustainable social homes

To increase the supply of sustainable social homes at the scale and pace required to address housing need, innovative options for overcoming barriers to delivery must be considered. As this section will set out, potential solutions relate to boosting funding, unlocking cheaper land, making better use of existing buildings, financial innovation, and investing in an alternative supply chain. Some of these options will require changes at the national scale, whilst others will require commitment and flexibility at the local authority level.

4.1. Boosting funding

Scaling up social rent housing supply requires a fundamental rethink of the funding landscape for social landlords. The 2025 Comprehensive Spending Review (CSR) has confirmed £39 billion for the 10 year successor to the AHP, which will be in place between 2026/27 and 2035/36.¹⁷⁷ A 10 year social housing rent settlement from 2026 at Consumer Price Index + 1% has also been announced, with a consultation on social rent convergence to follow.¹⁷⁸ This long-term government funding settlement and increase in grant are welcome, but to meet the scale of social housing need, must be accompanied by changes to rules around acquisitions to facilitate delivery, clear targets for social housing delivery, support to increase local authority capacity, and measures to ensure that the rent settlement is fair to both tenants and providers.

4.1.1. Higher levels of grant and changes to rules

A significant and sustained increase in national grant funding for social housing delivery is necessary to meet housing needs. For example, *Shelter* analysis calls for the government to invest a minimum of £30 billion to £38.2 billion for the first five years, specifically earmarked for social rent delivery. The lower range of this level could deliver

180,000 social rent homes over a 5 year period, where higher grant levels estimated would deliver 188,000.¹⁷⁹ The range is also closely aligned to other modelling and representations throughout the sector including the *NHF* and the *Chartered Institute for Housing*.

The announcement of £39 billion for the AHP over a 10-year period, double the current budget, is therefore a welcome step-change in grant funding. However, with over 1.3 million households on social housing waiting lists,¹⁸⁰ it will not enable social rent delivery to reach the levels of need, and there are currently no clear targets for the proportion of the £39 billion that will be earmarked for social rent. Alongside this investment, additional support should also be made available for brownfield land supply, site assembly, and remediation. To ensure that the social homes delivered are high-quality and sustainable, investment should also be conditional on social landlords building to fabric first, zero carbon standards and a focus on building safety.

Current funding rules from Homes England's AHP that favour net-additionality need to change so that social landlords can also address retrofitting needs and rightsizing in the existing stock that does not always increase supply but ensures existing homes can last longer. More funding is needed to upgrade and replace existing stock that does not meet environmental and building quality and safety standards. A joint programme by Homes England and the Department of Energy, Security and Net Zero should create a funding framework that goes beyond a focus on additionality. Including a mix of delivery methods will increase flexibility and empower social landlords to engage in a combination of new build, acquisition of existing properties, and upgrading and replacing existing social housing stock. The current system is split between these two departments and must be reconciled to maximise both delivery and quality. The self-financing debt settlement for local authority HRA introduced in 2012 that has created unsustainable debt and limited investment in social housing for local authorities needs to be reformed. Local authorities should be given increased access to low-cost borrowing for investment in social housing stock via the PWLB. This funding should include longer term and flexible repayment options, and must be made accessible to other prospective providers, like

community land trusts working in partnership with local authorities

4.1.2. Long-term rent settlement with convergence mechanism

The government's announcement in the 2025 CSR that the current social housing rent settlement, which allows rents to rise by up to 1% above the CPI each year, will continue for ten years from 1 April 2026. This provides social landlords with more certainty, helping with business planning, borrowing and investment. A consultation on a rent convergence mechanism as part of this settlement is to follow the CSR, presenting the opportunity to implement measures to ensure that social tenants do not bear the brunt of increases in social rent.

As *Shelter* argues, any inflation-linked rent increases must include corresponding financial protections against unexpected inflationary increases in both the initial rent settlement and in future changes to the way social rent is calculated to avoid pushing households into rent arrears and homelessness.¹⁸¹ They recommend that economic and equality impact assessments be carried out before the next settlement is finalised and any rent increases must be accompanied by the abolition of the benefit cap and bedroom tax.¹⁸² To ensure that households are not pushed towards homelessness,¹⁸³ rents must be increased gradually and remain below the formula rent value. Actions should also be taken to mitigate the effect of rent increases falling disproportionately on households whose rents are not entirely covered by benefits. It is also critical that tenants are actively involved in discussions about rent increases that will result in them facing greater costs.¹⁸⁴

Finally, to increase financial certainty for social housing providers, the RTB policy needs further reform. While the question of abolishing this policy remains contentious, recent changes - such as increasing the tenancy qualifying period from 3 years to 10 years and amending the maximum discount - are welcome.

4.2. Unlocking cheaper land

There are a range of options that government can pursue to unlock cheaper land for social housing delivery.

4.2.1. CPOs and hope value

To increase the scale and quality of social housing delivery, the high land values that reduce the viability of social and affordable housing must be addressed. In the past, government intervention to make land available at below market value has kick-started almost all major social housing programmes both within and beyond Europe.¹⁸⁵ Reform of the *Land Compensation Act 1961*, which sets the conditions of CPO powers for local authorities, is needed to remove entitlement to hope value and enable public bodies to acquire land through CPO at close to its current, lower agricultural or industrial use value.¹⁸⁶

To address weaknesses in the *Levelling-up and Regeneration Act 2023* (LURA 2023), which gave local authorities the power to remove hope value when acquiring land for development in the public interest, new legislation should further specify the conditions under which local authorities and other public bodies can undertake compulsory purchase without paying hope value, such as by revising the definition of ‘public interest’ to include land for social housing construction that will reduce homelessness and the number of people on local authority waiting lists for social rent housing.

Current legislation also constrains the ability of local authorities to use public land to subsidise social housing development. The *UK Local Government Act 1972* dictates that local authorities must achieve the ‘best consideration reasonably obtainable’ when disposing of public land, unless ministerial consent is granted to sell at below market value. This was updated in 2003 when local authorities were given permission to dispose of land at below best consideration without ministerial consent if they considered this strategic to ‘economic, social or environmental well-being’. However, the guidance specifies that the undervalue of the disposed land should not exceed £2 million. The legislation on land disposal should be modernised to give local authorities and other public bodies explicit consent to use public

land to subsidise social housing delivery. This might include granting land at no cost or as patient equity to a social housing provider or Community Land Trust.

Local authorities and combined authorities often lack accurate data on fragmented public land holdings within city regions. This poses a challenge to the effective coordination of public land to address local housing need. Combined authorities should be required to establish city regional ‘land commissions’ to facilitate cooperation between all public landowners, including utilities, churches, public transport providers and Network Rail. These bodies can map public land assets and coordinate their use to maximise social, environmental and economic benefits, including social housing delivery.

A *New Economics Foundation* report published in 2024 finds that removing hope value alongside strengthening developer contributions would reduce the cost to government of building 90,000 social homes a year (the figure widely quoted as being necessary to meet housing need) by £4.5 billion, equivalent to a 23% reduction in cost.¹⁸⁷ Reforms to remove hope value could also allow the same amount of public grant to build an additional 27,000 social rent homes per year.¹⁸⁸ A report from *Civitas* in 2018 estimates a 38% reduction in the cost of a 100,000-home public building programme under alternative land compensation arrangements.¹⁸⁹

France, Germany and the Netherlands provide examples of how CPOs can be used to secure land for affordable housing. The *Centre for Progressive Policy* and *Centre for Cities* highlight that local authorities use CPO powers for public-led land assembly in these countries, enabling them to purchase land when they need it and at existing use values.¹⁹⁰ In all three countries, CPOs must be justified by the public interest, which includes the need to improve the affordability of housing; however, these powers are rarely enforced as the threat of a CPO is enough to de-incentivise landowners from holding out against a development plan.¹⁹¹

4.2.2. Public land

Public land is an asset that can be more effectively used to reduce the cost of social rent supply. The *New Economics Foundation* estimates that using public land in a social housing programme could reduce the grant levels needed by 62%.¹⁹² Manchester is a city with historically high levels of public land ownership,¹⁹³ creating the potential for public land to be used as a source of revenue for increasing social housing delivery.¹⁹⁴

Local authorities have also used the increase in land values and house prices as a way to self-finance social housing delivery.¹⁹⁵ Arms-length local housing companies set up and wholly-owned by local authorities are used to acquire, develop and manage mixed-tenure developments on public land¹⁹⁶ without the restrictions on their ability to deliver new homes created by HRAs and RTB legislation.¹⁹⁷ The returns from the sale and/or renting of private market homes can be used to cross-subsidise the construction of affordable and social homes. Here, local authorities act as property developers to maximise the value of public assets.¹⁹⁸ However, recent research commissioned by the *Public Interest Law Centre* and focusing on the housing emergency in London highlights that the financial viability pressures associated with this self-financing approach can have negative consequences for the amount, quality and cost of social housing.¹⁹⁹

There are, nevertheless, positive examples of the use of local housing companies to address the lack of social homes in cities. In Salford, the council's local housing company *Dérive* was established in 2017 to increase the number of affordable homes in the city by capturing uplifts in value on public land. *Dérive* is funded by grants from the city government that come from the significantly higher S106 contributions required from developers than have been obtained in Manchester, and will be paid off through the rental revenue generated through cross-subsidisation.²⁰⁰ As Purcell and Ward observe, the approach to land value capture being taken in Salford represents a more redistributive form of local governance.²⁰¹

Investing public land into partnerships as a means to increase revenues and deliver social housing necessitates a change in approach to public land disposal to prioritise the use of this land for social

housing rather than to obtain the highest price.²⁰² London provides an example of an alternative approach of applying a more ambitious on-site social housing policy to public land: since 2017,²⁰³ a threshold has been initially set at 50% (compared to the usual 30%) of low-cost rented homes, either social rent or London Affordable rent, where there is no portfolio agreement with the Mayor. *Lloyds Banking Group* suggests that as an alternative to investing public land for free into land assembly vehicles, it can also be invested as equity for a long-term financial return.²⁰⁴ It finds that just 1% of the land owned by local government could provide the equivalent of £2 billion in patient equity, an amount required to unlock 100,000 additional social homes.

Better use of public land disposal for long-term public benefit can also enable the donation or sale of land to self-builders and community land trusts at a discount. Community Land Trusts act as a land value capture mechanism for community purposes, maintaining affordability by placing legal restrictions on the future resale of land and buildings that are held in trust for the community.²⁰⁵ Marklake Court in London is a community-led development of 27 social rent homes built on a site containing 12 unused garages in 2018. The Leathermarket Joint Management Board, set up by elected state residents, established a Community Benefit Society that used Community Land Trust rules to bring forward social homes on public land.²⁰⁶ The land was transferred to the Community Benefit Society on a long lease, allowing the community to lead the project and manage the completed housing while Southwark Council retained the freehold.²⁰⁷

4.2.3. Public-led land assembly

Public-led land assembly is an alternative to the current model of public land disposal that can increase social housing delivery.²⁰⁸ Land assembly involves forming a single site from a number of separate parcels, which might not all be under the same ownership.²⁰⁹ There are multiple recommendations for the use of public-owned development corporations to strategically assemble undeveloped or derelict land, which can then be rezoned for residential or commercial use.²¹⁰ This rezoning would create an uplift in land value that can be borrowed against to fund

infrastructure investment, which will produce a further uplift in land value. Investment in infrastructure can be used to produce serviced plots to be released for the construction of affordable and social housing.²¹¹

For land assembly to provide an effective means for capturing public land value, there will need to be a political commitment to giving planning authorities stronger powers of zoning to direct what land is used for, as is the case in Germany and the Netherlands.²¹² In the Netherlands, municipal governments are responsible for producing a zoning plan every 10 years in which parcels can be zoned specifically for social housing,²¹³ or the allowable density for parcels owned by housing associations can be increased.²¹⁴ In Rotterdam, the municipal zoning plan specifies the appropriate price level for new housing in each neighbourhood, and mandates 20% social housing across the city.²¹⁵ Zoning land for social housing exerts a downward pressure on its market value and lowers the total development cost,²¹⁶ effectively constituting a discount for developments that provide social homes.

A 2020 report from the Housing Communities and Local Government Committee (HCLGC) highlights the role that Homes England could play in acquiring, assembling and unlocking land for social housing delivery if given additional funding.²¹⁷ The *New Economics Foundation* outlines how a Public Land and Housing Corporation could provide a potential vehicle, coordinated nationally but delivered at a regional level, to strategically assemble public and private land for developing social housing.²¹⁸ This corporation could directly develop large urban extensions and new towns with a target level of social housing, in line with the Labour government's current plans to begin 12 new towns in England by the next election, led by regional development corporations.²¹⁹ Strengthened CPO powers, as discussed above, are necessary for a public corporation to purchase private land at use value to deliver social homes in the public interest as part of the land assembly process.

There are examples from other countries of how public corporations use land to increase the supply of affordable housing.

- In the Austrian city of Vienna, the City Council has supported new social housing delivery since 1984 through the provision of land, using the *Land Procurement and Urban Renewal Fund - or Wohnfond* - which operates as a non-profit, financially independent land banking and development organisation that prepares sites for social housing development.²²⁰ Vienna has also introduced compulsory tender procedures and mandatory development competitions for developments larger than 200 units as a way to reduce construction costs.²²¹
- In the French city of Montpellier, a development company called SERM is co-owned by the municipality and the state investment bank.²²² Through public-led land assembly in a series of priority development areas, or ZACs (Zones d'Amenagement Concerte), SERM has been able to use the uplift in land values to support high, and sometimes higher than the national requirement, proportions of social housing.²²³
- Singapore's large-scale public housing programme²²⁴ has given the majority of the population access to affordable homeownership. The *Land Acquisition Act (1966)* gave the government powers to acquire land for public use at its existing use value. Around 90% of land in Singapore is now publicly owned, compared to around 30% in 1949. Public land is allocated to the statutory board responsible for public housing, the Housing and Development Board, which acts as a private developer²²⁵ and has built over 1 million high-rise flats. Singapore's national planning authority, the Urban Redevelopment Authority, manages land sales in the form of long-term leases for residential, commercial and industrial development.²²⁶ Competitive land auctions are used to lease land to public and private developers for a limited time period and for specified uses.²²⁷ The large-scale delivery of public housing delivery in Singapore has therefore been essentially subsidised through the acquisition of land at low costs and its subsequent leasing.²²⁸

4.3. Reusing existing buildings

The existing stock of housing can be better utilised to address the shortage of social rent homes, the poor state of homes in the private rented sector, the large number of long-term empty homes across the country, the challenges associated with retrofitting and the specific problems of under- and over-occupancy in all sectors.

4.3.1. Converting long-term empty and non-decent homes

Historically, the acquisition of existing properties by local authorities and housing associations played an important role in meeting housing need in England, averaging around 10,000 a year in the 1990s.²²⁹ Acquisitions can be a cost-effective way to increase the supply of social rent homes that avoids the challenges associated with land acquisitions and developer contributions, and will be most effective in low demand areas with higher numbers of empty homes.²³⁰ However, it is now an underused tool, with levels of acquisitions dropping below 1,500 a year over the last decade.²³¹

With higher interest rates, increases in rent arrears, and higher housing standards pushing private landlords to sell their properties,²³² social housing providers have the opportunity to acquire and convert this stock into social rented homes. Long-term empty homes also feed into the housing crisis by decreasing the available supply of homes and pushing up rents.²³³ Across England there are 265,061 homes that have been empty for six months or longer (Oct 2024), 1,700 of which are in Manchester.²³⁴ England has one of the oldest housing stocks in Europe, creating the prospect for an increasing number of below standard homes in the PRS to be left empty.²³⁵ Retrofitting these homes back into use as social rent will both help to tackle the human and financial costs of lengthening waiting lists and the temporary accommodation crisis, and will directly address the cost of living crisis through lowering household bills.²³⁶

In 2020, the Affordable Housing Commission recommended the use of a National Housing Conversion Fund to make grant funding available

for social landlords and community-led housing organisations to acquire and convert homes to social rent.²³⁷ This could work in addition to the existing AHP budget²³⁸ or as part of it, as was the case in the AHP 2011-2015. A policy report published by the *Fabian Society* in 2023 suggests that £15 billion of government funding over 10 years could support the acquisition of around 500,000 private rented properties by social housing providers, focusing on properties that are long-term empty or below the DHS.²³⁹ This investment would more than pay for itself given the poor quality of England's housing stock, which a *BRE* report estimates is costing the NHS £1.4 billion a year.²⁴⁰

It should be a requirement that council tax premiums charged on empty and second homes are ringfenced to fund the acquisition and conversion of homes for social rent by social landlords and community housing organisations.²⁴¹ North Yorkshire Council have approved a 100% council tax second home premium, which will be used to direct an extra £1 million towards affordable housing that community-led housing organisations can bid for a share of.²⁴² The *JRF* also highlights that the high borrowing costs for community institutions can be overcome if central government works with social lenders to provide a lower-cost form of borrowing.²⁴³

The government should also reinstate the Empty Homes Community Grants Programme. In Vienna, private landlords can access public assistance for refurbishment on the condition that they charge social rents for 15 years, a practice referred to as 'gentle urban renewal'.²⁴⁴ Exempting those selling long-term empty homes to a social housing provider from Capital Gains Tax is another possible incentive for private landlords to voluntarily sell their properties,²⁴⁵ as would further increases in the council tax premiums that can be charged on long-term empty homes.²⁴⁶ Where owners of long-term empty homes refuse to sell, strengthened CPO powers will provide local authorities with an important tool. In addition to incentivising the sale of properties through tax exemptions, reducing or removing the VAT from refurbishments and energy-efficiency improvements can also support an acquisitions strategy by lowering the costs of acquisitions and conversions for social housing providers.²⁴⁷

To address the shortage of homes of the right size, grants should be provided for extensions and de-conversions to facilitate the rightsizing of over-occupied households. Finance should be provided for local authorities to buy back family-sized properties sold through RTB, and to support households with the process and cost of moving. Rightsizing is only a viable strategy if LHA rates allow overcrowded households to move to larger properties and there is an investment in building larger social rented homes and specialist homes for older people in the right places in the long-term.

4.3.2. Commercial to residential conversion

The relaxation on planning controls in 2013 made it easier for developers to use Permitted Development Rights (PDR) that do not require developers to obtain planning permission to convert commercial properties such as offices into homes.²⁴⁸ Savills reports that office conversions delivered an additional 73,575 homes between 2015 and the summer of 2022.²⁴⁹ Although concerns have been raised about the standard of homes completed using PDR, as well as the lack of S106 contributions for social housing as developers were freed from this obligation,²⁵⁰ commercial to residential conversion remains a potential avenue through which to increase the supply of social housing. To maximise the benefit of this approach to increasing social housing provision, the need to deliver more homes must be balanced with the need to provide high quality homes in the places where residents want to live, can afford, and can access necessary community infrastructure.²⁵¹ The *Chartered Institute of Housing* sets out three key areas that must be addressed if PDR conversions are to play a role in addressing the housing crisis: PDR standards must be strengthened to ensure developments are of high quality; Local authorities must be able to give greater direction over where conversions take place; and Conversions should be required to contribute to affordable housing.²⁵² Without the introduction of mechanisms to ensure that housing created through PDR are subject to social housing requirements, there is a risk that commercial to residential conversions will feed into rather than address the housing crisis.

4.4. Innovating finance

The government must support the development of alternative capital and revenue funding sources for social rent housing as well as reforming existing tax and financial rules. This can provide new sources of capital funding for the delivery of social housing and other public infrastructure, incentivise the use of land for social housing, and make the local property tax system fairer by shifting the burden to those with greater asset wealth.

4.4.1. Closing viability loopholes in the planning system

At present, a key funding source for social rent housing involves Section 106 contributions from developers to ensure developments benefit local communities. However, developers can apply for exemptions to their Section 106 obligations if a financial viability assessment shows profitability will be impacted. This accounting process is heavily skewed in favour of developers. It is essential to fully close the financial viability loophole in national planning guidance. A national requirement for developer contributions should be used to set a non-negotiable minimum.

4.4.2. Land value tax

The introduction of a land value tax (LVT) is a possible route for unlocking cheaper land for social housing delivery. LVT does not take into account the property built on the land, meaning that landowners are not disincentivised from making any improvements. A fixed LVT, or a land value increment tax, can therefore capture any increase in land values resulting from public infrastructure investment or the granting of planning permission for community benefit.²⁵³ In 2018, the *Centre for Progressive Policy* estimated that if the post-tax windfall for landowners and other stakeholders that comes from being granted planning permission was redirected to help fund infrastructure investment and affordable housing, up to an additional £214 billion could be made available over the following 20 years, with the potential to fund around 100,000 affordable housing units per year.²⁵⁴

4.4.3. Reform property taxes

Capturing land value through reform to property taxes is another option available to increase funding for social housing. Research from *Shelter*, *The Fabian Society*, and *The Social Market Foundation* points to the inadequacy of the council tax and stamp duty land tax (SDLT) systems in England.²⁵⁵ Council tax rates are calculated based on property values from April 1991, which have been sorted into eight bands. The way the system has been constructed means that higher value properties are charged a smaller percentage of their value than lower value properties, placing a larger burden on lower-income households.

Redesigning a fairer property tax system is a possible avenue to increase the funding available for social housing delivery.²⁵⁶ *Shelter* proposes the model of Proportional Property Taxes (PPT), which would replace council tax and SDLT with a progressive levy on the cost of property.²⁵⁷ A report from the *Social Market Foundation* suggests that replacing council tax with a new system of this type would require a more regular valuation system to re-value properties every three years, based on its average value over that period.²⁵⁸ This would stabilise the income that councils receive and ensure that residents are not charged based on temporary increases in their home's value.²⁵⁹ In addition to shifting the tax burden from occupiers to owners in line with countries such as Australia, Canada, Ireland and New Zealand,²⁶⁰ a proportion of the PPT proceeds could be ringfenced to raise revenue for social home delivery.²⁶¹

Changes to property taxes can also be used to ensure that housing is brought forward expeditiously once planning permission has been granted, which is not guaranteed within the current planning system. *Shelter* suggests that reframing planning permissions as 'planning contracts' can enable local authorities to levy council tax on unbuilt sites in proportion with the number of unbuilt homes for which permission has been granted on that site.²⁶² PPT could also be used for the same purpose if implemented.²⁶³ The *Local Government Association (LGA)* has also supported the introduction of powers to support local authorities in charging 100% council tax once a site's planning permission has expired.²⁶⁴ In addition to discouraging speculation, this holding

cost is a potential source of additional revenue for delivering social homes.

4.4.4. Increased tax on international residential investment and multiple homes

Increasing the taxes designed to discourage the speculative practices that undermine access to the housing ladder for many in the UK is an option for increasing social housing delivery in lieu of a complete reform of the property tax system as discussed above. More specifically, increasing the stamp duty surcharge on international residential property purchases and the purchase of multiple homes could raise significant revenue.

International investment in residential property has been steadily increasing in England, with the number of UK properties owned by non-UK residents tripling between January 2010 and August 2021.²⁶⁵ In Manchester, international investment is particularly evident in the expanding Build-to-Rent (BTR) sector, where homes are constructed specifically for private rent.

There are useful examples from countries such as Singapore, Canada, Ireland and Australia showing that increased taxes on international residential investment could provide a source of revenue that could be used to tackle the housing crisis by increasing social housing supply. The property tax for non-residents was doubled to 60% in Singapore in 2023 and in Canada, non-residents must pay a 25% tax in Ontario and a 20% tax in British Columbia. Currently, there is a 2% stamp duty surcharge on residential properties in England and Northern Ireland bought by non-UK residents.²⁶⁶ The Labour party's commitment to raising the SDLT paid by non-UK residents to "reduce speculative pressures in places like London and Manchester"²⁶⁷ has been followed by a 1% increase to a 3% stamp duty surcharge. This is welcome, but there is scope to further raise this surcharge to increase the revenue available for social housing delivery. A *Social Market Foundation* report estimates that a 25% tax based on the value of purchases made by non-UK residents would bring in an additional £855 million.²⁶⁸

In the 2021 to 2022 English Housing Survey, 2.1 million households reported having at least one second property, 60% of which were in the

UK.²⁶⁹ There is a stamp duty surcharge incurred by owners of multiple homes that has recently increased from 3% to 5%. The *NHF* has suggested that this 2% increase in stamp duty on multiple homes may be enough to deter wealthy investors who view properties in cities such as London and Manchester as desirable long-term investments.²⁷⁰ However, there is evidence to suggest that further increasing the surcharge would also raise significant revenue that could be directed towards social home delivery.

The *New Economics Foundation* recommends that both stamp duty surcharges for non-UK resident residential investors and multiple homeowners should at least be doubled with the potential to more than treble government expenditure on social and affordable house building, equivalent to grant funding for an additional 18,600-31,100 new social homes.²⁷¹

4.4.5. Housing and Regeneration Tax Credit

Tax incentives offer a financing option that has scope to complement the existing AHP and encourage private sector investment in social housing in the UK. An investment credit such as the Lower Income Housing Tax Credit (LIHTC) used to provide affordable housing in the US provides a useful model. This system works by providing tax credits, or tax 'breaks', to large scale investors or 'sponsors' in return for the provision of additional affordable housing.²⁷² The LIHTC is regarded as a successful policy for developing subsidised rental housing in the US, maintaining political support in the long-term and contributing to the construction or refurbishment of at least 2.5 million affordable homes since its introduction in 1986.

In the US system, Congress sets the national tax credit limit and allocates the tax credits to every State according to its population.²⁷³ Tax credits are provided to housing developers with eligible affordable rented housing projects, who can then sell them to investors in return for equity finance,²⁷⁴ creating a market in tax credits.²⁷⁵ The competitive bidding process for credits determines the rate at which they are purchased, with a higher LIHTC corresponding with a greater amount of equity investments raised.²⁷⁶ The credits that can be claimed for each project are limited to

expenditure that falls within the qualifying base, which excludes the cost of land and other indirect costs.²⁷⁷ LIHTC investment therefore tends to cover around 50-60% of total project costs, leaving the remaining 40-50% to be covered through a combination of hard and soft loans.²⁷⁸ This financial structure reduces the dependency on rents for the repayment of loans.

Developers can use the funds received from investors and loans to construct or refurbish units, the rents of which have to be set at affordable levels and let to tenants below the income threshold for at least 30 years after the project is completed.²⁷⁹ This is divided into a 15 year 'compliance period' followed by a 15 year 'extended use period'.²⁸⁰ Credits can be claimed in equal amounts every year for 10 years once the housing is made available to tenants. Should a developer fail to meet regulations in the 'compliance period', the credits can be revoked to varying degrees.

While extensive institutional change would be required to implement such a system in the UK, adapting the LIHTC system to the UK context can build on the lessons learned from the US experience to overcome some of the financing barriers to increasing the supply of social housing. The Housing and Regeneration Tax (HART) credit was designed by a UK housing association and a US housing consultancy in the early 2000s; although never implemented, the HART credit was endorsed by the *NHF*.²⁸¹ The HART credit system would function similarly to the LIHTC in practice, offering a pound-to-pound reduction in taxes payable to investors in social housing.²⁸²

The key benefits of using an incentive tax to increase the supply of social housing would be closing the funding gaps in construction costs and rent levels without upfront costs to the government whilst transferring risk of non-completion to the private sector. The pay-for-performance structure and option for clawback of credits also act to ensure that the private sector will enforce compliance.

4.4.6. Leaseback agreements and REITs

Sale and leaseback agreements in the social housing sector generally involve investors purchasing a number of properties and leasing them to housing associations for 30 to 50 years, at which point the assets are returned to the housing association for a repurchase fee.²⁸³ While the institutional investor receives an income during the lease period, this tends to not be linked to the rental income that the housing association is receiving from the properties.²⁸⁴ For investors who don't want to directly buy and manage properties, a Real Estate Investment Trust (REITs) is a company that owns and manages properties for them. Social REITs operate as a form of leaseback model in which housing associations can generate a capital sum by selling assets, or properties, into the trust and potentially continue to manage the properties through a management contract that provides additional revenue.²⁸⁵ These funding models offer housing associations a capital-light option to generate significant additional funds. For investors, the housing benefit that underpins inflation-linked social rental streams is seen as reducing the risk of non-payment.²⁸⁶ Another attractive element of REITs for investors is potential exemption from corporation tax on the profits made from their rental properties.

The shortfalls of leaseback models have been put into stark focus by the considerable challenges faced by Home REIT, which has been active since 2020 and specialises in accommodation for people experiencing homelessness. Several of the REIT's social housing provider clients have gone bankrupt, and the trust has fallen into significant debt after struggling to collect rent for its properties, which span over 100 local authorities and 10,000 residents. This case accompanies other reports of poor service delivery and failure to meet regulatory standards within properties leased by REITs. It is therefore necessary to seriously consider whether the financial gains that can be made through leaseback models outweigh the sizable risks shifted onto social housing providers and indirectly passed on to social housing tenants.

²⁸⁷

4.4.7. Renewable energy as revenue stream

The installation of renewable energy systems in social homes not only helps social landlords to address fuel poverty but provides a potential source of revenue to reduce some of the financial pressures they are under. The Feed-In-Tariff (FIT) scheme was launched in the UK 2010 to promote the use of renewable energy. The FIT scheme worked by providing an on-going payment to those who installed a range of renewable energy systems, including photovoltaic systems, also known as solar panels.²⁸⁸ The take-up of the scheme was so high that the government significantly reduced the value of the tariff in 2016 and introduced a mechanism to further reduce the payments over time,²⁸⁹ before closing the scheme to new entrants in 2019. The reduction in subsidy had a significant impact on both lower-income households and social housing providers. The FIT scheme was replaced by the Smart Export Guarantee (SEG) in 2020, with payments now coming from energy suppliers rather than the government. This has resulted in significantly lower payments, with energy suppliers paying 13% of the value gained by using solar power in 2024 compared to 33% paid to solar panel owners at the end of the FIT scheme in 2019.²⁹⁰ A report from the *Resolution Foundation* shows that since FITs were cut, solar panel installations have become more concentrated in higher-income areas.²⁹¹ However, the government's target to fit solar panels on all new-build homes in England by 2027 presents an opportunity to maximise the benefits of renewable energy for lower-income households and social landlords.

Although not designed specifically for the social housing sector, the FIT scheme created a source of guaranteed financial revenue for around 25 years, enabling social landlords to create a financially viable scheme and/or reinvest revenue into improving other stock.²⁹² The *Resolution Foundation's* recommendation that the government consider a means-tested scheme for subsidising the cost of borrowing for the installation of solar panels, as well as ways to prevent the low export rates for some consumers under the SEG,²⁹³ could be a means to support social housing providers.

As the price of battery technologies have begun to decline,²⁹⁴ combining battery storage with solar panels has emerged as a possible model for social landlords to generate a source of income that can be used to cross-subsidise retrofit work, overcoming the challenge created by the loss of the FIT scheme. Analysis from *Buro Happold* and *THFC* demonstrates the financial benefits to tenants when batteries are used in combination with solar panels, alleviating fuel poverty by significantly reducing energy costs.²⁹⁵ A battery storage system can store solar energy when generation is high and release this energy for use when generation is low and demand is high.²⁹⁶ Energy suppliers can also pay tenants to export energy stored in their batteries to the grid during times of high demand. This system can therefore offer benefits to social housing providers, tenants, and the environment. A £2 million pilot project running between 2019-2021²⁹⁷ from HA Together Housing combined solar and battery systems on a variety of property types in East Lancashire and provided tenants with an opportunity to access Time-of-Use tariffs, providing a useful example of how renewable energy sources can be used to create revenue sources whilst offering tenants energy savings.

Aggregating the excess energy from properties with battery storage into a 'virtual power plant' allows these properties to function as a single unit to help to balance the grid.²⁹⁸ A £13.8 million project²⁹⁹ called Homes as Energy Systems (HAES) has trialled the use of a virtual power plant comprising over 1,000 properties in Greater Manchester.³⁰⁰ The 'virtual power plant' software platform, provided by a project partner, aggregates the returns from residential solar, battery and heat pump technology across the properties, with greater revenue being generated by the virtual power plant when properties are more energy efficient.³⁰¹ The virtual power plant model allows social housing providers to benefit from economies of scale that create greater income potential.

4.5. Invest in an alternative supply chain

Social housing delivery is hampered by multiple supply-side barriers (e.g. labour, materials, land), and over-reliance on private developers and building firms, slowing and minimising supply. Under the current system, private developers acquire land and build homes on a speculative model.³⁰² A report from *Shelter* underscores that private developers must "slow build-out and drip-feed the market" to sell homes at a premium price and realise a profit after land and build costs.³⁰³ The result of speculative development is that housebuilding fails to address housing need.³⁰⁴ To address these issues, the government must invest in creating a diversified public-social housing supply chain, decoupled from private development.

A HCLGC report published in 2020 highlights that local authority planning departments lack the necessary resources and skills to build at the scale they have in the past.³⁰⁵ A key area where government support is needed involves upskilling: local authorities, non-developing HAs and community housing organisations must be equipped with skills, resources and capacity to initiate, manage and deliver new schemes of sustainable homes for social rent. This could build on the Four Million Homes³⁰⁶ and Community Land Trust Network³⁰⁷ approaches, but must be adequately supported through significant increases in funding to be delivered at scale.

It is also important to develop new approaches to delivery, including through investing resources to enable the development of public-common partnerships³⁰⁸ in which local authorities, HAs and community housing organisations agglomerate and procure together to generate economies of scale. This might involve, for example, placing land in a Community Land Trust that acts as a partner in any development taking place within the defined area. It could also involve the deployment of public land through a joint venture between local authorities and HAs to maximise social housing delivery, with the public sector maintaining the freehold on this land whilst drawing on the skills and capacity within the HA sector.³⁰⁹

Nationally, it is necessary to develop and promote a clear strategy to support construction innovations, most notably Modern Methods of Construction (MMC), which has been widely recommended to address supply chain issues, speed up the delivery of high-quality sustainable social homes and provide economic and educational opportunities for workers in the construction industry.³¹⁰ MMC refers to the off-site construction of homes, or significant elements of homes, in factories.³¹¹ The *Chartered Institute of Housing* highlights that MMC has the potential to make a significant contribution to housebuilding targets and generate economic growth across the UK.³¹² However, government support, such as dedicating an increased proportion of the AHP to MMC, is needed for MMC to overcome current barriers to growth.³¹³ Additionally, prioritising local sourcing of construction materials would not only encourage local employment, but also help move towards the decarbonisation of supply chains.

Construction and supply chain barriers would also benefit from a clear procurement process. An important step would be implementing *Shelter/Arup's* proposals³¹⁴ for Homes England to procure a social housing specific contractor framework for Council direct delivery that all HAs, local authorities and Combined Authorities can access. This would set maximum rates for materials for each year, ensure standard contract templates and terms and conditions, and be open to the SME housebuilder market. A new Social Housing Contractor Framework through Homes England as recommended by *Shelter* could provide certainty and confidence in long term planning and could also be used to give local authorities access to pre-qualified suppliers whose ability to deliver high quality homes has been confirmed, designating them the preferred supplier in a procurement and contracting process.³¹⁵

5. Conclusion and recommendations

Addressing the overwhelming scale of social housing need in England requires a political commitment to delivering a new generation of sustainable social homes. Alongside the welcome increase in grant funding, the government also needs to address the uncertainty caused by the current rent-setting system, rising operational costs, high land costs, limited borrowing capacity, and the impact of the 2012 Housing Revenue Account settlement on local authorities. To address these barriers and increase the supply of sustainable social homes in the short- and long-term, this report recommends five key areas for reform:

1. Boost funding

Despite some positive developments, the current grant funding framework continues to limit social housing providers' ability to address the scale and urgency of social housing need. While the increased AHP grant funding announced in the 2025 CSR is welcome, a clear target must be set for the proportion of this funding that will be allocated specifically to social housing delivery. Scaling up social rent housing supply requires a fundamental rethink of the funding landscape for social landlords. This includes several elements: the level of central government grant, as well as the rules around it; access to low-cost public borrowing and longer term repayment plans; and a new approach to setting social rent increases. Any inflation-linked rent increases must include corresponding financial protections for tenants to avoid pushing households into rent arrears and homelessness. As part of this, the benefit cap and 'bedroom tax' must be abolished immediately.

2. Unlock land

High land values remain a major barrier to increasing social housing delivery. Historically, government intervention to reduce the cost of land has been key to major social housing programmes worldwide. Today, such intervention should include: establishing dedicated public corporations for land assembly for social housing; updating

legislation that governs public land acquisition and disposal; and launching city-regional land commissions to coordinate public land use. City-regional land commissions can map public land assets and coordinate their use to maximise social, environmental and economic benefits, including social housing delivery.

To address the 'hope value' that drives up the cost of land higher than is viable for local authorities seeking to build housing for social rent, new legislation is needed that further specifies the conditions under which local authorities and other public bodies can undertake compulsory purchase without paying hope value. Changes to legislation should include a revision of the definition of 'public interest' to include land for social housing construction that will reduce homelessness and the number of people on local authority waiting lists for social rent housing. The legislation on land disposal should also be modernised to give local authorities and other public bodies explicit consent to use public land to subsidise social housing delivery. This might include granting land at no cost or as patient equity to a social housing provider or community land trust.

3. Reuse existing buildings

Historically, the acquisition and conversion of existing properties has made a significant contribution to social housing stock in addition to 'new build'. Today, better use should be made of existing residential and commercial buildings to deliver social rent homes at pace.

The existing stock of housing can be better utilised to address the shortage of social rent homes, the poor state of homes in the private rented sector, the large number of long-term empty homes across the country, the challenges associated with retrofitting, and the specific problems of under- and over-occupancy in all sectors. The conversion of commercial properties such as offices into social rented homes is another avenue that can be explored through the creation of a Property Conversion Commission, which can ensure that converted homes meet building safety and decent homes standards.

Owners of long-term empty and non-decent homes should be incentivised to refurbish and convert their homes to social rent, such as through

the National Housing Conversion Fund. Grants should also be provided for extensions and de-conversions to facilitate the rightsizing of over-occupied households, as well as finance for local authorities to buy back properties sold through RTB and support households with the process and cost of moving.

To lower the costs of acquisitions and conversions for social housing providers, the VAT from refurbishments and energy efficiency improvements that will result in an increase in the supply of sustainable social homes should be fully reduced. The council tax premiums charged on long-term empty and second homes should also be used to fund the acquisition and conversion of homes to social rent.

4. Financial innovation

Innovative solutions should be pursued to provide new sources of capital funding for the delivery of social housing and other public infrastructure, incentivise the use of land for social housing, close the financial viability loophole in national planning guidance, and make the local property tax system fairer by shifting the burden to those with greater asset wealth.

Options to provide new sources of capital funding include changes to the tax system that enable local authorities to levy council tax on unbuilt sites, replacing council tax and SDLT with a progressive levy on the cost of property, increasing the stamp duty surcharge on international residential property purchases and the purchase of second homes, and introducing a system that provides tax credits - or tax incentives - to large scale investors in return for the provision of additional affordable housing.

By reinstating the FIT scheme, revenue can be generated from existing social rent housing stock, enabling social landlords to generate additional income whilst addressing fuel poverty through cheaper energy bills for tenants. Public investment to support the use of a 'virtual power plant' model in existing social housing stock is another option that will enable social housing providers to benefit from economies of scale that create greater income potential.

To incentivise the use of land for social housing, ambitious changes to the way in which land value is treated should also be pursued. Options include the introduction of a land value tax, or land value increment tax, to capture any increase in land value resulting from public infrastructure investment or the granting of planning permission. Vesting land in Community Land Trusts is another way to ensure that any uplift in the value of land can be reinvested in social housing and local community well-being.

5. Transform supply chains

Social housing delivery is hampered by multiple supply-side barriers (e.g. labour, materials, land), and over-reliance on private developers and building firms, slowing and minimising supply. To unblock existing capacity barriers and reduce the cost of construction and retrofit, investment in an alternative social housing supply chain decoupled from private development is needed.

A key area where support is needed involves upskilling: local authorities, non-developing HAs and community housing organisations must be equipped with skills, resources and capacity to initiate, manage and deliver new schemes of sustainable homes for social rent. This could build on the Four Million Homes³¹⁶ and Community Land Trust Network³¹⁷ approaches but must be adequately supported through significant increases in funding to be delivered at scale.

It is also important to develop new approaches to delivery, including through investing resources to enable the development of public-common partnerships in which local authorities, HAs and community housing organisations agglomerate and procure together to generate economies of scale.

Finally, construction and supply chain barriers would benefit from a clear procurement process. The government should mandate rules for procurement for social housing construction, such as rules around preferred suppliers, prioritising local sourcing of construction materials, boosting local employment and creating social value.

Financing social housing for the 21st century

The policy directions outlined in this brief provide a clear route forward for financing sustainable homes for social rent in England. Some of these policies require national government intervention, but others can be implemented by councils and local authorities, including in Manchester.

The right to safe and sustainable housing, denied to too many people, can be restored through bold and ambitious government action to finance and deliver social housing fit for the 21st century. A robust social housing policy regime as outlined here will provide clear benefits that far outweigh the costs of implementation. The Manchester Social Housing Commission endorses the adoption of these policies as a matter of urgency.



Endnotes

- 1 [Publications | Social Homes for Manchester](#)
- 2 MHCLG, [Statutory homelessness in England: October to December 2024](#) and [Detailed local authority level tables: October to December 2023](#)
- 3 APPG Households in Temporary Accommodation (2025) [Child Mortality in Temporary Accommodation](#)
- 4 Regulator of Social Housing, RP social housing by local authority area (SDR and LADR data) 2024 – combined tool; MHCLG, [Statutory homelessness in England: October to December 2024](#)
- 5 Cebr (2024) [The economic impact of building social housing](#). Cebr.
- 6 Bramley, G. (2018) [Housing supply requirements across Great Britain: for low-income households and homeless people](#). London: Crisis and National Housing Federation.
- 7 Faculty of Public Health (2024) [Faculty of Public Health Briefing: Housing, poverty & public health](#). Faculty of Public Health.
- 8 Perry, J. and Lister, S. (2021) [Housing for people on low incomes- how do we make the best use of government subsidies in England?](#) Centre for Homelessness impact.
- 9 New Economics Foundation (2024) [Government subsidising private landlords £70bn over next five years](#). Available at New Economics Foundation.
- 10 DWP (2024) [Guidance and methodology: Benefit expenditure and caseload tables](#). Available at GOV. UK.
- 11 Lloyds Banking Group (2024) [Building futures: A new era of investment in social housing](#).
- 12 New Economics Foundation (2024) [Government subsidising private landlords £70bn over next five years](#). Available at New Economics Foundation.
- 13 Earwaker, R. (2024) [Stop the freeze: permanently re-link housing benefits to private rents](#). Available at Joseph Rowntree Foundation.
- 14 [Publications | Social Homes for Manchester](#)
- 15 MHCLG (2025) [Rough sleeping snapshot in England: autumn 2024](#). Available at GOV.UK.
- 16 MHCLG, [Statutory homelessness in England: October to December 2024](#)
- 17 Ibid.
- 18 APPG Households in Temporary Accommodation (2025) [Child Mortality in Temporary Accommodation](#)
- 19 Downie, M. (2018) [Everybody In: How to end homelessness in Great Britain](#). London: Crisis; Pleace, N. (2015) [At what cost? An estimation of the financial costs of single homelessness in the UK](#). London: Crisis.
- 20 Wright, H. (2024) [Cost of housing homeless people skyrocketing for councils](#). Available at New Economics Foundation.
- 21 Fraser, M., Jewell, N., Kirupanandan, V., Littleford, K., Pizzo, E. and Raine, R. (2023) [Design For All- A Place to Call Home](#). London: University College London.
- 22 Shelter (2024) [Homelessness bill doubles in five years to £2.3 bn](#). Available at Shelter.
- 23 Wilkins, M., Gray, T., Reeder, N., McCluskey, H. and Flannigan, N. (2025). [Temporary Accommodation in England: is it Value for Money?](#) London: Centre for Homelessness Impact.
- 24 LGA (2024) [The Local Housing Allowance rate and temporary accommodation reimbursement process](#). Available at Local Government Association.
- 25 LGA (2025) [Spending Review: £76 million funding gap in councils' temporary accommodation budgets](#). Available at Local Government Association.
- 26 Wilkins, M., Gray, T., Reeder, N., McCluskey, H. and Flannigan, N. (2025) [Temporary Accommodation in England: is it Value for Money?](#) London: Centre for Homelessness Impact.
- 27 DLUHC, [Statutory homelessness in England: October to December 2024](#)
- 28 WhatDoTheyKnow (2022) [Temporary accommodation - A freedom of information request to Manchester City Council](#). Available at WhatDoTheyKnow.
- 29 MCC (2022) [Annual accounts 2021/22](#). Available at Manchester City Council.

30 Wilkins, M., Gray, T., Reeder, N., McCluskey, H. and Flannigan, N. (2025) [Temporary Accommodation in England: is it Value for Money?](#) London: Centre for Homelessness Impact.

31 Delahunty, S., Apps, P. and Spratt, V. (2025) [Inside the economics of temporary accommodation.](#) Available at [Inside Housing](#).

32 Wilkins, M., Gray, T., Reeder, N., McCluskey, H. and Flannigan, N. (2025) [Temporary Accommodation in England: is it Value for Money?](#) London: Centre for Homelessness Impact.

33 St Mungos (2020) [Home for Good: The role of social housing in ending rough sleeping.](#) London: St Mungo's.

34 Ibid.

35 St Mungos (2020) [Home for Good: The role of social housing in ending rough sleeping.](#) London: St Mungo's. (p.3)

36 MHCLG (2024) [English Housing Survey 2022 to 2023: rented sectors.](#) Available at GOV.UK.

37 Ibid.

38 DLUHC, [English Housing Survey: local authority housing stock condition modelling.](#) 2020.

39 DLUHC (2022) [A fairer private rented sector.](#) Available at GOV.UK.

40 Medact (2024) [The public health case to warm our homes, not our planet.](#) London: Medact.

41 Department for Energy Security & Net Zero (2024) [Sub-regional fuel poverty in England, 2024 report](#) (2022 data). Available at GOV.UK.; Marmot, M., Allen, J., Boyce, T., Goldblatt, P. and Morrison, J. (2020) [Health Equity in England: The Marmot Review 10 Years On.](#) Institute of Health Equity.

42 Department for Energy Security & Net Zero (2024) [Sub-regional fuel poverty, 2022 data](#) (Excel)

43 Lee, A., Sinha, I., Boyce, T., Allen, J. and Goldblatt, P. (2022) [Fuel poverty, cold homes and health inequalities.](#) London: Institute of Health Equity.

44 Ibid.

45 See research from the Institute of Health Equity and the Health Foundation.

46 Medact (2024) [The public health case to warm our homes, not our planet.](#) London: Medact.

47 Taylor-Smith, K. (2023) [Improving 13 million of UK's energy inefficient homes could deliver £39m boost by 2030.](#) Available at Chartered Institute of Environmental Health.

48 MHCLG (2024) [English Housing Survey 2022 to 2023: rented sectors.](#) Available at GOV.UK.

49 Centre for Ageing Better (2024) [Counting the Cost: The case for making older people's homes safe.](#) Available at Centre for Ageing Better.

50 Northern Housing Consortium (2018) [The hidden costs of poor quality housing in the North.](#) Available at Northern Housing Consortium.

51 Garrett, H., Mackay, M., Nicol, S., Piddington, J. and Roys, M. (2021) [The cost of poor housing in England.](#) BRE.

52 Centre for Ageing Better (2024) [Counting the Cost: The case for making older people's homes safe.](#) Available at Centre for Ageing Better.

53 Garrett, H., Mackay, M., Nicol, S., Piddington, J. and Roys, M. (2021) [The cost of poor housing in England.](#) BRE.

54 DLUHC (2024) [Social housing lettings in England, tenancies: April 2022 to March 2023.](#) Available at GOV.UK.

55 Ryder, B., McDonnell, J., Tollon, B. and How, R. (2024) [Supported housing in England: Estimating need and costs to 2040.](#) Altair.; House of Commons (2023) [Supported Housing.](#) House of Commons Committee of Public Accounts.

56 NHF (2025) [Finding a safe home after hospital.](#) Available at NHF.

57 Ibid.

58 Ryder, B., McDonnell, J., Tollon, B. and How, R. (2024) [Supported housing in England: Estimating need and costs to 2040.](#) Altair.

59 Ibid.

60 Chaloner, J., Dreisin, A. and Pragnell, M. (2015) [Building New Social Rent Homes.](#) Capital Economics.

61 Cebr (2024) [The economic impact of building social housing.](#) Cebr.

62 Berry, C. and Molano-Avilan, A. (2025) [Briefing: Investment in social housing: the sustainable solution to child poverty.](#) Available at Shelter.

63 NHF (2024) [Social housing rent policy.](#) NHF

64 Perry, J. and Lister, S. (2021) [Housing for people on low incomes- how do we make the best use of government subsidies in England?](#) Centre for Homelessness impact.

65 Cebr (2024) [The economic impact of building social housing](#). Cebr.; Clifford, J., Hulbert, A. and Yeung, D. (2024) [The Value of a Social Tenancy: Updating and developing the model in 2024](#). London: Sonnet Advisory & Impact.

66 Cebr (2024) [The economic impact of building social housing](#). Cebr.

67 Clifford, J., Hulbert, A. and Yeung, D. (2024) [The Value of a Social Tenancy: Updating and developing the model in 2024](#). London: Sonnet Advisory & Impact.

68 Cebr (2024) [The economic impact of building social housing](#). Cebr.

69 Perry, J. and Lister, S. (2021) [Housing for people on low incomes- how do we make the best use of government subsidies in England?](#) Centre for Homelessness impact.

70 Cebr (2024) [The economic impact of building social housing](#). Cebr.

71 Ibid.

72 Berry, C. and Molano-Avilan, A. (2025) [Briefing: Investment in social housing: the sustainable solution to child poverty](#). Available at Shelter.

73 HCLGC (2020) [Building more social housing](#). Available at UK Parliament.

74 Clifford, J., Hulbert, A. and Yeung, D. (2024) [The Value of a Social Tenancy: Updating and developing the model in 2024](#). London: Sonnet Advisory & Impact.

75 Ibid.

76 Centre for Ageing Better (2024) [Counting the Cost: The case for making older people's homes safe](#). Available at Centre for Ageing Better.

77 Ibid.

78 NHF (2025) [Finding a safe home after hospital](#). Available at NHF.

79 Clifford, J., Hulbert, A. and Yeung, D. (2024) [The Value of a Social Tenancy: Updating and developing the model in 2024](#). London: Sonnet Advisory & Impact.

80 Rowe, G. and Rankl, F. (2024). [Housing and Net Zero](#). House of Commons Library Research Briefing, CPB 8830.

81 MCC (2022) [Climate Change Action Plan 2022 refresh](#). Available at Manchester City Council

82 HBF (2023) [Watt a Save: The energy efficiency of new build homes](#). Home Builders Federation.

83 Ibid.

84 Chaudhuri, K. and Huaccha, G. (2023) Who bears the energy cost? Local income deprivation and the household energy efficiency gap, Energy Economics, 127, Part A. <https://doi.org/10.1016/j.eneco.2023.107062>.

85 Northern Housing Consortium (2024) [Warm homes, green jobs](#). Available at Northern Housing Consortium.

86 Johns, M. and Longlands, S. (2020) [Northern powerhomes: A green recovery plan to decarbonise homes in the North](#). IPPR North.

87 Northern Housing Consortium (2024) [Warm homes, green jobs](#). Available at Northern Housing Consortium; North East England Climate Coalition, Mokhtar Azizi, Z, Davidson, G, Hipwood, T, Lilley, S & Watson, R. (2021) [Decarbonising Social Housing in North East England](#). Northumbria University.

88 Centre for Social Justice (2023) [Better Insulate Than Never](#). Centre for Social Justice.

89 The Green Partnership (2023) [Sector Spotlight: Social Housing](#). Available at The Green Partnership.

90 Cebr (2024) [The economic impact of building social housing](#). Cebr.

91 Chaloner, J., Dreisin, A. and Pragnell, M. (2015) [Building New Social Rent Homes](#). Capital Economics.

92 MHCLG (2020) [Building more social housing](#). Available at UK Parliament

93 Fraser, M., Jewell, N., Kirupanandan, V., Littleford, K., Pizzo, E. and Raine, R. (2023) [Design For All- A Place to Call Home](#). London: University College London.

94 Chaloner, J., Dreisin, A. and Pragnell, M. (2015) [Building New Social Rent Homes](#). Capital Economics.

95 MHCLG (2020) [Building more social housing](#). Available at UK Parliament.

96 Ibid.

97 Cebr (2024) [The economic impact of building social housing](#). Cebr.

98 Shelter (2025) [Private rentals in almost half of England unaffordable to new NHS nurses](#). Available at Shelter.

- 99 Cebr (2024) [The economic impact of building social housing](#). Cebr.
- 100 Ibid.
- 101 Ibid.
- 102 Clifford, J., Hulbert, A. and Yeung, D. (2024) [The Value of a Social Tenancy: Updating and developing the model in 2024](#). London: Sonnet Advisory & Impact.
- 103 HCLGC (2020) [Building more social housing](#). Available at UK Parliament.
- 104 Clifford, J., Hulbert, A. and Yeung, D. (2024) [The Value of a Social Tenancy: Updating and developing the model in 2024](#). London: Sonnet Advisory & Impact.
- 105 Cebr (2024) [The economic impact of building social housing](#). Cebr.
- 106 Cromarty, H., & Barton, C. (2024). [Social rented housing in England: Past trends and prospects](#). House of Commons Library.
- 107 See Davis, C (2013) [Finance for Housing: An Introduction](#). Policy Press; Labour Campaign for Council Housing (2021) The case for cancelling council housing ‘debt’.
- 108 Whitehead, C. M. (1999). The Provision of Finance for Social Housing: The UK Experience. *Urban Studies*, 36(4), pp.657-672.
- 109 Partridge, S., Perry, J. and Hinch, M. (2024) [Why councils are underinvesting in housing and how an updated debt settlement could put that right](#). CIH and Savills.
- 110 Whitehead, C. M. (1999). The Provision of Finance for Social Housing: The UK Experience. *Urban Studies*, 36(4), pp.657-672.
- 111 Partridge, S., Perry, J. and Hinch, M. (2024) [Why councils are underinvesting in housing and how an updated debt settlement could put that right](#). CIH and Savills.
- 112 Partridge, S., Perry, J. and Hinch, M. (2024) [Why councils are underinvesting in housing and how an updated debt settlement could put that right](#). CIH and Savills.; [Southwark Council \(2024\) Securing the Future of Council Housing](#). Southwark Council.
- 113 Shelter (2019) [Written evidence submitted by Shelter](#) [SAH 052]. Available at UK Parliament.
- 114 Priemus, H., & Smith, J. (1996). Social housing investment: Housing policy and finance in the UK and the Netherlands, 1970–1992. *Netherlands journal of housing and the built environment*, 11, pp.401-
- 115 Galarza, V., Rich, H., Trew, C., Bloomer, S., Berry, C. and Matthews, M. (2022) *Brick by Brick*. Shelter.
- 116 Froud, J., Hodson, M., Johal, S., Wei, H., & Williams, K. (2020). Planning with citizenship: An idea whose time has come in Greater Manchester? In F. Barbera, and I. R. Jones, *The Foundational Economy and Citizenship* (pp. 105-127). Bristol: Bristol University Press.
- 117 Trew, C., Bhakta, T., & Galarza, V. (2022). [Unlocking Social Housing](#). Shelter.
- 118 NHF (2019) [Capital grant required to meet social housing need in England 2021 – 2031](#). Available at National Housing Federation.
- 119 Century, S. and Parmar, J. (2022) [Delivering a Step Change in Affordable Housing Supply](#). Legal & General and the BPF.
- 120 Trew, C., Bhakta, T., & Galarza, V. (2022) [Unlocking Social Housing](#). Shelter.
- 121 Ibid.
- 122 Tims, S. (2024) [Switching to social rent: delivering the homes we need](#). New Economics Foundation.
- 123 DCN (2025) [A BLUEPRINT to tackle the affordable housing crisis](#). Available at Think House.
- 124 Savills (2022) [Improving Housing Quality and Boosting Delivery in the North](#). Available at Savills.
- 125 HCLGC (2020) [Building more social housing](#). Available at UK Parliament.
- 126 Galarza, V., Rich, H., Trew, C., Bloomer, S., Berry, C. and Matthews, M. (2022) [Brick by Brick](#). Shelter.
- 127 Diner, A. and Tims, S. (2024) [Switching to social rent: delivering the homes we need](#). New Economics Foundation.
- 128 LUHCC (2024) [The Finances and Sustainability of the Social Housing Sector](#). Available at UK Parliament.
- 129 Ibid.
- 130 Wilson, W. (2022) [Rent setting: Social housing \(England\)](#). Available at UK Parliament.
- 131 Department for Levelling Up, Housing and Communities ([FSS0062](#))
- 132 NHF (2024) [Social housing rent policy](#). NHF.
- 133 Ibid.

- 134 LUHCC (2024) [The Finances and Sustainability of the Social Housing Sector](#). Available at UK Parliament.
- 135 RSH (2024) [Sector Risk Profile](#). Available at GOV.UK.
- 136 Bint-Kazam, M. (2025) [Rent arrears fall- but £240m risk looms as welfare reforms threaten tenant incomes](#). Available at Housing Digital.
- 137 HCLGC (2020) [Building more social housing](#). Available at UK Parliament.
- 138 Trew, C., Bhakta, T., & Galarza, V. (2022). [Unlocking Social Housing](#). Shelter.
- 139 Beswick, J., McCann, D., & Wheatley, H. (2019) [Building the social homes we need: Solving the land and capacity challenges](#). New Economics Foundation.
- 140 Competition and Markets Authority (2024) [‘CMA finds fundamental concerns in housebuilding market’](#). Available at GOV.UK.
- 141 Galarza, V., Rich, H., Trew, C., Bloomer, S., Berry, C. and Matthews, M. (2022) [Brick by Brick](#). Shelter. (p.7)
- 142 Highfield, A. (2024) [A third of homes granted planning permission are not being built](#). Available at Architects Journal.
- 143 HCLGC (2020) [Building more social housing](#). Available at UK Parliament. (p.7)
- 144 Aubrey, T. (2018) [Gathering the windfall](#). Centre for Progressive Policy.
- 145 Lange, M. (2024) [What do new Compulsory Purchase reforms mean for the housing crisis?](#) Available at Centre for Cities.
- 146 Ibid.
- 147 HCLGC (2020) [Building more social housing](#). Available at UK Parliament.
- 148 Cromarty, H., & Barton, C. (2024) [Social rented housing in England: Past trends and prospects](#). House of Commons Library.
- 149 LUHCC (2024) [The Finances and Sustainability of the Social Housing Sector](#). Available at UK Parliament.; Cromarty, H., & Barton, C. (2024) [Social rented housing in England: Past trends and prospects](#). House of Commons Library.
- 150 Cromarty, H., Greaves, F., Rankl, F. and Barton, C. (2024) [Affordable housing in England](#). House of Commons Library.
- 151 MHCLG (2024) [Dangerous cladding: the government’s remediation portfolio](#). National Audit Office.
- 152 RSH (2024) [Sector Risk Profile](#). Available at GOV.UK.
- 153 LUHCC (2022) [The Regulation of Social Housing](#). Available at UK Parliament.
- 154 LUHCC (2024) [The Finances and Sustainability of the Social Housing Sector](#). Available at UK Parliament.
- 155 Ibid.
- 156 Ibid.
- 157 RSH (2025) [Social housing providers’ finances impacted by rising repairs and remediation spend](#). Available at GOV.UK.; RSH (2024) [Sector Risk Profile](#). Available at GOV.UK.
- 158 Wilmore, J. (2024) [Landlords’ average spend on social homes jumps 14% as inflation bites](#). Available at Inside Housing.; RSH (2025) [Social housing providers’ finances impacted by rising repairs and remediation spend](#). Available at GOV.UK.
- 159 Cromarty, H., Greaves, F., Rankl, F. and Barton, C. (2024) [Affordable housing in England](#). House of Commons Library.
- 160 CIH (2024) [Why councils are underinvesting in housing and how an updated debt settlement could put that right](#). CIH and Savills.
- 161 Ibid.
- 162 Southwark Council (2024) [Securing the Future of Council Housing](#). Southwark Council.
- 163 Partridge, S., Perry, J. and Hinch, M. (2024) [Why councils are underinvesting in housing and how an updated debt settlement could put that right](#). CIH and Savills.
- 164 Department for Levelling Up, Housing and Communities ([FSS0062](#))
- 165 RSH (2024) [Sector Risk Profile](#). Available at GOV.UK.
- 166 Gearing can be defined as “Ratio of net funds borrowed to the gross property value (on a historic cost basis)” (Century and Parmar, 2022. p.24).

167 Interest coverage can be defined as “Ratio of earnings before interest, tax, depreciation, and
amortisation adjusted for major repairs (EBITDA MRI) to interest expenses” (Century and Parmar,
2022, p.24).

168 Octopus Capital (2023) [Closing the gap: Unlocking investment to address the UK’s affordable
housing challenge](#). London:Octopus Capital.

169 RSH (2024) [Sector Risk Profile](#). Available at GOV.UK.

170 Octopus Capital (2023) [Closing the gap: Unlocking investment to address the UK’s affordable
housing challenge](#). London:Octopus Capital.

171 Century, S. and Parmar, J. (2022) [Delivering a Step Change in Affordable Housing Supply](#). Legal &
General & the BPF.

172 Ibid.

173 ARUP (2024) [Council Housing Social Rent Delivery](#). Shelter.

174 Karampour, K. and Burgess, G. (2022) [Net zero ready new build housing: benefits and barriers to
delivery](#). Cambridge: Cambridge Centre for Housing & Planning Research.

175 Alvis, S., Fotherby, J., Bennett, H., Avison, Z. and Evansm J. (2022) [Closing the UK’s green skills gap.
London: Green Alliance](#).

176 Karampour, K. and Burgess, G. (2022) [Net zero ready new build housing: benefits and barriers to
delivery](#). Cambridge: Cambridge Centre for Housing & Planning Research.

177 LGA (2024) [Spending Review 2025: Briefing 12 June 2025](#). Available at Local Government
Association.

178 Ibid.

179 Shelter’s trajectory is based on analysis of data and findings from MHCLG, CEBR and Arup. The grant
calculation is based on Shelter analysis of CEBR findings. See Rich, H. and Galarza, V. (2025) “Shelter
Spring Spending Review Representation”.

180 MHCLG and DLUHC, [Table 600: number of households on local authority housing registers \(waiting
lists\)](#), by district, England, from 1987

181 Galarza, V., Rich, H., Trew, C., Bloomer, S., Berry, C. and Matthews, M. (2022) [Brick by Brick](#). Shelter.

182 Ibid.

183 Ibid.

184 LUHCC (2024) [The Finances and Sustainability of the Social Housing Sector](#). Available at UK
Parliament.

185 Whitehead, C. (2017) Social housing models: Past and future. Critical Housing Analysis, 4(1), pp. 11-
20. <http://dx.doi.org/10.13060/23362839.2017.4.1.320>

186 Aubrey, T. (2018) [Gathering the windfall](#). Centre for Progressive Policy.

187 Diner, A. and Marshall, M. (2024) [Building Hope: how land reforms will help deliver the homes we
need](#). New Economics Foundation.

188 Ibid.

189 Bentley, D. (2018) [Reform of the land compensation rules: How much could it save on the cost of a
public-sector housebuilding programme?](#) Civitas.

190 Aubrey, T. (2018) [Gathering the windfall](#). Centre for Progressive Policy.; Clarke, E., Nohrová, N. and
Thomas, E. (2014) [Delivering change: building homes where we need them](#). Centre for Cities.

191 Aubrey, T. (2018) [Gathering the windfall](#). Centre for Progressive Policy.

192 New Economics Foundation (2020) DSH 012.

193 Gillespie, T., & Silver, J. (2021). [Who Owns the City? The privatisation of public land in Manchester.
GMHA](#).

194 Beswick, J., McCann, D., & Wheatley, H. (2019) [Building the social homes we need: Solving the land
and capacity challenges](#). New Economics Foundation.

195 Penny, J. (2024). [The promise of cross-subsidy: Why estate demolition cannot solve London’s
housing emergency](#). Public Interest Law Centre.

196 Ibid.

197 Bloom, A. (2023). Public land, value capture, and the rise of speculative urban
governance in post-crisis London. Environment and Planning A, 56(6), 1771-1786. [https://doi.
org/10.1177/0308518X231199701](https://doi.org/10.1177/0308518X231199701)

198 Ibid.

199 Penny, J. (2024). [The promise of cross-subsidy: Why estate demolition cannot solve London's housing emergency](#). Public Interest Law Centre.

200 Purcell, T. F., & Ward, C. (2022). The political economy of land value capture in the UK: Rent and viability in Salford's new municipalist turn. *Environment and Planning A*, 55(6), 1600-1617. <https://doi.org/10.1177/0308518X221131322>

201 Ibid.

202 Galarza, V., Rich, H., Trew, C., Bloomer, S., Berry, C. and Matthews, M. (2022) *Brick by Brick. Shelter*; Grayston, R. (2021) [Squeezed out: The impact of building costs and planning reform on social housing supply in England](#). New Economics Foundation.

203 Grayston, R. (2021) [Squeezed out: The impact of building costs and planning reform on social housing supply in England](#). New Economics Foundation.

204 Lloyds Banking Group (2024) [Building futures: A new era of investment in social housing](#).

205 Bunce, S. (2018) Alternatives to gentrification: exploring urban community land trusts and urban ecovillage practices, in Lees, L. (eds) *Handbook of Gentrification Studies*, Edward Elgar Publishing Limited, Cheltenham.

206 Community led housing London (n.d.) [Marklake Court](#). Available at Community led housing London.

207 Ibid.

208 HCLGC (2020) [Building more social housing](#). Available at UK Parliament.

209 Beswick, J., McCann, D., & Wheatley, H. (2019) [Building the social homes we need: Solving the land and capacity challenges](#). New Economics Foundation.

210 Lloyds Banking Group (2024) [Building futures: A new era of investment in social housing](#).

211 Aubrey, T. (2018) *Gathering the windfall*. Centre for Progressive Policy.; Clarke, E., Nohrová, N. and Thomas, E. (2014) [Delivering change: building homes where we need them](#). Centre for Cities.

212 Ryan-Collins, J., Lloyd, T., & Macfarlane, L. (2017) *Rethinking the Economics of Land and Housing*, Bloomsbury Academic & Professional, London.

213 'Social' relates to price in this context.

214 Van Deursen, H. (2023) [The People's Housing: Woningcorporaties and the Dutch Social Housing System. Part 2: The Mechanics](#). Joint Center for Housing Studies.

215 Ibid.

216 Ibid.

217 HCLGC (2020) [Building more social housing](#). Available at UK Parliament.

218 Beswick, J., McCann, D., & Wheatley, H. (2019) [Building the social homes we need: Solving the land and capacity challenges](#). New Economics Foundation.

219 Crerar, P. (2025) [Work on up to 12 new towns in England to begin by next election, says government](#). Available at The Guardian.

220 Tsenkova, S. (2022) *Resilience of Social Housing Systems in Vienna, Amsterdam and Copenhagen*, in Tsenkova, S. (eds) *Cities and Affordable Housing: Planning, Design and Policy Nexus*. New York, NY: Routledge.

221 Ibid.

222 Lange, M. (2024) [Restarting housebuilding III: New towns and land value capture](#). Available at Centre for Cities.

223 Ibid.

224 RICS (2019) [International models for delivery of affordable housing in Asia](#). London: Royal Institute of Chartered Surveyors (RICS).

225 Ibid.

226 Haila, A. (2015) *Urban Land Rent: Singapore As a Property State*. New Jersey: John Wiley & Sons, Inc.

227 Ibid.

228 Shatkin, G. (2017) *Cities for Profit*. New York: Cornell University Press.

- 229 Diner, A. (2023) [The community right to buy: how housing acquisitions can regenerate left behind communities, improve standards, and decarbonise homes](#). Available at New Economics Foundation.;
- Affordable Housing Commission (2020) [Making Housing Affordable Again: Rebalancing the Nation's Housing System: The final report of the Affordable Housing Commission](#). The Smith Institute.
- 230 Diner, A. (2023) [The community right to buy: how housing acquisitions can regenerate left behind communities, improve standards, and decarbonise homes](#). Available at New Economics Foundation.;
- Baxter, D. and Elliot, J. (2024) [Bringing private homes into social ownership can rewire the housing system](#). Joseph Rowntree Foundation.
- 231 Diner, A. (2023) [The community right to buy: how housing acquisitions can regenerate left behind communities, improve standards, and decarbonise homes](#). Available at New Economics Foundation.;
- Affordable Housing Commission (2020) [Making Housing Affordable Again: Rebalancing the Nation's Housing System: The final report of the Affordable Housing Commission](#). The Smith Institute.
- 232 Grayston, R., Hudson, N. and Lloyd, T. (2024) Is the private rented sector shrinking? Joseph Rowntree Foundation.
- 233 Diner, A. and Tims, S. (2023) [Reforming property tax: Dampening further property speculation in the housing crisis](#). New Economics Foundation.
- 234 MHCLG (2023) [Table 615: vacant dwellings by local authority district: England, from 2004](#).
- 235 Affordable Housing Commission (2020) [Making Housing Affordable Again: Rebalancing the Nation's Housing System: The final report of the Affordable Housing Commission](#). The Smith Institute.
- 236 HBF (2023) ['Watt a Save: The energy efficiency of new build homes'](#). Home Builders Federation.
- 237 Affordable Housing Commission (2020) [Making Housing Affordable Again: Rebalancing the Nation's Housing System: The final report of the Affordable Housing Commission](#). The Smith Institute.
- 238 Diner, A. (2023) [The community right to buy: how housing acquisitions can regenerate left behind communities, improve standards, and decarbonise homes](#). Available at New Economics Foundation.
- 239 Raikes, L and Cooper, B. (2023) ['A Good Life in all Regions: Uniting Our Country to End Poverty'](#). The Fabian Society.
- 240 Garrett, H., Mackay, M., Nicol, S., Piddington, J. and Roys, M. (2021) [The cost of poor housing in England](#). BRE.
- 241 Bloomer, S., Matthews, W., Galarza-Mullins, V. and Trew, C. (2024) [10-City Plan to rapidly convert empty homes into social rent homes](#). Shelter.
- 242 Edwards, R. (2024) [Tax on second homes to fund affordable housing](#). Available at BBC.
- 243 Baxter, D. and Elliot, J. (2024) [Bringing private homes into social ownership can rewire the housing system](#). Joseph Rowntree Foundation.
- 244 GOLD (2019) [Rethinking Housing Policies](#). UCLG.
- 245 Bloomer, S., Matthews, W., Galarza-Mullins, V. and Trew, C. (2024) [10-City Plan to rapidly convert empty homes into social rent homes](#). Shelter.
- 246 Bloomer, S. (2024) [Empty homes: the complete solution or just part of the package?](#) Available at Shelter.
- 247 Raikes, L and Cooper, B. (2023) ['A Good Life in all Regions: Uniting Our Country to End Poverty'](#). The Fabian Society.
- 248 Lund, B. (2019) Housing in the United Kingdom: Whose crisis? Cham: Palgrave Macmillan.
- 249 Savills (2024) [Why now is a good time to revisit office to residential permitted development rights](#). Available at Savills.
- 250 Lund, B. (2019) Housing in the United Kingdom: Whose crisis? Cham: Palgrave Macmillan.
- 251 CIH (2023) [Homes at the Heart. Coventry: Chartered Institute of Housing](#).
- 252 Ibid.
- 253 Ryan-Collins, J., Lloyd, T., and Macfarlane, L. (2017) Rethinking the Economics of Land and Housing, Bloomsbury Academic & Professional, London.
- 254 Aubrey, T. (2018) [Gathering the windfall](#). Centre for Progressive Policy.
- 255 Galarza, V., Rich, H., Trew, C., Bloomer, S., Berry, C. and Matthews, M. (2022) [Brick by Brick](#). Shelter.;
- Graham, S. (2024) [Brick by Brick: Why we must act now to remake our housing market](#). Fabian Society.;
- Salutin, G. (2024) [Home Economics: Financial policies to increase homeownership](#). The Social Market Foundation.

- 256 Galarza, V., Rich, H., Trew, C., Bloomer, S., Berry, C. and Matthews, M. (2022) [Brick by Brick](#). Shelter.
- 257 Ibid.
- 258 Salutin, G. (2024) [Home Economics: Financial policies to increase homeownership](#). The Social Market Foundation.
- 259 Ibid.
- 260 Ibid.
- 261 Galarza, V., Rich, H., Trew, C., Bloomer, S., Berry, C. and Matthews, M. (2022) [Brick by Brick](#). Shelter.
- 262 Jeffreys, P. and Lloyd, T. (2017) [New Civic Housebuilding](#). Shelter.
- 263 Galarza, V., Rich, H., Trew, C., Bloomer, S., Berry, C. and Matthews, M. (2022) [Brick by Brick](#). Shelter.
- 264 LGA (2023) [Planning policy briefing, House of Commons - 17 January 2023](#). Available at Local Government Association.
- 265 Diner, A. and Tims, S. (2023) [Reforming property tax: Dampening further property speculation in the housing crisis](#). New Economics Foundation
- 266 HM Revenue & Customs (2024) [Higher rates of Stamp Duty Land Tax](#). Available at GOV.UK.
- 267 HM Treasury (2024) [Opposition policy costing – Non-resident SDLT – Labour Party](#). Available at GOV. UK.
- 268 Salutin, G. (2024) [Home Economics: Financial policies to increase homeownership](#). The Social Market Foundation.
- 269 DLUHC (2023) [English Housing Survey 2021 to 2022: second homes - fact sheet](#). Available at GOV. UK.
- 270 NHF (2024) [Visions for a long-term housing strategy](#). NHF.
- 271 Diner, A. and Tims, S. (2023) [Reforming property tax: Dampening further property speculation in the housing crisis](#). New Economics Foundation.
- 272 Century, S. and Parmar, J. (2022) [Delivering a Step Change in Affordable Housing Supply](#). Legal & General & the BPF.
- 273 Housing LIN (2014) [Funding Housing for Older People and Supported Housing: US Low Income Housing Tax Credits and their use in the UK](#). Housing Learning & Improvement Network.
- 274 Gibb, K., Mclennan, D. and Stephens, M. (2013) [Innovative financing of affordable housing: international and UK perspectives](#). Joseph Rowntree Foundation.
- 275 Clarke, A. and Oxley, M. (2017) [Using incentives to improve the private rented sector for people in poverty: An international policy review](#). Cambridge Centre for Housing & Planning Research.
- 276 Housing LIN (2014) [Funding Housing for Older People and Supported Housing: US Low Income Housing Tax Credits and their use in the UK](#). Housing Learning & Improvement Network.
- 277 Ibid.
- 278 Ibid.
- 279 Gibb, K., Mclennan, D. and Stephens, M. (2013) [Innovative financing of affordable housing: international and UK perspectives](#). Joseph Rowntree Foundation.
- 280 Housing LIN (2014) Funding Housing for Older People and Supported Housing: [US Low Income Housing Tax Credits and their use in the UK](#). Housing Learning & Improvement Network.
- 281 Smith, D. A. (2006) Incentives for affordable housing: learning from the American experience. In Hackett, P. (eds.) incentives for growth. London: Smith Institute.
- 282 Ibid.
- 283 IPF (2015) [Prospects for Institutional Investment in Social Housing](#). London: Investment Property Forum.
- 284 Ibid.
- 285 Gibb, K., Mclennan, D. and Stephens, M. (2013) [Innovative financing of affordable housing: international and UK perspectives](#). Joseph Rowntree Foundation.
- 286 RSH (2019) [Lease-based providers of specialised supported housing](#). Regulator of Social Housing.
- 287 Goulding, R. (2024) Transforming social housing into an asset class: REITs and the financialization of supported housing in England. *International Journal of Urban and Regional Research*, 48 (2). pp. 341-360.
- 288 UK Green Building Council (2013) [Retrofit Incentives](#). UK Green Building Council.
- 289 Ibid.

290 Jackman, J. (2024) [Is the Smart Export Guarantee failing solar panel owners?](#) Available at The Eco Experts.

291 Leather, Z. (2025) [Sunny day savings](#). London:Resolution Foundation.

292 Clark, T. and Hay, S. (2012) [Renewable energy: getting the benefits right for social housing](#). Joseph Rowntree Foundation.

293 Leather, Z. (2025) [Sunny day savings](#). London:Resolution Foundation.

294 Buro Happold and THFC (2021) [Retrofitting social housing: A funding roadmap](#). THFC.

295 Ibid.

296 Roberts, D. (2024) [Why the social homes of the future must be energy-smart](#). Available at Inside Housing.

297 Part-funded by the European Regional Development Fund.

298 Procure Plus (n.d.) [How the housing sector is generating new energy](#). Available at Inside Housing.

299 £6.9 million contributed by European Regional Development Fund.

300 Procure Plus (n.d.) [Homes as Energy Systems](#). Available at Procure Plus.

301 Procure Plus (n.d.) [How the housing sector is generating new energy](#). Available at Inside Housing.

302 Beswick, J., McCann, D. and Wheatley, H. (2019) [Building the social homes we need](#). New Economics Foundation.

303 Galarza, V., Rich, H., Trew, C., Bloomer, S., Berry, C. and Matthews, M. (2022) [Brick by Brick](#). Shelter. (p.7)

304 Beswick, J., McCann, D. and Wheatley, H. (2019) [Building the social homes we need](#). New Economics Foundation.

305 HCLGC (2020) [Building more social housing](#). Available at UK Parliament.

306 [Four Million Homes](#)

307 [Community Land Trust Network](#)

308 Heron, K., Milburn, K. and Russel, B. (2021) [Public-Common Partnerships: Democratising Ownership and Urban Development](#). Common Wealth.

309 Beswick, J., McCann, D. and Wheatley, H. (2019) [Building the social homes we need](#). New Economics Foundation.

310 NHF (2024) [State of MMC delivery in social housing. Building Better and NHF.](#); Galarza, V., Rich, H., Trew, C., Bloomer, S., Berry, C. and Matthews, M. (2022) [Brick by Brick](#). Shelter.

311 CIH (2025) [CIH response to Invest 2035: The UK's Modern Industrial Strategy](#). Available at Chartered Institute of Housing (CIH).

312 Ibid.

313 Ibid.

314 ARUP (2024) [Council Housing Social Rent Delivery](#). Shelter.

315 Galarza, V., Rich, H., Trew, C., Bloomer, S., Berry, C. and Matthews, M. (2022) [Brick by Brick](#). Shelter.

316 [Four Million Homes](#)

317 [Community Land Trust Network](#)

The Commissioners would like to thank the following organisations for their support without which the Manchester Social Housing Commission would not be possible:



Steady State Manchester
thriving people
recovering planet



The Manchester Social Housing Commission is convened by a coalition of voluntary and community sector organisations called Social Homes for Manchester. Coalition steering group members provide the Secretariat for the Commission and provide support to ensure meaningful and substantive community participation in the process.

Enquiries about the Commission can be directed to sophie.king@class-uk.com.

Please also see the below webpage for further information:
www.socialhomes4mcr.org.uk/commission

This document is an output of the Manchester Social Housing Commission which has been funded by a variety of organisations including through Impact Acceleration Awards at the Universities of Leeds, Manchester, and Manchester Metropolitan University.

The views expressed are not necessarily endorsed by these institutions and these institutions can accept no responsibility for views or information published by the Commission. The Commission is a partnership between public, voluntary, and community sector organisations, and individual professionals. Publications reflect the views and position of the Commission as a collective.

Individual Commissioners and partner organisations may publish or advocate for proposals that diverge from the Commission's collectively agreed position or policy recommendations.