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Further support for social and affordable housebuilding and next steps on supported housing

Statement made on 12 February 2025

Statement UIN HCWS447

Statement made by



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Statement

England is in the grip of an acute and entrenched housing crisis. The detrimental consequences of this disastrous state of affairs are now all pervasive. We have a generation locked out of homeownership; 1.3 million people languishing on social housing waiting lists; millions of low-income households forced into insecure, unaffordable and far too often sub-standard private rented housing; and 160,000 homeless children living in temporary accommodation.

Among the most important causes of the housing crisis is a failure over many decades to build enough homes of all tenures to meet housing demand and housing need. That is why the government's Plan for Change includes an ambitious milestone of delivering 1.5 million safe and decent homes in this Parliament.

We are also determined to deliver the biggest increase in social and affordable housebuilding in a generation. Today, I am announcing further support for the Affordable Homes Programme and the Local Authority Housing Fund, and outlining the steps the government intends to take to raise standards and better regulate supported housing.

Affordable Homes Programme

We will set out details of new investment to succeed the 2021-26 Affordable Homes Programme at the Spending Review later this year. This new investment will deliver a mix of homes for sub-market rent and homeownership, with a particular focus on delivering homes for Social Rent.

In October 2024, we announced £500 million in new in-year funding for the Affordable Homes Programme. As a result of significant demand from housing providers across the country, that additional funding is already oversubscribed.

I am therefore pleased to announce that the government is allocating a further £300m to the Affordable Homes Programme. This will support the near-term delivery of more social and affordable housing, delivering up to 2,800 new homes with more than half being Social Rent homes.

Local Authority Housing Fund

In addition to further funding for the 2021-26 Affordable Homes Programme, I am announcing a £50m increase to the third round of the Local Authority Housing Fund (LAHF 3). This takes the total funding for this round of the programme to £500m, alongside c.£30m of existing funding being reallocated.

LAHF provides funding to local authorities to help them deliver better quality temporary accommodation and to support UK commitments to those on Afghan resettlement schemes who are fleeing persecution. The Fund's Third Round, which we confirmed in July 2024, has had high levels of interest from local authorities, with over 150 taking part. In total, LAHF 3 will deliver more than 2,700 homes by 2026.

The majority of the additional £50m allocated will be used to procure better quality temporary accommodation so that local authorities can appropriately support local families in need of housing.

We recently invited councils to express an interest in delivering additional housing through LAHF, and we will be contacting those councils shortly to confirm the allocation of both the additional and reallocated funding.

Supported housing

While there are many excellent supported housing providers undertaking crucial work to help vulnerable people get back on their feet and improve their lives, there are still significant numbers of unscrupulous providers who fail to provide high-quality accommodation to their tenants and a minority of rogue exempt accommodation operators who exploit gaps in the existing regulatory regime to profiteer.

The impact of poor-quality, non-commissioned exempt accommodation on vulnerable individuals can be devastating, whether it is the physical and mental consequences of living in squalid conditions, the risks that arise from the absence of effective supervision and safeguarding arrangements, the money gouged from hard-up residents through service charge costs that are ineligible for housing benefit purposes, or simply the inability to sustain an exempt accommodation tenancy, or to move on from one, because of a lack of care or support.

This government is determined to improve the quality of accommodation in the supported housing sector and assisting local authorities to drive up standards in their areas. That is why we are committed to implementing the Supported Housing (Regulatory Oversight) Act 2023.

We are today announcing that on 20 February 2025, we will publish a consultation on a number of the regulatory reforms contained within it. These include proposals for National Supported Housing Standards and a locally-led licensing regime to give local authorities the powers they need to effectively manage the supported housing markets in their areas.

We are committed to taking a sensible and proportionate approach to the introduction of these planned reforms and we look forward to receiving feedback through the consultation from good providers, local authorities and residents to ensure we get things right.

Statement from

Ministry of Housing, Communities and Local Government



Linked statements

This statement has also been made in the House of Lords

Ministry of Housing, Communities and Local Government



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Baroness Taylor of Stevenage

Parliamentary Under Secretary of State

Labour, Life peer

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