73,000 homes for "strategic partners" but just 3.8% are council homes

There has been much hyperbole and misinformation accompanying the announcement of the first funding for the government's Social & Affordable Homes Programme. The official Labour Party Twitter account said that "Labour is funding more than 70,000 new homes across England, putting councils at the heart of house building." Another said "This is the biggest council house building revival in decades". Others such as Labour Future, not bothering to check, have talked of "Labour's plan to build 70,000 council homes". Alas, the reality is far different.

The £9.58 billion funding (excluding London)[1] is for 33 "Strategic Partners". Only three are councils; Cambridge, Eastleigh and Newcastle. The stark reality is this: the funding will deliver 73,617 homes, of which **only 2,811 will be council homes** (see the list below). This can hardly be said to be "putting councils at the heart of house building" when **only 3.8% of these homes will be council housing**. This fact is being obscured by the use of the term "social and affordable housing". It is certainly not "the reinvigoration of council house building" we have been told of.

The other 30 "Strategic Partners" are largely housing associations, although Homes England, which hands out the government funding, is also giving funding to Sage Homes, a 'for profit registered provider' (a subsidiary of Blackstone, the US asset manager) and Vistry, one of the biggest private builders. The three councils between them will receive £392.2 million. Sage and Vistry, will receive nearly as much, £350 million each. Why is the government giving funding to 'for profit' organisations and big builders instead of councils?

Sixty percent of these homes (44,170) are expected to be social rent, though the programme, originally 10 years, will now stretch to 2039, 13 years. These "Strategic Partners" will have until 2039 to finish building some of these properties.

Councils that have not applied for or been accepted as "strategic partners" have to apply via the "Continuous Market Engagement Programme", that is, bids for individual schemes. We don't know yet when an announcement will be made in relation to them. **As under the Keir Starmer government there is no funding ringfenced for councils**. They will have to compete for funding with housing associations, for profit providers, builders and developers. Moreover, the government has said that they expect bidders to minimise their grant request and maximise their own contribution.

Overall, the £39 billion programme is for 30,000 "affordable homes" a year for ten years; 10% of the government's annual target of 300,000. 18,000 of the "affordable homes" will be social rent, 6% of the government's target. We have explained elsewhere why this programme is "a flawed programme which will not solve the housing crisis" and in our letter to Angela Rayner what changes need to be made.

Essentially, this is the programme drawn up under Steve Reed. There is no addition to the original £39 billion, a majority of which has been 'backloaded' until after the next general election. The government is still keeping in place the Tory definition of "affordable housing", so it is still funding

- "affordable rent" (up to 80% of market rents) which was introduced by the coalition government to facilitate a 60% cut in funding,
- "shared ownership", and
- 'for profit providers' and big builders like Vistry.

As Shelter and many others have said, to begin to resolve the housing crisis, at least 90,000 social rent homes a year will be needed. Supporters of council housing, the many campaigns and the trades unions, need to step up the pressure to increase funding and demand that all of it goes on social rent homes.

The £9.58 billion for 73,617 implies average grant of £130,00, in line with the £39 billion for 300,000 homes. On the basis of that level of grant we need at least £11.7 billion a year for 10 years to fund 90,000

1 In London bids for funding had to be in by April of this year but the funding allocations have yet to be announced.

social rent homes a year. According to Savills, in their recent report for Shelter, grant of £177,000 per unit would be needed, which would translate to £15.9 billion a year for 10 years. This contrasts with the £3.9 billion a year for the Social & Affordable Homes Programme, which now appears to have slipped to 13 years (31st March 2039), or just £3 billion on average.

Organisation	Homes	Grant*
Abri Group Limited	1,967	£350.0m
Accent Housing Limited	1,340	£172.4m
Amplius Living	2,500	£320.5m
Aster Communities	1,320	£240.0m
Bromford Flagship Livewest Limited	2,629	£350.0m
Cambridge City Council	803	£96.4m
Clarion Housing Association Limited	2,977	£350.0m
Eastleigh Borough Council	1,042	£154.4m
EMH Housing and Regeneration Limited	2,495	£314.5m
Great Places Housing Association	2,600	£320.6m
Hyde Housing Association Limited	2,250	£349.9m
Jigsaw Homes North	1,990	£249.5m
Karbon Homes Limited	2,533	£350.0m
Magna Housing Limited	1,500	£250.0m
Metropolitan Housing Trust Limited	2,500	£299.8m
Midland Heart Limited	1,820	£225.1m
Newcastle City Council	966	£141.4m
Onward Homes Limited	3,000	£345.1m
Orbit Group Limited	3,335	£350.0m
Park Properties HA Ltd	1,500	£148.9m
Places For People Group Limited	2,595	£350.0m
Platform Housing Group Limited	2,800	£350.0m
Plymouth Community Homes Limited	1,500	£250.0m
Sage Homes RP Limited	2,772	£350.0m
Sanctuary Housing Association	2,000	£350.0m
Stonewater Limited	2,348	£350.0m
Thirteen Housing Group Limited	2,750	£349.2m

Organisation	Homes	Grant*
Together Housing Association Limited	3,200	£326.6m
Torus62 Limited	2,865	£349.9m
Vico Homes Limited	2,200	£250.0m
Vistry Homes Limited	3,028	£350.0m
Vivid Housing Limited	2,482	£349.9m
Yorkshire Housing Limited	2,010	£230.0m

* denotes figures rounded to the nearest £100,000.