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# **MEMBER BRIEFING** **FOR THE SOCIAL AND** **AFFORDABLE HOMES** **PROGRAMME** **PROSPECTUS**

## **Social and Affordable Homes Programme prospectus launched**

Last Friday, the government published the prospectus for the next Social and Affordable Homes Programme (SAHP). The SAHP had previously been announced at the Comprehensive Spending Review and will provide a total of £39 billion of grant funding over 10 years to develop new social and affordable homes. This prospectus provides further detail around how the fund will be delivered once the programme is opened for bids in **February 2026**. The full guidance is available [here](#) and a breakdown of the key details is below:

### **Tenure and programme focus**

As previously confirmed at the Spending Review, the SAHP will prioritise homes for social rent with at least 60% of the £39 billion to be for this tenure. This equates to 180,000 homes for social rent of the entire programme's 300,000 homes.

Homes England will manage at least £27.3 billion of funding to be delivered outside of London, including £1.2 billion of bridge funding that was announced in March 2025.

The programme will continue to fund properties for affordable rent and shared ownership, but the Right to Shared Ownership – where tenants can purchase a share of their rented home on shared ownership terms – will not be supported through the SAHP.

The prospectus and wider communications make clear that the government wish to see a diversification of social and affordable housing supply, with more council homes, more supported housing and more homes built in rural areas. The next Social and Affordable Homes Programme will not, however, have any specific targets for these categories of social and affordable homes.

The prospectus also does not include any information on anticipated grant rates, but states that Homes England will provide “*flexibility on grant rates to enable delivery of homes that are more expensive to build*”, including the categories mentioned above.

### **Programme structure**

The existing structure of the current Affordable Homes Programme, with both Strategic Partnerships and Continuous Market Engagement mechanisms, will be retained for the new programme, with both seeing significant changes.

## Strategic Partnerships

Strategic Partnerships will continue to offer long-term, multi-year funding agreements for landlords with ambitious development plans, but there will now be four Strategic Partnership routes, as well as additional funding available to existing strategic partners:

- Land-led RP:
  - Based on the existing model for providers generally operating across multiple regions.
  - New land-led strategic partnerships will need to deliver a minimum of 1,500 homes by 31<sup>st</sup> March 2036, with an initial cap of £250 million
  - Existing strategic partnerships must deliver at least 1,000 homes in addition to their existing commitments by 31<sup>st</sup> March 2036 and will have a funding cap of £350 million
  
- Local authorities:
  - A new model for local authorities operating alone or in partnership with a registered provider, to deliver projects in a single region.
  - Minimum of 800 homes by 31<sup>st</sup> March 2036 and initial funding cap of £250 million
  
- Specialist or supported housing:
  - Targeted at registered providers delivering the majority of their homes via supported, high design or complex housing schemes.
  - Minimum of 800 homes by 31<sup>st</sup> March 2036 and initial funding cap of £250 million
  
- Developer delivery:
  - Targeted at either developers who plan to sell homes to registered providers, over and above planning requirements, or registered providers contracting with developers to acquire additional affordable housing at scale, predominantly on a 'turn key' basis.
  - New developer delivery strategic partnerships will need to deliver a minimum of 1,500 homes by 31<sup>st</sup> March 2036, with an initial cap of £250 million
  - Existing strategic partnerships must deliver at least 1,000 homes in addition to their existing commitments by 31<sup>st</sup> March 2036 and will have a funding cap of £350 million

In addition to these routes, existing Strategic Partners who can demonstrate ambition, scale and pace of delivery will be able to apply for **Strategic Partnership Plus** status. Strategic Partnership Plus partners will need to deliver at least 4,000 homes by 31<sup>st</sup> March 2036, of which 1,000 will need to be complete by 31<sup>st</sup> March 2029. These partners will be eligible for an initial funding cap of £750 million.

## Continuous Market Engagement (CME)

Under the new programme Continuous Market Engagement will have two potential routes:

- General:
  - in line with the existing CME process, allocating funding on a scheme-by-scheme basis following application to Homes England.
  
- Portfolio:
  - Allocations will be provided across multiple schemes, including those at different stages of delivery, to partially de-risk development.
  - Providers will be able to demonstrate additionality and value for money across their entire portfolio
  - This change enables regeneration schemes that may not individually deliver a net increase in affordable homes, or other developments that cannot demonstrate value-for-money independently, to still qualify for funding, provided the overall portfolio contributes to the programme's supply and value-for-money objectives

## **Devolution and regional spend**

In line with the expansion of English devolution, the new Social and Affordable Homes Programme will be aligned to local priorities to a much greater extent than previous iterations of the fund outside of London. Mayors at Established Mayoral Strategic Authorities (EMSAs) will be able to set the strategic direction of the SAHP within their areas.

Each EMSA has also identified their own priorities for the programme, including types of homes, tenure and specific sites to be prioritised, as well as wider priorities. A full breakdown of local priorities for all of the EMSAs in the North is available at the end of this document.

Housing providers will be expected to demonstrate how they have incorporated the listed priorities within their bids for SAHP funding. EMSAs will also provide feedback on

applications for Strategic Partnerships, and will input into the decision making process for the most complex applications through Continuous Market Engagement (CME).

Indicative spends for each Established Mayoral Strategic Authority (EMSA) were also published alongside the prospectus. While these are not firm funding allocations, and final regional spends will be determined by the bids submitted to Homes England, they demonstrate the potential scale of investment in new social and affordable housing for each area.

In total, EMSAs in North of England have a total indicative spend of £5.3 billion, with individual indicative spends below.

- Greater Manchester - £1.8 billion
- Liverpool City Region - £700 million
- North East - £1.1 billion
- South Yorkshire - £700 million
- West Yorkshire - £1 billion

## **Regeneration and additionality**

The SAHP prospectus sets out an expanded role for regeneration within the programme. The next programme will better reflect the complexity and long-term nature of regeneration and estate renewal by running for a total of ten years, providing the greater funding certainty required to bring forward complex regeneration schemes.

Prospective regeneration schemes will still need to provide net additional social and affordable homes alongside replacement homes, but the ways in which providers can demonstrate additionality on regeneration schemes have been **significantly expanded**.

In the new programme, additionality can be demonstrated through providing new social and affordable housing:

- within the existing site boundary (through densification)
- across a portfolio of sites
- on adjacent land being brought back into use
- on new sites as a result of unlocked business plan capacity
- through providing additional bed spaces – for example, replacing 1 bed flats with family houses
- through replacing social and affordable homes that “are no longer fit for purpose, meet the needs of the intended client group, or otherwise in use as social and affordable housing”

The SAHP will also be able to fund a limited number of acquisitions. The guidance makes clear that this will primarily be for acquiring new build off-plan properties to accelerate wider housing delivery, but there will also be the ability to acquire second-hand homes in some circumstances when delivering regeneration.

For landlords accessing Social and Affordable Homes Programme funding through a strategic partnership, there will be caps in place limiting the proportion of homes delivered as acquisitions or replacement homes.

- Replacement social and affordable homes will be able to form no more than 10% of strategic partnership application.
- Acquisition of homes originally built for market sale and subsequently converted to an affordable housing tenure can also make up no more than 10% of a strategic partnership application.

## **Wider announcements**

In addition to the SAHP prospectus, there were some wider announcements relating to affordable housing.

Firstly, the government confirmed that the outcome of the previous consultation on rent convergence will be announced as part of the Budget on 26<sup>th</sup> November.

In addition, the policy statement accompanying the prospectus included the information that the £2.5 billion of low-interest loans announced at the Comprehensive Spending Review will be focused towards London landlords, due to the increasingly difficult situation facing both sector finances and affordable housebuilding in the capital. Final details on these loan products will be provided before the end of this year.

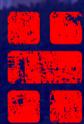
## Local priorities for Established Mayoral Strategic Authorities for the Social and Affordable Homes Programme

Established Mayoral Strategic Authority area	Indicative spend	Number of homes, tenure and type focus	Tenure and type of homes to be prioritised	Wider priorities	Priority sites/locations
Greater Manchester Combined Authority (GMCA)	£1.8 billion	10,000 energy efficient homes by 2030	<ul style="list-style-type: none"> <li>At least 60% Social Rent</li> <li>Support the '<a href="#">Places for Everyone</a>' joint development plan and progress towards Truly Affordable Net Zero standard</li> </ul>	<ul style="list-style-type: none"> <li>Contribute to the prevention agenda to reduce costs to the wider public sector – e.g. reduce temporary accommodation costs or provide better alternatives to high cost care settings</li> <li>Support regeneration schemes including the use of SAHP to fund acquisitions</li> </ul>	<p>Sites identified as part of:</p> <ul style="list-style-type: none"> <li><a href="#">Places for Everyone</a></li> <li>Stockport's Local Plan</li> </ul> <p>Schemes which contribute in the:</p> <ul style="list-style-type: none"> <li>6 Greater Manchester Growth Locations</li> <li>Key town centres</li> <li>Mayoral Development Zones or Corporations</li> </ul>
Liverpool City Region Combined Authority (LCRCA)	£700 million	16,000 social and affordable homes between 2026 and 2036	<ul style="list-style-type: none"> <li>At least 60% Social Rent</li> <li>Up to 20% Affordable Rent</li> <li>Up to 20% Shared Ownership</li> <li>Up to 15% Rent to Buy</li> <li>At least 10% Methods of Modern Construction (MMC) Category 2 by 2030, 25% by 2036</li> <li>A mix of property sizes with a focus on 1-bedroom homes</li> <li>Homes enabling elderly people to live independently for longer</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability and innovation in affordable housing delivery, including homes delivered to the Future Homes Standard</li> <li>Supporting council-led development</li> </ul>	<p>Housing investment priority areas include:</p> <ul style="list-style-type: none"> <li>Widnes and Halebank</li> <li>Runcorn and Halton Lea</li> <li>Huyton Town Centre</li> <li>Prescot Town Centre</li> <li>North Liverpool</li> <li>Central Liverpool</li> <li>Bootle Town Centre</li> <li>Southport Town Centre</li> <li>St Helens Town</li> <li>Earlestown</li> <li>Bold Forest Garden Village</li> <li>Birkenhead</li> </ul>

					<ul style="list-style-type: none"> <li>• Wirral Waters</li> </ul>
North East Combined Authority (NECA)	£1.1 billion	To increase delivery from 1,600 homes per year, with reassessment considered as part of the development of the North East Spatial Development Strategy	<ul style="list-style-type: none"> <li>• At least 60% Social Rent</li> <li>• 10-15% Affordable Rent</li> <li>• 20-25% other tenures such as Shared Ownership</li> <li>• Homes built to the Future Homes Standard and sustainable homes</li> <li>• Support innovation and Modern Methods of Construction (MMC)</li> <li>• Forms of housing that support homelessness objectives</li> </ul>	<ul style="list-style-type: none"> <li>• Help tackle fuel poverty</li> <li>• Reduce child poverty</li> <li>• Provide employability programmes and job opportunities for local people</li> <li>• Deliver regeneration and wider social value</li> <li>• Brownfield first to deliver homes in connected communities</li> <li>• Regeneration led development</li> <li>• Council led development</li> <li>• Rural housing need</li> <li>• Age related and health related housing need</li> <li>• Adopt <a href="#">SHINE</a> as part of the New Deal for North East Works</li> </ul>	<ul style="list-style-type: none"> <li>• Along major economic corridors formed by strategic and key road and rail, including: <ul style="list-style-type: none"> <li>• Upgrading of A19 junctions North of Newcastle</li> <li>• A1 dualling</li> <li>• A69</li> <li>• Northumberland Line</li> <li>• Leamside Investment Corridor</li> <li>• Metro Extensions</li> </ul> </li> <li>• Regeneration alongside the river Tyne including at Forth Yards and Gateshead Quays</li> <li>• Town and city centre growth: <ul style="list-style-type: none"> <li>• Riverside Sunderland</li> <li>• Sunnyside</li> <li>• Newton Aycliffe</li> <li>• South Shields</li> <li>• North Shields</li> <li>• Newcastle-Gateshead urban core</li> </ul> </li> <li>• Neighbourhood growth and regeneration: <ul style="list-style-type: none"> <li>• Felling</li> <li>• Wallsend</li> <li>• Horden</li> <li>• Hirst, Ashington</li> <li>• Blyth</li> <li>• Jarrow</li> <li>• Hebburn</li> </ul> </li> </ul>

					<p>Strategic growth areas</p> <ul style="list-style-type: none"> <li>• South Sunderland Growth Area</li> <li>• Murton Gap</li> <li>• Killingworth Moor</li> </ul>
South Yorkshire Mayoral Combined Authority (SYMCA)	£700 million	9,000 new affordable homes over the next 5 years	<ul style="list-style-type: none"> <li>• 60% Social Rent</li> <li>• 40% other affordable housing products including Affordable Rent and Shared Ownership</li> <li>• 10% supported or specialist housing</li> <li>• One-bedroom accommodation, level access and 3-4 bedroom family homes</li> <li>• Modern Methods of Construction</li> </ul>	<ul style="list-style-type: none"> <li>• Estate renewal and regeneration, including targeted acquisitions</li> <li>• Council-led delivery</li> <li>• Development of local construction and green skills</li> <li>• Community-led initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Barnsley – Hoyland (North and South) and Royston and Carlton</li> <li>• Doncaster – Unity and Doncaster Waterfront and city centre emerging sites</li> <li>• Rotherham – Bassingthorpe Farm and Rotherham town centre sites</li> <li>• Sheffield – Neeps End and Furnace Hil and Moorfoot</li> </ul> <p>Don Valley Corridor:</p> <ul style="list-style-type: none"> <li>• Attercliffe Waterside</li> <li>• Gleadless Valley</li> </ul>
West Yorkshire Combined Authority (WYCA)	£1 billion	<p>5,000 affordable homes between 2024 – 2028.</p> <p>Identified need of 3,800 affordable homes a year across WYCA local authority partners.</p>	<ul style="list-style-type: none"> <li>• 60% Social Rent</li> <li>• 20% other rental products such as Affordable Rent</li> <li>• 20% Affordable Home Ownership</li> <li>• Low carbon, energy efficient homes</li> <li>• Methods of Modern Construction where possible</li> <li>• Supported housing including for people with dementia, mental health</li> </ul>	<ul style="list-style-type: none"> <li>• Regeneration of town centres and neighbourhoods, particularly where they support sustainable, town-centre living</li> <li>• Brownfield development and regeneration of existing buildings</li> <li>• Housing near public transport, jobs, education and services</li> <li>• Champion active travel</li> </ul>	<ul style="list-style-type: none"> <li>• ‘Western Corridor’ – connecting Leeds, Bradford and Halifax, towards Greater Manchester</li> <li>• ‘Southern Corridor’ – linking Leeds, Dewsbury and Huddersfield, towards both Greater Manchester and South Yorkshire</li> <li>• ‘Eastern Corridor’ – connecting Leeds and Wakefield, towards South Yorkshire</li> </ul>

			<p>issues and learning disabilities</p> <ul style="list-style-type: none"> <li>• Dementia-ready housing</li> <li>• Housing for those underserved within social and affordable housing such as LGBTIA+ households, those from ethnic minority backgrounds, Gypsy and Traveller groups and European Roma communities</li> </ul>	<ul style="list-style-type: none"> <li>• Partnership working with local authorities to meet homelessness duties</li> <li>• Alignment with <a href="#">West Yorkshire Fair Work Charter</a></li> </ul>	
<b>Total (North)</b>	<b>£5.3 billion</b>	-	-	-	-



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