

# JANUARY 2026 HOUSING ANNOUNCEMENTS

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## MEMBER BRIEFING

Following several consultations and months of uncertainty, on 28 January 2026 the Government made a number of policy announcements relevant to the housing sector. These include:

- clarifying the requirements of the new **Decent Homes Standard** (DHS).
- new information following consultation on **Minimum Energy Efficiency Standards** (MEES).
- a response to the consultation on **rent convergence**.
- In the week prior to these announcements, the Government also published its long-awaited Warm Homes Plan, laying out the Government's strategy for improving domestic energy efficiency.

This briefing brings together the key takeaways from these announcements, and important elements for housing professionals in the North of England.

### **A reformed Decent Homes Standard for social and privately rented homes**

The Government published its response to the consultation on a reformed Decent Homes Standard (DHS), which ran from 2 July to 12 September 2025. Read the full Government response [here](#).

The accompanying [policy statement](#) released (28 January 2026) provides the final confirmation on deadlines, and the specific criteria landlords must meet across both the social rented sector (SRS) and the private rented sector (PRS).

The Northern Housing Consortium (NHC) welcomes the reformed Decent Homes Standard and the extension to the private rented sector. Overall, the revised standard reflects modern expectations on health and safety, damp and mould prevention,

thermal comfort, and modern facilities. It is helpful that, following the consultation, the final requirements have been refined in certain areas to ensure a more deliverable standard.

The new DHS will:

- **Remove age from the definition of disrepair so that building components don't have to be old and broken to be in disrepair, only broken**

The NHC submission on the proposals reflected the views of members showing that the age of a building component is a vital indicator for asset management. This has been reflected in the Government's response. The response makes clear that the removal of age from the definition of disrepair should not prevent landlords from designing repairs and maintenance programmes in a way that best supports them to manage their homes, which may involve planning based on the age of components. Guidance will be issued to clarify that there is no barrier to landlords doing this.

- **Introduce a new criterion, requiring that landlords ensure their properties are free from damp and mould**

Damp and mould will be regarded as a failure of the standard, and this requirement will be in addition to the requirements of Awaab's Law. There was concern that the proposal could mean that landlords would spend substantial time remedying less serious damp and mould. The Government is clear that including this new criterion in the DHS will require a proactive approach toward evidence-led decisions to address damp and mould concerns early. The intention is that landlords who meet the new standard will not just be remedying damp and mould problems, but also ensuring issues are addressed before they become more serious. This means they are less likely to reach the stage where action is required under Awaab's Law.

- **Provide additions to the building component list**

The new DHS will contain additions to the building component list, including bathroom components, and components relating to fire safety, damp and causes of damp, safe access, and internal finishes. It will not include additions relating to shared outdoor spaces (public realm components). The Government has agreed that including public realm components would create uncertainty about who is responsible for these areas and could place additional burdens on landlords. The Government has confirmed that they will work with landlords to refine definitions and examples of disrepair and has confirmed that the building components in the list will not be subject to further change.

- **Require all rented properties to provide child-resistant window restrictors**

Window restrictors must be installed wherever all four conditions that define a fall risk apply. This can apply to ground floor windows. Some consultation responses raised concerns that serious falls from windows are relatively rare, with some landlords suggesting that they do not justify the cost of installing restrictors across all their homes. However, the Government considers that window restrictors represent a proportionate, and low-cost, safety measure.

- **Embed MEES for both PRS and SRS within the DHS**

This alignment will mean that thermal comfort and energy performance are treated as essential components of housing quality. A range of exemptions will be available for landlords who are unable to comply with MEES requirements in both the PRS and SRS, due to practical constraints or circumstances that make achieving the minimum standard unfeasible.

- **The DHS provides clarity of the different expectations between houses and flats**

A 'multiple choice' approach, which is explained further below, has been adapted to provide clarity for all housing types and different expectations between houses and flats.

- **The reformed DHS will be extended to apply to temporary accommodation, supported housing and leasehold rented properties**

Further guidance will be provided to address how the DHS should be applied in these settings.

The Government considered the case for inclusion of additional items and decided **the new DHS will NOT include:**

- shared outdoor spaces (public realm components).
- additional regulatory security requirements beyond what is already in the DHS.
- a mandatory requirement on floor coverings. Responses to the consultation estimated an average cost of £2,000 per dwelling – equating to significant annual costs to provide for each let, which would be likely to impact other government objectives, such as housing supply. Government will establish a working group and pilot with the social housing sector on what more can be done to support tenants.

As an overview, **the new DHS will require:**

### **Criterion A – Homes must be free from the most dangerous hazards**

Compliance with Criterion A will be assessed using the Housing Health and Safety Rating System (HHSRS), which requires homes to be free from Category 1 hazards.

Government will bring forward new regulations to bring the revised HHSRS into force. The revised system forms the basis for assessing whether social housing meets Criterion A of the DHS. Awaab's Law was also developed using the HHSRS framework and its defined hazards.

### **Criterion B – A home must be in a reasonable state of repair**

A home will be non-decent where either one or more key building components is not in a reasonable state of repair, or where two or more other building components are not in a reasonable state of repair.

### **Criterion C – A home must provide core facilities and services**

To meet this criterion, **flats must provide at least three of the following facilities:**

- a kitchen with adequate space and layout;
- an appropriately located bathroom and WC;
- adequate insulation against external noise; and
- common entrance areas in blocks of flats that are of adequate size and layout.

To meet this criterion, **houses must provide at least two of the following facilities:**

- a kitchen with adequate space and layout;
- an appropriately located bathroom and WC; and
- adequate insulation against external noise.

### **Criterion D – A home must provide thermal comfort**

This includes meeting applicable Minimum Energy Efficiency Standards.

### **Criterion E – A home should be free of damp and mould**

Homes will be treated as non-decent where landlords have failed to address damp and mould.



## Implementation and next steps

The new DHS is a significant step in the ongoing reform of housing quality regulation with the Government confirming that all rented properties must meet the new DHS by 2035. (The energy efficiency deadlines remain at 2030).

While the new DHS has a 2035 implementation target, social landlords face immediate obligations under [Awaab's Law](#) (active as of October 2025) and a MEES deadline of 2030. Until 2035, social homes must continue to meet the current Decent Homes Standard while preparing for the new criteria.

Private landlords also have a nine-year implementation period, meaning full enforcement of the Decent Homes Standard for private rentals will start in 2035. However, the [Renters' Rights Act](#) brings in other changes much sooner with tenancy reforms introduced from May 2026. Private landlords must hit EPC C by 2030 regardless of the 2035 Decent Homes timeline. A consultation on the introduction of Awaab's Law in the private rented sector is awaited.

Detailed accompanying guidance to support the new DHS is due to be published by Government in the coming months.

## Warm Homes Plan

The Department for Energy Security and Net Zero (DESNZ) published the Warm Homes Plan, laying out the Government's plans for increasing the energy efficiency of 5 million homes between now and 2050.

The Plan will collectively deliver £15 billion of public investment, including a mix of grant and finance. The major elements of the Plan for housing in the North are:

- **£5 billion targeted towards 'low income' households, including £4.4 billion of grant and £600 million of finance**
  - This will be delivered, at first, through the existing domestic retrofit grant programmes (Warm Homes Social Housing Fund and Local Grant).
  - **For 2026/27**, there will be an **additional £295 million for the Social Housing Fund**. All grant recipients for Wave 3 of the Social Housing Fund will be contacted with further details as to how they can potentially access this new funding. Recipients of this top up funding may be required to procure via the Energy Company Obligation (ECO) supply chain, following the announcement at Autumn Budget 2025, that the ECO programme will be wound up.

- **From 2027/28**, the Government intends to combine the two grant programmes and deliver retrofit programmes for low-incomes through a more area-based, cross-tenure approach.
- **Grant funding for low-income households will increase** from £462 million in 2025/26, to £1 billion a year from 2027/28 until 2029/30.
- **Further information on the specific allocations of funding for the social housing sector**, as well as the role of mayors and strategic authorities in delivering retrofit funding, is set **to be provided in March 2026**. The Plan has promised to put mayors “in the driving seat”, and the Government has previously committed to the full devolution of retrofit funding within this Parliament.

Other elements of the Warm Homes Plan include:

- **A new Warm Homes Agency will be established to oversee delivery of the Plan**
- **The Future Homes Standard will be published in Q1 2026**
- **£1 billion of funding for heat networks**
  - This includes **£195 million a year to 2029/30 to support new networks** through the Green Heat Network Fund and **£15 million a year through the Heat Network Efficiency Scheme** to maintain and improve existing networks.
  - The Plan will include the **establishment of Zoning Coordination Bodies** (ZCBs), which will manage and oversee heat network zoning. This zoning approach designates specific locations where heat networks are considered one of the most appropriate heating solutions. Zoning Coordination Bodies may be established jointly by several local authorities, or led by a single strategic authority.
  - The Government has also established a **target to double the total amount of heat demand met by heat networks** in England to 7% by 2035, and to 20% by 2050.
  - At least **10 of the biggest English towns and cities are expected to establish their heat network zones** in the near future, with others to follow.

- **£2 billion of consumer loans for homeowners to improve the energy efficiency of their homes**
- **£2.7 billion for the Boiler Upgrade Scheme (BUS) – grants for homeowners to replace gas boilers with electric heating systems such as heat pumps**
- **A new Warm Homes Fund worth £5 billion to provide loans to industry and businesses, looking to drive down the costs of the net zero transition**

Finally, the plan demonstrates a slight shift in tone with a greater emphasis on increasing the uptake of technological improvements, such as solar PV, heat pumps and batteries, rather than the overwhelming focus on fabric and insulation improvements that we have seen previously. This follows extensive criticism and shortcomings in non-social housing retrofit programmes, where sub-standard installation of insulation has led to significant issues in homes, requiring extensive remediation at great cost. The Plan does make clear that cost-effective insulation improvements will still be supported, but it is likely that funding programmes in the future will prioritise lower-cost insulation such as loft top ups, rather than those which have struggled to demonstrate value-for-money such as External Wall Insulation.

The table below shows the annual and total allocations for different elements of the Warm Homes Plan. The full Plan can be accessed [here](#).

## Warm Homes Plan funding allocations

|  | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | Total        |
|--|---------|---------|---------|---------|---------|--------------|
| <b>Low-income homes grants (Social Housing Fund and Local Grant)</b> | £462m   | £960m   | £1bn    | £1bn    | £1bn    | £4.4bn       |
| <b>Boiler Upgrade Scheme</b>   | £295m   | £400m   | £600m   | £683m   | £709m   | £2.7bn       |
| <b>Heat Networks</b>   | £215m   | £212m   | £212m   | £212m   | £212m   | £1.1bn       |
| <b>Warm Homes Fund</b>   |         |         |         |         |         | £5.3bn       |
| <b>Of which: Consumer loan</b>                                       |         |         |         |         |         | £2.0bn       |
| <b>Of which: Low income loans</b>                                    |         |         |         |         |         | £600m        |
| <b>Other programmes</b>  |         |         |         |         |         | £428m        |
| <b>Total funding</b>   |         |         |         |         |         | <b>£15bn</b> |

## Minimum Energy Efficiency Standards

The sector also received further information on the requirements of Minimum Energy Efficiency Standards (MEES) for the Social Rented Sector. A full government response to the consultation is still expected in due course. These MEES requirements will form Criterion D of the new Decent Homes Standard and have changed significantly since the initial consultation last year.

The original proposals would have required homes in the Social Rented Sector to reach EPC C on a 'fabric' metric and one of two other metrics covering its heating system and its 'smart readiness' (the ability to use technologies such as solar PV and batteries).

**Following consultation, the Government has confirmed that social homes will only need to reach EPC C on any one of the three metrics by 2030, and a second metric by 2039.** The Government encourages providers to prioritise fabric installations, but this will not be mandated.

The information published also **confirmed an expansion of the proposed transition arrangements**, so that any property that reaches EPC C under the existing system by 2030 will be deemed compliant with MEES until the certificate expires.

**A £10,000 'spend exemption' will also apply for properties**, with further details due to be published shortly in a full government response to the consultation.

At the same time, the Government also published a consultation on the Home Energy Model and Energy Performance Certificate reform. This sets out important principles and proposals for what specifically will be required to demonstrate compliance with the Minimum Energy Efficiency Standards and the three related metrics.

Most importantly, the consultation makes clear that the Government intends that under no circumstances will fossil fuel heating systems, such as a gas boilers, be considered compliant with the heating system metric. Instead, homes will require non-fossil fuel heating, such as a heat pump or connection to a heat network.

In addition, the consultation is seeking views on two potential options for the 'smart readiness' metric. These are:

1. Microgeneration (such as solar), alongside a smart meter, would be sufficient to achieve a C rating.
2. Microgeneration alongside some form of energy storage, such as batteries.

The full Home Energy Model consultation is available [here](#) and open until 18 March 2026.



## Rent convergence

The Government has confirmed that **rent convergence will begin from April 2027**, rather than the 2026 start originally anticipated – with uplifts set **at £1 per week above CPI+1% in 2027** and **£2 per week from 2028** until formula rent is reached.

Rent convergence will only apply to formula rent, and not to the 5% (10% for supported housing) uplift charged in many parts of the North. Although the start date is later than expected, the final approach still provides a clear, long-term pathway for aligning rents with formula levels and gives landlords certainty over how convergence will be phased in.

This updated timetable sits alongside priorities highlighted in the NHC's consultation submission, which supported a £2 per week convergence level and outlined the benefits this would bring for reinvestment across the North. While the implementation now begins a year later than the NHC advocated, the Government's commitment to adopting the £2 uplift reflects a strong alignment with the direction of travel we argued for, supporting greater investment capacity over the life of the rent policy.

## Emergency Section 106 measures

The Government will publish time-limited emergency guidance to unblock Section 106 affordable homes that are already built, or close to completion, but currently have no registered provider (RP) buyer. Where developers can demonstrate they have made genuine efforts to sell homes under the agreed S106 terms, Local Planning Authorities are now explicitly encouraged to renegotiate or vary S106 agreements.

As part of this new process, any **uncontracted homes must be placed on the Homes England Clearing Service by June 2026 for at least six weeks** as a final attempt to secure an RP buyer. If no reasonable offer comes forward, LPAs can agree deeds of variation to:

- change the tenure,
- allow an alternative form of affordable housing provision, or
- accept commuted sums instead.

The guidance urges LPAs to take a pragmatic, light-touch and prompt approach, aiming to conclude decisions within around 12 weeks.

Planning authorities are specifically **encouraged to seek alternative affordable housing or discounted market tenures in the first instance**. If that is not feasible, they may then proceed to market rent or sale, provided that the equivalent form of affordable

housing is delivered on an alternative site within the local authority area, or a financial payment is made in lieu of on-site provision.

**The measures apply only to homes due to complete by December 2027** and are framed as a temporary intervention, intended to unblock stalled delivery rather than permanently dilute Section 106 affordable housing policy.

A full “roadmap” for section 106 delivery is available [here](#).

## Low interest loans

The Government confirmed further information relating to the **£2.5 billion of ‘low interest loans’**, exclusively for housing associations, originally announced at Autumn Budget. These details include:

- The **interest rate charged will be 0.1%**
- Loans will last for **25 years**
- **60% of loans** will be for organisations based in London
- They will be delivered via competitive bidding process by the **National Housing Bank** following initial grant allocation for the Social and Affordable Homes Programme
- Loans will be targeted at providers that can provide the **greatest additionality with regard to building new homes**
- **Up to 10% of the £2.5 billion** may be used for acquiring Section 106 properties.

## Support for council housebuilding

The Government outlined a package of steps designed to boost council housebuilding.

An **additional £3.5 million** is being added to the **Council Housebuilding Support Fund**, on top of last year’s £5.5 million, to help councils prepare development plans capable of **unlocking up to 9,800 new homes** through the Social and Affordable Homes Programme.

The **Housing Revenue Account threshold will be lifted from 200 to 1,000 homes**, giving smaller councils more scope to expand their housing stock without taking on extra operating costs.

To support larger-scale delivery, the **discounted Public Works Loan Board borrowing rate will be maintained**, helping councils access affordable finance for new build programmes. This discounted borrowing rate will be maintained at “gilts+40bps” and available exclusively for housebuilding through the Housing Revenue Account.

The Government is also **introducing a temporary mechanism allowing the tenure of uncontracted Section 106 homes to be adjusted** in cases where no affordable housing provider is able to purchase them, preventing these units from being left in limbo. Alongside this stop-gap measure, **ministers plan to work closely with councils, housing providers and developers to revive and simplify the Section 106 market**, modernising processes and strengthening providers' financial capacity so more homes can be delivered.

## Sector compact and taskforce

The Government has also announced a new “sector compact”, intended to formalise a shared set of commitments between the Government and the housing sector and support the delivery of key priorities including “ambitious social and affordable housebuilding commitments”.

**The Government hopes that the compact will demonstrate how additional funding and regulatory certainty has translated into additional delivery.**

Alongside this, **a sector taskforce is to be established to oversee delivery of the compact**. Bringing together a diverse group of sector organisations and wider interests, the taskforce will agree a set of shared metrics in areas of new supply, decency and more, which will be regularly reported to the Secretary of State.

Further detail on membership, governance and priorities of this group is expected shortly.