



Ministry of Housing,  
Communities &  
Local Government

**Matthew Pennycook**  
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All Housing Associations *via email only*

24 February 2026

Dear all,

I am writing to you on the day that bidding opens through Homes England and the Greater London Authority (GLA) for the new £39 billion Social and Affordable Homes Programme (SAHP) to encourage you to now come forward and submit ambitious bids for delivery in the programme.

Progress to date in respect of our twin objectives of delivering the biggest increase in social and affordable housebuilding in a generation and a transformational and lasting change in the safety and quality of homes has depended on a close working partnership with social housing providers across the country.

Your role in delivering the high-quality social and affordable homes this country needs is vital and your continued commitment essential to achieving our ambition of delivering around 300,000 new social and affordable homes across the lifetime of the new programme.

The SAHP represents a significant opportunity for you to demonstrate innovation and ambition. I urge you to consider how your organisations can maximise the potential of this programme through bold proposals, collaborative partnerships, and forward-thinking design in your bids. The deadline for initial bids for Strategic Partnerships is 15 April, while Homes England and the GLA will be open to bids through the Continuous Market Engagement route on an ongoing basis.

For bids outside of London, this includes working closely with Established Mayoral Strategic Authorities (EMSAs) to ensure that delivery in those areas demonstrates how you are meeting the relevant EMSA priorities set out in the funding guidance, alongside national priorities.

I also urge you not to self-censor in developing bids for more challenging types of delivery, such as for much needed supported homes or homes in rural areas and community-led homes. We have deliberately designed the new programme to provide flexibility in grant rates to help bring these forward.

Alongside grant, we have also confirmed £2.5 billion of low interest loans that will be available to Private Registered Providers between 2026 and 2030. 60% of this will be allocated to London in light of the acute challenges facing providers there. Loans will

be made available via a competitive bidding process. This will follow confirmation of initial grant allocations made through the SAHP. Ahead of the allocation of SAHP grants, we will ask providers to indicate their interest in bidding for a loan. We expect providers to submit ambitious grant bids for the SAHP from today, with the loans intended to secure additional homes over and above those delivered with SAHP grant funding alone.

### **A historic decade of certainty**

The announcement we made on 28 January, in which we provided a progress update on the implementation of our five-step plan to kickstart a decade of social and affordable housing renewal and confirmed next steps in respect of grant funding, regulation, rebuilding sector capacity, and the reinvigoration of council housebuilding, underscored the government's ongoing commitment to providing the sector with an unprecedented level of certainty.

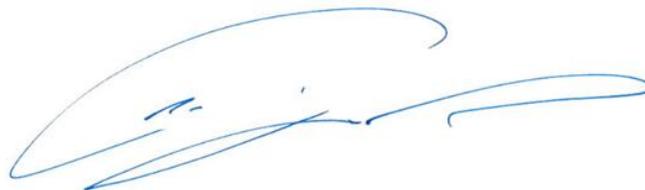
As we made clear in that January announcement, delivering new social and affordable homes must go hand in hand with ensuring that the four million existing social homes are safe, decent and warm. Following consultation, the government has confirmed the detailed design of a modernised Decent Homes Standard, applying to both social and private rented homes from 2035. This is accompanied by the final standard providing direction to the social rented sector on a new Minimum Energy Efficiency Standard.

I remain firmly committed to working in partnership with the sector to deliver a decade of social and affordable housing renewal. I have been working closely over the last few weeks with the National Housing Federation, the Local Government Association and other sector bodies to develop a compact. This compact will contain ambitious social and affordable housebuilding commitments and will be overseen by a taskforce comprising representatives from a range of sector organisations and interests. This taskforce will be an essential forum to drive delivery and ambition via the SAHP.

Taken together with the Spending Review package, we have now provided a decade of certainty across grant funding, rents, regulatory standards and clear ambitions for the sector. We are asking providers to take the next step now via bidding for SAHP to translate this certainty into ambitious delivery plans.

By working together, we can ensure this becomes a reality: investing in existing homes so they are safe, decent and warm, and delivering the biggest increase in social and affordable homes in a generation. I look forward to continuing to work closely with you as we deliver a decade of renewal.

Best wishes,



**MATTHEW PENNYCOOK MP**  
Minister of State for Housing and Planning