



Ministry of Housing, Communities & Local Government

Rt Hon Angela Rayner MP

*Deputy Prime Minister and Secretary of State for
Housing, Communities and Local Government*
2 Marsham Street
London
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All Housing Association Chief Executives

31 October 2024

Dear all,

BUDGET 2024

Following the Chancellor's Budget speech this afternoon, I am writing to set out what today's announcements will mean for our ongoing partnership with you to deliver the biggest increase in social and affordable housebuilding in a generation, to ensure that social homes are safe and decent, and that social housing is available for those who need it most.

Grant Funding

The Chancellor's announcement today of an immediate one-year cash injection of £500 million to top-up the existing Affordable Homes Programme will deliver up to 5,000 additional social and affordable homes. In addition, at the multi-year Spending Review next year, the Government will set out details of new investment to succeed the 2021-26 Affordable Homes Programme. 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. This funding will lay the foundations for delivering the government's manifesto commitments to deliver the biggest increase in social and affordable housebuilding in a generation.

Rent Settlement

We have today published a consultation on a new long-term social rent settlement of CPI+1% for five years. This will offer long-term certainty for social housing providers and provide the sector with the certainty it needs to invest in improving existing homes and building new ones. The consultation also seeks views on other potential options to give greater certainty, such as providing a 10-year settlement. The consultation can be found at <https://www.gov.uk/government/consultations/consultation-on-future-social-housing-rent-policy>. It will close on 23 December, and I hope you will contribute your views.

Right to Buy

The Budget also confirms the protection of existing social housing stock by reducing maximum Right to Buy cash discounts to their pre-2012 regional levels (ranging from £16,000 - £38,000). The reduced maximum discounts will apply to the Preserved Right to Buy, that is in relation to

housing association tenants who retain the Right to Buy because they were living in the home when it transferred from a council to the housing association. The secondary legislation to enact the discount reductions has been laid today and will come into force on 21 November this year. In addition, the Government is enabling councils to retain the full receipts generated from Right to Buy sales and increasing the protections for newly-built homes. Taken together, these measures will deliver a fairer, more sustainable scheme that represents better value for money, while also ensuring long-term tenants still benefit from the chance to own their own home.

The Government will be launching a consultation shortly on wider reform to the Right to Buy scheme, including looking at eligibility criteria and further protections for newly built social housing.

Building Safety

Finally, as the Prime Minister set out in his response to the Grenfell Tower Inquiry's final report, this government remains resolutely committed to improving building safety and accelerating the pace of remediation of unsafe housing. Therefore, investment in remediation will rise to over £1 billion in 2025-26 and, for the first time, it will include new investment to begin to speed up remediation of social housing. We are working closely with the social housing sector to understand how barriers to remediation can be overcome and will make further announcements later in the autumn.

I hope you will welcome the announcements above and contribute to the consultation on the rent settlement. I want to hear your views, and work in partnership with you to deliver on this Government's objectives for the social housing sector. Together, I believe we can deliver lasting change.

Yours sincerely,



RT HON ANGELA RAYNER MP

Deputy Prime Minister and Secretary of State for Housing, Communities and Local Government