AUGUST 2026 HOUSING POLICY AND SOCIAL AND AFFORDABLE HOMES PROGRAMME ANNOUNCEMENTS

MEMBER BRIEFING

The Government made a number of policy announcements related to housing in the last week of August. This Northern Housing Consortium (NHC) member briefing summarises the key points.

- The Government have announced £9.58bn for successful Social and Affordable Homes Programme (SAHP) Strategic Partnership bids outside London.
- This totals just 35% of the SAHP outside London, with over £16bn left to be allocated. Nearly two-thirds of the homes built by Strategic Partners will be for Social Rent.
- Of the £9.58 billon just over £2 billion will be delivered in five Established Mayoral Strategic Authority (EMSA) areas in the North
- The Ministry of Housing Communities and Local Government published a policy paper outlining future steps including a greater focus on council housing, social rent, and further devolution to Mayors, with the expectation more SAHP funding will flow directly to Established Mayoral Strategic Authorities in the future.
- MHCLG have stated that there is funding available for Continuous Market Engagement, which also includes a "portfolio route" for multiple sites, and called for partners to come forwards with strong bids for individual sites
- MHCLG have stated that more funding is available later in the programme, with significant sums still to be allocated in future years
- The top awards are £350m. No Strategic Partnership Plus bid of up to £750m has been awarded – but MHCLG have said that they will keep this under review
- The Secretary of State and Housing Minister have written to councils setting out support and policy changes that have been made to support council house-building and calling for "every council to examine its ambition and go further" and requesting every council review plans and bring forward ambitious bids.

- MHCLG have also published a consultation on the implementation of powers set out in the English Devolution and Community Empowerment Act on Mayoral Development Orders, the Mayoral Community Infrastructure Levy, and to enable Mayors to "call in" planning applications.
- The "call in power" is based on powers available to the London Mayor. Across the North, unlike London, Mayoral Strategic Authorities are made up of their constituent local authorities and while the Mayor is directly elected and would be able to exercise this power independently, the decision-making body is a Cabinet made up of the Mayor and constituent local authority leaders. A full NHC briefing on the Devolution Act including governance arrangements was published earlier this year.

Context

The government committed in its manifesto to:

- **deliver the biggest increase** in social and affordable housebuilding in a generation
- **support councils and housing associations** to make a greater contribution to affordable housing

In a new policy paper, the Government has stressed the need for and value of social rented homes – saying they are a **"crucial national asset to be proud of, to invest in, to protect and to maintain"**.

Under the new Prime Minister the Government says it will…**"decisively raise our ambition to ensure we build council houses on a scale not seen in decades"**.

Successful Strategic Partnership bids in the North

The Government set out its initial SAHP funding allocations on 25 August 2026 and thanked everyone who applied and submitted ambitious bids. Across England:

- 33 providers will receive funding totalling £9.58 billion
- there were 12 successful northern providers, set to receive funding totalling £3.43billion to deliver over 28,000 homes
- nearly two-thirds of the homes built by Strategic Partners will be for Social Rent
- 3 councils will be awarded Strategic Partnership status – including Newcastle City Council

Strategic Partner	Homes	Funding
Accent Housing Limited	1,340	£172.4m
Great Places Housing Association	2,600	£320.6m
Jigsaw Homes North	1,990	£249.5m
Karbon Homes Limited	2,533	£350m
Newcastle City Council	966	£141.4m
Onward Homes Limited	3,000	£345.1m
Places for People Group Limited	2,595	£350m
Thirteen Housing Group Limited	2,750	£349.2m
Together Housing Association Limited	3,200	£326.6m
Torus62 Limited	2,865	£349.9m
Vico Homes Limited	2,200	£250m
Yorkshire Housing Limited	2,010	£230m

Breakdown by EMSA area

Of the £9.58 billon **just over £2 billion will be delivered in five Established Mayoral Strategic Authority** (EMSA) areas in the North – supporting the priorities of mayors who set the strategic direction of the Programme in their areas.

Mayoral area	Indicative allocation under SAHP	Allocation to Strategic Partnerships	% of initial allocation for Strategic Partnerships
Greater Manchester	£1.8bn	£529m	29%
Liverpool City Region	£700m	£380m	54%
North East	£1.1bn	£445m	40.4%
South Yorkshire	£700m	£249m	35.6%
West Yorkshire	£1bn	£441m	44.1%

Next steps on SAHP

The policy paper published alongside the SAHP bids outlines that the core strategic objective of the SAHP is to maximise supply, especially social rent supply.

Government has set-out how the SAHP will evolve over its 10-year lifetime. This is to reflect the emphasis the new Prime Minister has put on:

- **increasing council housing delivery**
- **deepening devolution** – through a major **transfer of powers, resources, and functions** from central Government to elected mayors and local authorities in England

The Government has also set out its plans for investment expected through the **Continuous Market Engagement** (CME) route. Highlighting it:

- **intends to prioritise Social Rent homes and in particular council homes** – to achieve the Prime Minister's ambition to deliver the biggest council housebuilding programme since the early 1980s
- **funding will also be available for other providers** – and Government calls on partners to come forward with strong bids for specific sites

Council housebuilding

To reinvigorate council housebuilding the Government says...

- housing associations and other providers will continue to play a key role in the delivery of social and affordable homes
- it wants **greater partnership working between councils and housing associations**
- it is determined to enable **councils themselves to build at scale**

To support more council housebuilding the Government will...

- make sure councils can access more of the funding through the SAHP
- explore ways to support councils expand their social housing stock including:
    - low-cost borrowing
    - making use of existing powers

The Government has also said it will look to:

- **raise the cap on funding for acquisitions so that councils can buy more homes**, while they increase their capacity and capability to deliver homes directly

- reinvigorate Government's existing skills and capacity programme, re-branding it **'Capacity to Build'** and providing it with an **extra £46 million** to be invested over the next 3 years

The Government will engage with councils over the coming months to explore these and any other constraints to building at scale. The letter from the Secretary of State and Housing Minister to Council Leaders states:

"The government is putting substantial funding, flexibilities and support in place and we will continue to work with councils to remove barriers where they still exist. We now need every council to examine its ambition and go further. We are asking you to:

• review your council's plan for increasing the supply of council homes;

• examine your financial position and make use of Right to Buy receipts;

• make full use of Section 106 opportunities; engage with the new guidance and respond to the consultation on a new standard template for medium sites;

• consider how council-owned land and buildings could be used for housebuilding;

• bring forward ambitious bids for the remaining SAHP funding; and,

• tell us what barriers are preventing you from building ambitiously and quickly.

Every council must consider how they can stretch every pound and every site to build council homes. I recognise that councils are starting from different positions, but I expect every council to scale up now."

Devolution

As SAHP progresses MHCLG has stated that**:**

- there will be **more funding directly to EMSAs** (outside London), building on the strategic direction they have set
- there will be **locally made decisions** about social and affordable housing investment
- As Mayors are given more power over grant-funded delivery, the government will **work closely with them to maximise council housing delivery**.

Government will **support and empower mayors** to quickly **increase the capacity and capability** to deliver housing and **regeneration** schemes.

Dedicated delivery expertise will be made available to individual EMSAs – including through **Joint Delivery Units** between Mayors and Homes England.

This approach to SAHP will be in line with the Government's commitments in the Cabinet Statement on [Rewiring the State] – including funding mayors through retained taxation rather than grant.

Further policy detail published by MHCLG

The Government also wants partners delivering the SAHP to:

"consider what more you can do to support young people into employment, creating clear opportunities through the investment being provided."

On Section 106 Government has:

- said it needs all partners to maximise homes built through S106
- **launched a new consultation on a standard S106 template for medium sites**, which would be expected to become the default for applications in the future
- published the **National S106 Affordable Housing Engagement Guidance**, which:
    - establishes a shared framework for S106 delivery
    - sets out the principles of effective engagement between developers, registered providers and local planning authorities

Full details can be found on GOV.UK

Planning announcement

The Government also published on 24 August, a new consultation on Planning powers for Mayors in England. This is seeking views on the implementation of provisions in the English Devolution and Community Empowerment Act 2026 for:

- mayoral powers in relation to planning applications of potential strategic importance, principally for mayors outside London
- Mayoral Development Orders, which allow Mayors to proactively grant permission without an application being submitted
- Mayoral Community Infrastructure Levy for mayors outside London to fund vital strategic infrastructure

It also seeks views on changes to the secondary legislation for Local Development Orders.

Full details can be found on GOV.UK

The consultation enables Mayors to "call-in" developments of:

- more than 150 homes
- more than 15,000 square metres of non-residential floorspace or mixed use development
- buildings over 30m

The consultation also proposes that Mayor will be able to refuse certain applications once the Spatial Development Strategy has been adopted including:

- loss of housing capacity - with a threshold of loss of over 200 homes
- development on the Green Belt

The "call-in" powers are based on the powers available to the Mayor in London. Unlike in London, Mayoral Strategic Authorities in the North are Combined Authorities, made up of constituent Local Authorities. Mayors are directly elected but the decision-making body is a Cabinet system made up of constituent Local Authority leaders.

A full briefing on the English Devolution and Community Empowerment Act from the NHC is available here.

NHC reaction

Welcoming the announcement of funding being released from the Social and Affordable Homes Programme, Patrick Murray, Executive Director (Policy and External Relations) at the Northern Housing Consortium said:

"It's great news for communities in the North almost £10bn of funding from the Social and Affordable Homes programme has now been announced outside London. Our members stand ready to build much-needed new homes, and we share the Government's ambition for everyone to have a secure, affordable home which gives them the foundation for a good life. Allocating this funding now is the most important step to building more social housing in the next few years.

We also welcome increased collaboration between Homes England and Strategic Mayoral Authorities, with a bigger role for Mayors in the future, and the North's housing partnerships will also be central to this. In the North, these relationships already have strong foundations and are proving to be a successful delivery model. This will mean we will be able to better respond to different housing challenges in different places and ultimately get more of the right homes built in the right places.

"However, the programme has been oversubscribed, which demonstrates the appetite for development and unfortunately means disappointment for some of our members who could build more much needed social homes with more funding. We also understand that the flexibility which allows the Social and Affordable Home Programme to be used for estate regeneration could be further utilised to unlock more delivery. There is a gap in funding for regeneration. Our Renew inquiry has found regeneration acts as a catalyst for new development and unlocks capacity to build more social housing, particularly in the North. Further investment in housing-led regeneration through a £500m per year, 10-year devolved regeneration fund is needed.

Nonetheless this is a good day for all those in need of an affordable home. This announcement will mean more social housing and housing associations and councils can finally get on with building."