



# FUNDAMENTUM

## PROPERTY

## May Pledges £2bn to Boost Social Housing

21<sup>st</sup> September 2018

### **This Week**

At the National Housing Federation summit on 19<sup>th</sup> September, Prime Minister Theresa May promised 2 billion pounds from Britain's government to address the shortage in affordable housing. The government will provide the funding for housing associations, which provide the bulk of affordable homes in the UK. The new funding will be allocated over a period of up to 10 years, far longer than the three or four years that has been common. Under the plan, housing associations, councils and other organisations will be able to bid for the money to spend on new projects, starting from 2022. Associations will be able to apply for funding stretching as far ahead as 2028/29 – the first time any government has offered housing associations such long-term certainty.

May stated, "It will give Housing Associations the stability they need to get tens of thousands of affordable and social homes built where they are needed most and make it easier for you to leverage the private finance you need to build many more."

In response to the announcement, the chief executive of The National Housing Federation David Orr welcomed the changes: "For years, the way that money was allocated meant housing associations couldn't be sure of long-term funding to build much-needed affordable housing," said. "By changing the way in which they allocate funding, ministers have given long-term confidence."

After listing the various government housing programmes, Ms May said the government had met three key lobbying asks of the sector: a return to inflation linked rent rises, a u-turn on plans to cap social rents at Local Housing Allowance levels and long-term strategic partnerships for housing grant.

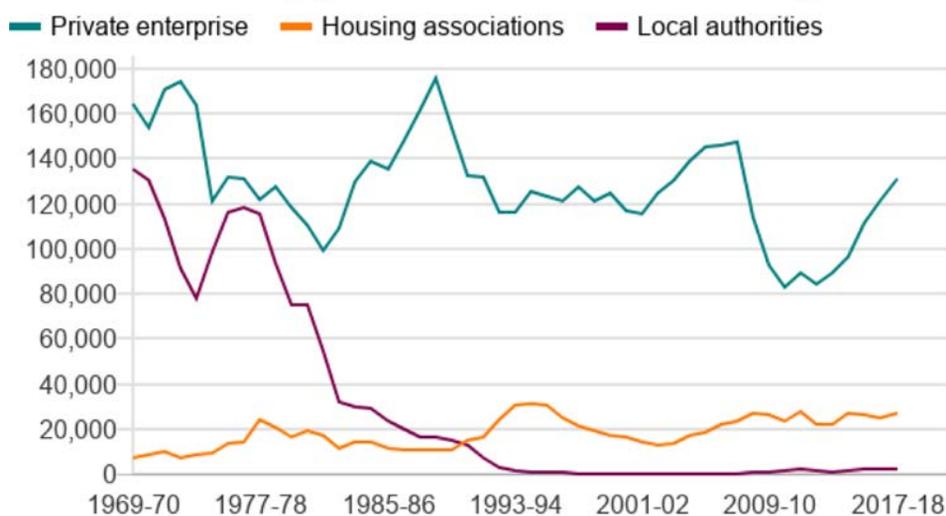
### **Social Housing History**

It could be said that it marks an incredible turnaround in the sector's relationship with the highest levels of government, which sank to a nadir in 2015 when David Cameron publicly attacked their efficiency amid cuts to funding and a total focus on home ownership as a priority above social rented housing.



Ms May has consistently moved away from this position throughout her premiership, but today's speech represented a high watermark, placing housing associations at the centre of her plans to tackle what she calls "her number one domestic priority".

### New homes built by private and social sectors in England



Source: Ministry of Housing, Communities and Local Government



Signatory of:



### Contact Details

a: 33-35 Victoria Street, Douglas, Isle of Man, IM12LF

t: +44 (0) 1624 670982

e: [info@fundamentum-property.com](mailto:info@fundamentum-property.com)

w: [fundamentum-property.com](http://fundamentum-property.com)