



Government's new Social and Affordable Homes Programme will help unlock the benefits of regeneration

The recently launched Social and Affordable Homes Programme is notable for a number of reasons. Running for a decade from 2026 to 2036, the programme is double the length of its predecessors giving registered providers genuine long-term certainty over the future availability of capital grant funding. Other features stand out too, including the strong emphasis on social rent – accounting for 60% of grant funding – and a stronger role for mayoral strategic authorities. But it is the approach to regeneration funding that will arguably be the most transformative. At Southern Housing, we're hoping it could unlock the regeneration of one of our largest estates. By enabling registered providers to claim grant for replacement as well as additional homes, Government has taken an important step towards improving our ageing housing stock while also boosting regeneration's contribution towards its 1.5 million homes target.

It's no secret estate regeneration has acquired a poor reputation in parts of the media and public discourse over recent decades. Accusations of gentrification and social cleansing have arisen, in part because too many projects have failed to replace social rent homes one-for-one.

Many of these problems have arisen because the economics of regeneration are uniquely demanding. Sites can be constrained, which limits opportunities for densification and fragmented ownership can delay progress. Decanting, leasehold buybacks, temporary works, and multi-year construction programmes during which costs are high – and rental income low add further financial challenges. Without dedicated funding to replace existing homes, providers have



often been left with only two choices: reduce social housing numbers or abandon regeneration altogether. Neither outcome has been good for residents.

That's why it's so positive to see Government commit to funding both replacement and additional homes through the 2026-36 Social and Affordable Homes Programme. In common with the latter stages of the 2021-26 programme, providers will need to demonstrate a net increase in social and affordable homes. But this additionality can now be demonstrated in a number of ways including across a portfolio of sites. This flexibility is vitally important as additionality can be difficult to achieve on-site, especially where opportunities for densification are limited.

That said, where additional social and affordable homes can be provided on-site, that should be the priority. And that is something we believe we can achieve through our redevelopment of the Four Courts estate in Hastings. The Four Courts – four high-rise buildings, collectively housing 380 households in St Leonards-on-Sea – have provided much needed affordable housing since their construction in the 1960s. But – as many residents and councillors have told us – they've now become outdated, and the physical constraints of the buildings mean we're not able to bring them up to modern standards.

Subject to planning approval and securing grant funding, the regeneration will deliver a net increase in affordable housing, from the 380 one and two bedroomed flats to around 450 brand new homes. Importantly, this will include a mix of house types from one bedroomed flats through to larger family houses. This simply wouldn't be possible without grant funding for replacement as well as additional homes. The additional homes will help reduce demand on Hastings' housing waiting list and contribute towards its housing supply targets. That's especially important in a local authority where spending on temporary accommodation accounts for a third of the yearly budget and

development opportunities are limited by geographical constraints.



Unusually, all homes (not just those we're replacing) will be for social rent. For the past 20 years all regeneration schemes of this scale have been mixed tenure, largely because of the reliance on cross-subsidy. But the extra flexibilities under the new Social and Affordable Homes Programme together with its duration and emphasis on social rent, should make a 100% social rented regeneration possible.

Opening up funding for regeneration may not be the easiest or quickest route to delivering Government's new-build targets. But it is essential if the nation's stock of social housing is to meet the needs of future as well as current generations.

Paul Hackett, Chief Executive of Southern Housing

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