

Comprehensive Spending Review

9 Vital Funding Programmes for the Housing Industry

The Hive Wire

July 2025



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Introduction

Last month the Chancellor delivered her first, multi-year, Comprehensive Spending Review (CSR) under the premise of “national renewal”. This follows a series of recent positive funding announcements and further updates made by Government over recent weeks.

At Hive Land & Planning we have been closely tracking these announcements to help identify current and emerging funding opportunities for our local authority client-base.

This edition of the Hive Wire presents a summary of the funding announcements made by Government, specifically focused on housing-led growth and regeneration.

We are pleased to provide this summary as a ‘call to action’ for those local authorities who may wish to capitalise on the immediate capacity funding announcements such as the ‘Council Housebuilding Support Fund’ (#9).



Capital Grant
Funding &
Investment

1

Social and Affordable Homes Programme

The Government has previously announced top-ups to the current Affordable Homes Programme (2021-2026). £500m was announced in October, a further £350m in February and an additional £2bn in March, after the initial £850m of funds was over-subscribed.

All projects funded through these funding top-ups will need to start by March 2027 and complete by June 2029.

The CSR then followed with news that the next round, termed the Social and Affordable Homes Programme (SAHP), will be established to run over a 10-year period. £39bn has been allocated to the programme with a target of delivering 300,000 homes.

This news has been received positively by the affordable housing sector both in terms of the increased levels of funding, increased average grant rates per plot (equating to £130,000 per plot) and the longer programme period.

This can avoid a slow-down of affordable housing as programmes reach the end of their life-span. At least 60% of homes to be delivered under the new programme are expected to be for Social Rent.

A full prospectus for the new programme is expected to be published in the Autumn. The affordable housing sector has also welcomed complementary measures announced by Government such as a 10-year rent settlement (with rents inflating at CPI+1%) and £2.5bn of low-interest loans provided for the delivery of affordable housing.



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National Housing Delivery Fund

This fund is a successor to the Building Infrastructure and Land Fund (BIL) which has been used to support the residential-led redevelopment of brownfield land over recent years. The new fund will be fully operational by 1st April 2026, with £5bn of funds allocated to support eligible projects 'for infrastructure and land'.

We expect funding criteria to be published by Government by the Autumn and that the fund will continue as the primary funding solution for residential-led urban regeneration projects which are financially unviable.

Our advice to Local Authority clients is to start the preparatory work now so that major projects are positioned into a 'funding-ready' stage early next year. Homes England should also have sight of key pipeline projects well in advance of the new funding round going live.

The Government has not yet confirmed what proportion of the fund will be 'top-sliced' and issued directly to Mayoral Combined Authorities and Greater London Authority. We would expect that devolved portions of the fund will be delivered in accordance with their own localised criteria.



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Homes England National Housing Bank

On 18 June 2025 the Minister of State for Housing and Planning, Matthew Pennycook, provided additional detail on the announcement for a National Housing Bank (NHB), as first confirmed via the Comprehensive Spending Review.

The NHB will be formed as an operating subsidiary of Homes England to deliver a 'long-term financial return for the government, drawing on the approach taken by the National Wealth Fund'.

A detailed investment strategy for the bank will be formed 'over the coming months' with the headline funding allocation set at £16bn. The aspiration is for this to leverage a further £53bn of private capital.

This is a significant move by Government, with Homes England positioned to take on a more active role in the investment of housing projects, via the National Housing Bank.

We would expect the bank to play a central role in housing delivery over the coming years given the significant funding allocation.



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Growth Mission Fund

The Growth Mission Fund was announced in the Spending Review as a £240m fund intended to support economic growth capital spending over a 4-year period from 2026 to 2030.

Funding will be targeted at local job creation and the economic regeneration of local communities. Southport, Kirkcaldy and Peterborough were named in the Chancellor's speech.

Further details and eligible places are expected to be announced later this summer.



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Local Growth Fund

The Local Growth Fund is a new fund designed to boost local growth projects and community facilities. It has a focus on mayoral city regions in the North and Midlands, representing places 'with the highest productivity catch-up and agglomeration potential'.

Funding parameters have not yet been specified but are expected to include 10-year capital settlements from 2026 to 2036.

The Spending Review positions the Local Growth Fund as a replacement for the UK Shared Prosperity Fund in eligible city regions.

The Local Growth Fund may be linked to a 'mayoral growth fund' in city regions with an integrated settlement. Mayoral growth funds would offer a financial investment facility which can recycle capital for growth aligned to local priorities.



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Investment in up to 350 Deprived Communities

This is referenced in the Spending Review with a commitment to "interventions including community cohesion, regeneration and improving the public realm".

At this point in time there is limited clarity on what this investment will comprise, when it will come forward, or how the 350 communities will be selected (although this likely includes areas covered by existing funding such as the Plan for Neighbourhoods).



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Plan for Neighbourhoods

The Plan for Neighbourhoods (PfN) is a £1.5 billion programme to invest up to £20m in 75 areas over a 10-year period. The programme is a direct replacement for the previous government's Long Term Plan for Towns. There were no changes to the selected list of places.

This selection process was non-competitive and based instead on a statistical methodology targeting socio-economic outcomes. As such there are no additional places being considered under this programme.

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Revenue
Funding

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One Public Estate

The most recent One Public Estate (OPE) funding was the Brownfield Land Release Fund 2 (Round 3) which saw £68m awarded to 54 councils in October 2024. This funding is specifically earmarked for clearing, de-risking and preparing publicly owned brownfield land.

The fund is not currently accepting new applications, however our understanding is that OPE may announce further rounds of BLRF funding in the coming months.



Revenue Funding

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Council Housebuilding Support Fund

The Council Housebuilding Support Fund (CHSF) was launched by Government in July 2025. The £5.5m fund is administered by Homes England. It is designed to help local authorities access the renewed Social and Affordable Homes Programme (SAHP) which commences in April 2026.

The deadline for applications is 22nd August 2025, or earlier if funds are fully allocated. It is therefore imperative that councils act now to craft a strong proposal.

The CHSF is available to all councils in England (outside London), targeted at those seeking to expand their delivery of affordable housing. Each council is invited to apply for up to £300,000 of revenue funding to improve their capabilities in preparing bids for the SAHP.

Funds can be used for new or additional activities which could include:

- Training or upskilling staff to improve their knowledge and understanding;
- Developing a robust pipeline of deliverable sites;
- Preparing delivery strategies to unlock complex sites;
- Technical expertise to support pre-development and enabling work;
- Collaboration through partnerships with developers or registered providers; and
- Additional staffing, project management or consultant support.



Revenue
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Council Housebuilding Support Fund (cont.)

Proposals should include a clear plan and milestones for each activity. These must demonstrate how they will achieve faster, more ambitious bids to the SAHP and increase the delivery of affordable homes compared to existing plans.

Homes England will assess how proposals show value for money, deliverability and strategic fit.

Preference will be given where funds are used to support the development of SAHP bids which prioritise social rent, and bids which can be submitted by early 2026 to enable the delivery of affordable housing by 2029.

Successful councils will be informed in September 2025. 75% of funds will be paid on entering into a funding agreement with MHCLG. The remaining 25% will be paid once agreed milestones are met (no later than March 2026).

A subsequent evaluation of the CHSF will assess how the funded activities helped to promote the strategic objectives of the SAHP programme from 2026 onwards.





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