



29 September 2025

Sent via Email

Matthew Pennycook MP, Minister for Housing and Planning, MHCLG
Samantha Dixon MP, Minister for Building Safety, Fire and Democracy, MHCLG
Martin McCluskey, Minister for Energy Consumers, DESNZ

Making the case for investment in existing and new social homes

Dear Ministers,

On behalf of the Chartered Institute of Housing (CIH), the National Federation of ALMOs (NFA), the Councils with ALMOs Group (CWAG) and the Association of Retained Council Housing (ARCH) we are writing to highlight the common themes from our recent consultation responses on social rent convergence, the Decent Homes Standard (DHS) and Minimum Energy Efficiency Standards (MEES). Together these reflect one overarching aim: to deliver warmer, safer, decent homes, while safeguarding affordability and enabling councils and ALMOs to invest sustainably in existing and new supply.

Social rent convergence — unlock capacity while protecting affordability

We welcome the Government's commitment to implementing social rent convergence; a long-standing ask from councils and the wider sector. Evidence from our [Savills modelling](#) shows that, of the options set out in the consultation, only £2/week+ convergence from April 2026 enables the HRA to return to cumulative surplus within 10 years and maximise capacity to deliver new homes.

However, how additional rental income translates into capacity for new supply depends on the extent to which funds must be directed to existing homes. The new requirements proposed via the consultations on DHS and MEES - while rightly looking to guarantee tenants and residents good quality, safe and efficient homes - will place significant new pressures on Housing Revenue Accounts (HRAs), alongside Awaab's Law and compliance costs. Without funding for these new burdens, much of the additional convergence income will be absorbed by essential investment in existing homes, eroding capacity for new supply. Local authorities continue to report acute and rising financial pressures on HRAs. With [over a third](#) of HRAs already in deficit this financial year, convergence alone cannot solve viability pressures.

We therefore strongly urge implementation of rent convergence from April 2026, with no unnecessary delay, and for convergence to continue for the full 10-year rent settlement and

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beyond, unless and until full convergence is reached. In addition to convergence, we recommend that Government:

- Undertake a review of what social rents should cover, with the aim of re-establishing the link between rent levels and the cost of managing existing homes
- Undertake an urgent review of the self-financing regime to ensure it is fit for now and the future (As set out in CIH and Savills' [report](#) last year, the settlement was designed to support local authorities to maintain decency, before being undermined by a series of rent cuts and freezes.)
- Fund a new [Green and Decent Homes Programme](#) to address the additional expenditure requirements set out below.
- Boost financial capacity for new development by making permanent the preferential PWLB borrowing rate for social housing and extending it to councils without HRAs, and give councils access to the £2.5 billion low-interest loans announced at the Spending Review.
- Increase grant levels per home in the next Social and Affordable Homes Programme to improve scheme viability.

Decent Homes Standard — outcome-focused, fair and funded

We welcome the Government's proposals for a reformed DHS and support its extension across social and private rented housing, creating greater consistency for tenants. Our members strongly support a clearer, outcome-focused approach. However, successful delivery will require clearer guidance, realistic costings, and sustained funding. The first Decent Homes Standard, introduced by the Labour government, was accompanied by [£22 billion in additional government investment](#) and a clear plan to support local authorities to achieve decency.

We recommend that Government:

- Ensure DHS is aligned with building safety, fire safety, MEES, Awaab's Law and consumer standards, with clear and consistent guidance.
- Recognise that costs are underestimated; provide additional funding and establish a long-term Decent Homes Programme across tenures.
- Remove "age" as a measure of disrepair, adopt more descriptive thresholds, and treat kitchens, bathrooms, ventilation, lifts and communal areas as key to safety and wellbeing.
- Embed resident voice, ensure that measures on damp and mould safeguard resident safety, and undertake further work with the sector on the complex area of floor coverings.
- Phase delivery, prioritising health and safety issues first, with a clear trajectory to full compliance by 2035 and interim milestones and the necessary funding to support local authorities to achieve them.

MEES — warmer homes, lower bills, realistic delivery

We support the intent to deliver warmer, lower-bill homes and to align with decarbonisation, but the policy and metric landscape is still unsettled (EPC reform/HEM). This creates uncertainty for stock planning and risks pausing retrofit programmes until rules are settled. Our evidence also suggests that if all investment towards MEES (fabric, smart technologies or heating) is required before 2030, there is a risk of building programmes being curtailed, even with convergence. An initial trajectory to 2030 on a fabric measure should therefore be immediately introduced, with a



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final decision on secondary metrics confirmed after further engagement with the sector and residents.

We recommend that Government:

- Confirm an initial MEES target for 2030 that is aligned to what the sector is already working towards, with a £10k cost cap and the proposed transition and exemption regimes. This will ensure sector investment towards the statutory fuel poverty target continues, while allowing time to finalise the full policy after further consultation and evidence.
- Ensure that heat pumps are affordable to run for social housing residents before their widespread rollout, by considering targeted bill support and removing levies from electricity bills.
- Allow flexibility for homes where fabric upgrades are not viable.
- Align MEES delivery with grant programmes (e.g. a scaled-up Warm Homes: Social Housing Fund) and HRA financial reform.
- Develop at pace the plan for reaching net zero by 2050, setting out a roadmap from 2030 to 2050 so that social housing providers can make long-term business plans.

In summary, across DHS, MEES, and rent policy, we stress the need for:

- Joined-up policy to avoid duplication and conflicting requirements.
- Realistic funding and capacity planning to prevent displacement of investment in new supply.
- A sharp focus on tenant outcomes — warmth, safety, affordability, and dignity.

We would welcome the opportunity to meet with your officials to discuss these proposals in detail and co-design a delivery plan that strikes the balance between standards, affordability and the sector's capacity to deliver.

Yours sincerely,

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