G15 Spending Review Submission to Treasury

February 2025

About the G15

The G15 is made up of London's leading housing associations. The G15's members provide more than 850,000 homes across the country, including around one in ten homes for Londoners. Delivering good quality safe homes for our residents is our number one priority. Last year our members invested almost £1.5bn in improvement works and repairs to people's homes, ensuring people can live well. Together, we are the largest providers of new affordable homes in London and a significant proportion of all affordable homes across England. It's what we were set up to do and what we're committed to achieving. We are independent, charitable organisations and all the money we make is reinvested in building more affordable homes and delivering services for our residents.

Find out more and see our latest updates on our website: www.g15.london

The G15 members are:

- A2Dominion
- Clarion Housing Group
- The Guinness Partnership
- Hyde
- L&Q
- MTVH
- Sovereign Network Group
- Notting Hill Genesis
- Peabody
- Riverside
- Southern Housing

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Executive summary

The housing sector in London is at a critical point. We are in the midst of a historically bad homelessness and temporary accommodation crisis, with record numbers of people without a permanent place to live. At the same time, social landlords are facing significant financial turbulence; many are grappling with serious challenges to maintain existing homes to a decent standard. While we see it as a fundamental part of our social purpose to build the homes the capital needs, this is currently unrealistic for many. The G15 therefore welcomes the opportunity to feed in to the spending review, and outline the steps we believe are needed to turn the dial.

The key points from our response are:

Affordable housing is critical national infrastructure – HMT should consider it as such. Money spent on building homes is currently seen as borrowing or grant, rather than the creation of a national asset. If housing were to be reclassified as infrastructure, it would provide long-term certainty over funding, unlock substantial investment, and could better integrate housing with essential services.

Building and maintaining good quality social housing drives sustainable, inclusive growth. Investment in affordable housing is one of the most effective ways for government to create growth. By allowing low-income workers to live affordably in the capital, stimulating the construction industry and creating the green jobs of the future, government can unlock huge economic gains.

Housing associations could be ideally placed to support government's aim to build 1.5 million homes, but are under severe pressure – particularly in the capital. G15 members have the experience, scale and public service ethos to build the right types of homes in London and help alleviate the housing crisis. However, our ability to do so is currently severely limited. Regulatory pressures and economic turbulence have decimated our ability to borrow and our appetite to take risks: we need government to take action to help restore this capacity, improve the confidence of our boards, and help us to start building homes over the long term.

Specifically, we need:

1. A 10-year rent settlement permitting annual rises of CPI+1% with the reintroduction of a rent convergence mechanism
2. A long-term and ambitious successor to the current Affordable Homes Programme
3. Social landlords to be granted equal access to the Building Safety Fund & Cladding Safety Scheme
4. A new Warm and Decent Homes fund

This would:

- Support inclusive growth in London,
- Help restore our long-term financial capacity so we can build new social homes in London and alleviate the temporary accommodation crisis
- Allow us to continue to improve the quality and energy efficiency of existing homes

Social Housing as infrastructure and an enabler of inclusive growth in London

Affordable housing is not just a critical enabler of infrastructure—it is infrastructure.

It is essential that Treasury recognises housing as a fundamental part of the UK's infrastructure strategy and invests accordingly, rather than viewing it as a cost that adds to national debt. The long-term funding certainty that infrastructure projects benefit from is critical to facilitating more consistent delivery of homes. The current Affordable Homes Programme comes to an end in 2026, and we do not yet know what will replace it. This uncertainty is unhelpful: as long-term businesses with development pipelines that extend over decades, we need that certainty to be able to plan, and to attract investors.l

At present, the government's fiscal rules mean that housing benefit expenditure is considered in the same way as expenditure through grant funding. This is fundamentally wrong: grant funding for affordable housing provides a significant return to the government. Any grant funding that is provided to housing associations to build enables us to leverage in private finance, producing a multiplier effect and making public money go further. This is a much more efficient way of providing subsidised housing than doing so through the benefits system.

Clearly, building social homes is an expensive thing to do, and creates debt. However, creating debt to build homes, which deliver long-term returns, should surely be preferable to paying an ever-increasing benefits bill.

The housing crisis is not a problem that will be solved in one parliamentary term: it requires long-term solutions. A move to view housing as infrastructure would mean more long-term decision making, boost confidence and investment in the sector, and ultimately lead to greater delivery of homes.

Building affordable homes is a very efficient way to drive sustainable economic growth. Research from the National Housing Federation (NHF) demonstrates the vast socioeconomic benefits of building social homes. If 90,000 social homes were built in a single year, the net positive economic and social impacts are estimated to be £51.2 billion, with a significant proportion of these benefits realised in the short term[1].

G15 members create two jobs per year for each home built, supporting nearly 50,000 jobs annually in London under the current Affordable Homes Programme (AHP)[2]. A typical development carries a minimum of 79 different job roles, from apprenticeships to senior management roles, reinforcing the integral role housing plays in facilitating economic growth.

Research by G15 member Hyde also demonstrates the wider social value derived from providing social housing. In 2024, the Value of a Social Tenancy (VoST) stood at a minimum of £18,051 per tenancy per year, realised through helping people into working, cost savings to the NHS, and reduced crime, among other factors. Housing associations, which collectively own 2.5 million social homes, generate an estimated £46.3 billion in socioeconomic value each year[3].

London is characterised by a broad diversity in jobs, and in turn income, and therefore needs housing at a range of price levels to support economic growth in the capital. Ultimately good-quality, affordable housing is a foundation for inclusive growth, allowing people from all walks of life and income to live and work in London.

We maintain homes which allows low-income households to continue living in London, and sub-market rents release disposable income, which has a higher multiplier effect in the local economy than property wealth accumulation.

There is also a growing group of people who are not eligible for social housing, but struggle to pay full market rents or buy a property. In diversifying our rental offer, we are supporting a wider group of people through the provisions of intermediate market products. Housing associations also meet the needs of low to middle income households, via intermediate market products such as shared ownership: the average income of a first-time buyer is around twice as high as the typical shared ownership purchaser. Research from our member Peabody, shows that one third of London's police officers, ambulance staff and workers in care-related jobs live in social housing[4].

At present, there are 150,000 children in temporary accommodation in London[5]. We desperately need to build more social rented homes to give them the security they need to thrive in school and beyond. By investing in social housing, the government can unlock long-term economic gains, create stable communities, and ensure that growth benefits everyone.

Housing associations are key partners in achieving the aim of building 1.5 million homes

Housing associations are well-positioned to support the government in achieving its ambition of delivering 1.5 million new homes. We have decades of experience, unique expertise, and the ability to leverage private investment which can multiply any public investment. Modelling from the NHF shows that for every £1 of public grant housing associations would unlock £4 of private investment[6]. We are primed to accelerate housebuilding in the capital while ensuring long-term investment in communities.

Our track record in delivering social rent homes, particularly in London, demonstrates our commitment to meeting local needs. Crucially, we focus on building the right homes in the right places, addressing acute shortages—especially for family-sized homes. Research by the

Centre for London highlights that households face an average wait of 844 days (2 years and 3 months) for a one-bed property, while the wait for a four-bedroom home extends to 2,304 days (6 years and 3 months)[7]. Meeting this demand is a core part of our mission, and we stand ready to partner with the government to deliver these much-needed homes.

However, the sector is facing unprecedented financial pressures that threaten its ability to maintain a strong delivery pipeline. Rising costs, an increased regulatory burden, and economic instability are putting significant strain on housing associations. We want to play a central role in delivering the government's housebuilding ambitions, but addressing these challenges through a collaborative approach will be key to unlocking our full potential and ability to multiply public investment with private finance, ensuring the continued supply of affordable, high-quality homes.

London's social landlords are facing unique financial, regulatory and social pressures

London is the epicentre of the housing crisis, and is facing unique challenges to housing delivery as well as historic homelessness pressures. Simultaneously, the capital's social landlords are dealing with a plethora of financial, regulatory and social problems.

London's social landlords have been disproportionately affected by the building safety crisis. 2,636 out of the 4,771 buildings currently monitored for potential building safety issues are in London, as well as 82 out of the 161 high-rise (18m+) social housing buildings with unsafe cladding (51%)[8]. The total fire safety expenditure across the G15 in 2024 was £385m compared to £346m the previous year, and we are forecasting a total spend of £3.6bn on building safety works between 2021 and 2036. Some members have estimated that as much as 55% of remediation costs are for works other than those relating to cladding or the external wall systems. Currently, none of these costs are currently covered by the Building Safety Fund.

Similarly, while we fully support the renewed focus on improving the quality of existing homes, we are seeing significant cost increases. G15 members collectively spent £8.4bn on repairs and maintenance in 2024, an increase of 90% over the past 5 years. The average spend per unit has increased from £2,258 in 2019/20 up to £3,382 in 2023/24.

This reflects the rising cost of materials and labour, but also the additional costs of operating in London. In total, the estimated cost of repairing all hazards in London's social rented homes is £348m, while the total for England is £842m[9]. London therefore accounts for 42% of the total costs whilst only accounting for 15% of England's population.

The sector is also primed for the implementation of the new Decent Homes Standard and Awaab's Law, which we expect will impose substantial additional costs. At the same time, we are also striving to decarbonise residents' homes and reach net zero by 2050. Members are expected to incur costs of around £1.2bn to bring all general needs properties up to EPC Band C by 2030 and in total, achieving Net Zero is expected to cost the G15 between £10-£11bn by 2050.

The challenge of retrofitting homes in London is often complicated by the proliferation of high-density buildings, that are on average much older than the rest of the UK. While retrofitting high rise flats can bring efficiencies, there are also difficulties associated with having multiple tenures in one place and the associated costs of certain works, such as replacing heating systems.[10]

Skills shortages are another significant problem delaying delivery in London's retrofit, with just 16 Retrofit coordinators based in London qualified to oversee public sector retrofit projects, according to Trustmark[11]. At present, national policy doesn't take account of these regional characteristics or costs. London currently lags far behind where it needs to be to reach net-zero: both the rate and funding of retrofit would have to increase 15-fold by 2030 to be on-target.

The shortage of workers to retrofit the capital's homes is reflective of a wider problem. London is at the forefront of a trade and skills shortage. This has been driven in part by restrictions on migration, but also as a result of workers struggling to access affordable housing.

Construction and maintenance workers are harder to find and more expensive to employ in London, which makes providing timely and high-quality repairs more difficult. Employee turnover is twice as high in London compared to other regions, which again makes it harder to provide a reliable service and single point of contact to residents. Modelling from the Regulator of Social Housing assumes that the additional cost of paying competitive wages in London leads to an additional £1,900 in housing costs per unit, which far exceeds the extra rental income we receive via higher rents[12].

What are the consequences of this? Financial uncertainty and slowing housebuilding

Declining grants, restrictions on rental increases and higher spending, notably on building safety and repairs & maintenance, has weakened our interest cover dramatically: interest cover for the group was 58% in 2024, down from 73% in 2023 and 102% in 2022.

The economic uncertainty, sky rocketing inflation and slow housing market we have experienced in recent years has left members covering significant interest bills. In 2023, we saw a 19% (£248m) increase in interest paid. Our borrowing, which historically has been used to fund new development, is now being used to cover the increasing costs of quality and safety works – in lieu of any funding available from central government.

Taken together, these pressures on both housing associations' income and expenditure – combined with major policy uncertainty - have rapidly eroded our capacity and confidence to borrow and to build.

While it absolutely right that we invest in residents' homes, as providers shift their business plans away from delivering new homes this does impact our balance sheet and ability to attract private capital. Investors are much more willing to provide finance to develop new homes than invest in our existing stock.

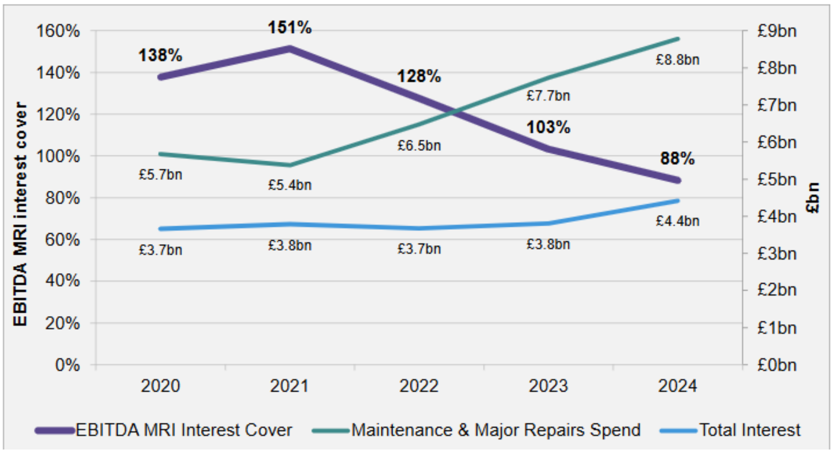

Figure 1: PRP interest cover against maintenance and major repair spend. Source: Regulator of Social Housing, 2025

Credit rating agencies have also cautioned about the impact of the divergence between rental income and costs for housing associations. They point out that this has a detrimental impact on the price of borrowing and investors' confidence.

If adequate grant funding was provided to cover existing and new regulatory requirements, members would be better placed to pay down this debt and reduce their interest cover, which would provide the foundation for significantly increased future investments in new supply. Restoring financial capacity through a fair rent settlement – and a wider funding settlement for the sector – is therefore critical. It would boost investor confidence, allowing us to borrow more easily, and ultimately enable us to do our part in contributing to the 1.5 million homes that are so desperately needed.

Slowing housebuilding

We have always played a key role in affordable housing delivery in the capital, building over 10,000 homes in London in 2023/24. But unfortunately, due to these unprecedented demands on our finances, we have had no choice but to scale back our development pipeline and re-divert funds into our existing homes. We have seen housing starts in London drop significantly over the last 5 years.

Year	Total G15 starts	% of which affordable
2016-17	15,759	64%
2017-18	11,378	73%
2018-19	16,210	68%
2019-20	15,709	74%
2020-21	10,951	85%
2021-22	10,605	83%
2022-23	13,744	68%
2023-24	5,581	82%
2024-25 (Q1 + Q2)	1,223	65%

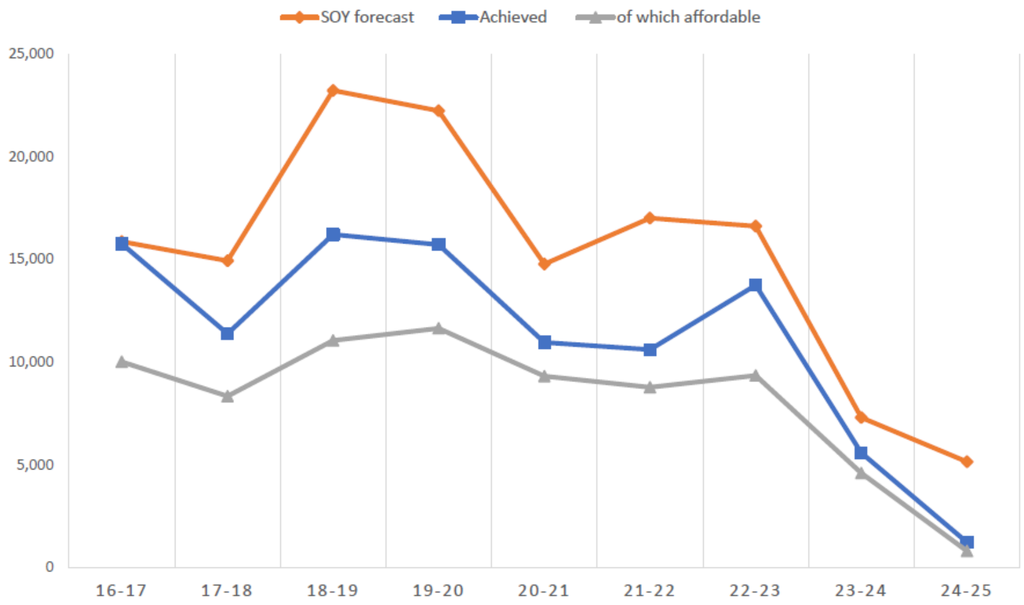

Figure 2: G15 starts in London over time

Building new affordable homes in London is also a lot more expensive than other regions. The average gap between the amount of subsidy available and construction cost is £273k per home in London[13]. This is steeper than elsewhere due to high land costs, and the need to build densely (which is more complex and therefore costly).

As a sector we have exhausted our options to continue developing. The cross-subsidy model has reached its limit, made worse by a volatile housing market. Some G15 members are making difficult decisions to scale back their community offers, which provide valuable support to residents in the context of dwindling resources available for public services.

This spending review comes at a point where just a few shifts in policy can turn the dial. Given the right economic conditions, G15 members have the infrastructure, experience and ability to access capital to continue being key partners in talking the housing crisis. What we need is the support from Government through grant funding. This would allow us to re-balance our finances and, continue to develop social homes, and provide social value in London.

What we need from Government:

In order to reverse this trend and ensure housing associations can support the government to deliver on its missions, our sector needs swift financial stabilisation, targeted strategic investment and long-term certainty. Specifically, we need:

1. A 10-year rent settlement permitting annual rises of CPI+1% with the reintroduction of a rent convergence mechanism
2. A long-term and ambitious successor to the current Affordable Homes Programme
3. Social landlords to be granted equal access to the Building Safety Fund & Cladding Safety Scheme
4. A new Warm and Decent Homes fund

A 10-year rent settlement permitting annual rises of CPI+1% with the reintroduction of a rent convergence mechanism

As outlined in the G15 response to the future social housing rent policy consultation, we strongly urge Government to introduce a 10-year rent settlement at CPI+1%, alongside the reintroduction of a fair convergence mechanism.

Income from rents is essential for housing associations. It enables us to secure financing from private lenders which we can use to develop new affordable housing. We balance this with our primary objective – providing homes that are genuinely affordable for those that need them most.

This is why long-term certainty and stability is so important, and while the certainty offered by a 5-year settlement would be a step in the right direction, G15 members strongly urge government to implement a 10-year settlement.

Lenders also have more confidence in their investments when we can demonstrate a fixed income stream over a longer period, increasing the amount of investment we can leverage and helping us secure preferable borrowing rates. Without a long-term settlement, we risk missing out on valuable funding from lenders attracted by the certainty of a regulated rent formula, which plays a crucial role in our ability to return to developing new homes.

The reintroduction of a fair rent convergence mechanism is essential. The decision to end convergence prematurely has had a devastating impact on housing associations' financial capacity. G15 members have lost £211.4m in rental income since 2015 and are missing between £5.3m and £52.9m a year each in rent alone. This means members have on average £400 less to invest per social rented home per year than if rents had been allowed to converge.

Across the G15 it is estimated that 57% of homes have diverged from policy rent. We strongly urge Government to re-introduce convergence so that these rents can be increased at a faster rate over time to bring them in line with the income-linked formula rent. A convergence of £3 extra per week (on top of CPI+1%) over the next ten years would keep rents affordable while also bringing in an extra £3.5 billion to the sector[14].

This would address historical inconsistencies in the rents residents pay while also providing extra financial capacity that would enable us to continue investing in our existing homes, whilst also allowing us to contribute to the delivery of new homes.

A long-term and ambitious successor to the current Affordable Homes Programme

Members call on the Government to establish a successor to the current Affordable Homes Programme with a multi-year funding settlement, featuring high grant rates that heavily favour social rent.

Having long term certainty over grant funding is crucial for housing associations. The ability to plan over the long-term for our development pipelines allows us to build strategic partnerships and engage in multi-year contracts. For example, Barking Riverside, G15 member L&Q's flagship development and one of the largest schemes in Europe, may eventually deliver up to 20,000 new homes in the capital. Delivery on this scale has only been possible because of the partnership at the heart of the development between L&Q and the Mayor of London; both organisations which are not driven by short-term profit motives and have the ability to take a long-term view of the site.

Members ask for the new settlement to return to the mechanism from the previous AHP where grant is provided upfront at programme level, as this allows us to plan and allocate resources more efficiently. In the existing programme, where grant rates are negotiated on a scheme-by-scheme basis, landlords carry a lot of risk working on the initial phases of projects that may not come to fruition if funding is unavailable. This makes it very challenging to establish any concrete long term plans over our delivery.

If Government is committed to increasing social homes as outlined in its' manifesto, it will need to drastically increase grant rates. Available grant funding has drastically declined over the past 20 years, and grant now contributes just 12% to scheme costs, compared to around 75% in the 1990s. Over this period housing associations have supplemented this decline, however we no longer have the ability to do so.

	Tenure		
	Social Rent	LLR	S/Ownership
Subsidy gap per home	£272,599	£201,573	£43,535
Delivery cost per home	£448,598	£445,160	£464,240
Subsidy gap	**£16,496m**	**£1743m**	**£753m**

Figure 3: Affordable delivery (excl. S.106) and funding gap over 5 years. Source: Savills/GLA Affordable Housing Funding Research (2022)

The table above shows subsidy gaps in London after grant, evidencing just how much more difficult it is to build social rented homes. As a result, we are increasingly reliant on the cross-subsidy model to make schemes stack up financially. Increased grant rates would reverse this and ensure viability without such heavy reliance on cross-subsidy. This would also maximise the number of affordable and social rent homes built.

We also reinforce the Mayor of London's ask for a new City Hall Developer Fund to accompany the AHP and unlock the pace and scale of delivery needed in the capital. An interventionist City Hall Developer would allocate resources to unlock stalled sites in the short term while also taking innovative steps to bring forward strategic sites. To be effective, this funding must be flexible enough to address a range of pipeline challenges, recoverable by the GLA to maximise long-term housing delivery, and capable of operating at sub-market returns (in line with subsidy control rules) to reflect current development economics. The GLA's success with the previous Land Fund highlights the benefits of a single, flexible funding pot over multiple targeted streams.

Social landlords to be granted equal access to the Building Safety Fund & Cladding Safety Scheme

Since the Grenfell Tragedy we have been working to ensure residents are safe in their homes. However, at present, social landlords do not have full access to the £5.1bn of public funding for building safety remedial works. As a group of London-based landlords, G15 members have been particularly impacted by new building safety requirements, and as a result we are diverting significant funds away from new development towards the costs of remediation.

For buildings with non-ACM combustible materials, social landlords can currently only access government funding to pay for cladding remedial works to buildings in which leaseholders live, or for the proportion of works relative to the proportion of leaseholders living in the building.

Private building owners have received around 90% of the government funding for remedial works to buildings 11m+ with non-ACM combustible cladding. Members feel this funding settlement is inconsistent with the principle that those responsible for the crisis should pay to fix it. Additionally, as the funding allocated to the building safety fund remains underspent, this unutilised allocation could be efficiently redirected to social landlords to expedite the remediation process.

One member estimates that if the Building Safety Fund or Cladding Safety Scheme was extended to cover blocks containing social residents as well as leaseholders, they would save £204.8m by 2031/32, freeing up capacity for investment in new homes.

Improved access to these funds would reduce the trade-off between remediation and investment in new supply and would further act as recognition that it is as unjust to expect social tenants to fund remediation through their rents, just as it was to levy costs directly on leaseholders.

Introduce a new long term Warm and Decent Homes fund

Members urge Government to introduce a new long term joint funding pot for investment in existing homes. We have a great opportunity to coordinate decarbonisation efforts across repairs and planned maintenance programmes to advance action and invest more efficiently; leading to better value for money and ultimately improved outcomes for residents.

The current mechanisms for accessing funding for retrofit is not fit for purpose. Competitive rounds of bidding results in wasted bid costs, an unpredictable pipeline, and a pepper-pot of uncoordinated (often competing) projects. In turn, this is holding back supply chain growth and the speed of delivery.

By not having a long-term commitment on funding, landlords cannot prepare, or undertake large, complex and strategic activities and instead are left addressing the quick wins. A 10-year fund would change this. We would be able to invest in a workforce, undertake large scale and long-term improvement projects, work in collaboration with other organisations (both inside and outside the sector). All of which would speed up our route to net zero, whilst saving money that can be put into new supply.

A new long-term fund is even more significant given upcoming legislative changes and the introduction of a new Decent Homes Standard and Awaab's Law.

While we wholly support improving the quality of resident's homes, the reality of increasing costs cannot be overlooked. The first Decent Homes programme was an incredibly successful initiative, with over a million homes brought up to a decent standard between 2001 and 2010. This was only possible by government funding; social landlords spent at least £37bn in the first decade of the initial DHS, of which £22bn was government grant funding. As the sector awaits the publication of updated standard, it is vital for government to consider how it is going to fund the improvements of the future.

What would this allow us to do?

a. Restore housing associations' long-term financial capacity so we can build new social homes and help to alleviate London's homelessness crisis

Supporting housing associations to rebalance our finances is a critical first step in restoring our financial capacity. Because such a large portion of our income is now taken up by the costs of meeting regulatory obligations, and the consequences of inflationary spikes on interest coverage, our capacity to borrow money to build homes has been severely damaged. Widened government support for building safety and the quality agenda is essential to restore this capacity and allow us to increase investment in new supply.

When in a financial position to do so, G15 members are ideally placed to support delivery at scale of the affordable homes that are so desperately needed. Our scale and ability to access private finance means that we can significantly multiply any public funding we receive, and as not-for-profit organisations with social purpose at our heart, we can deliver social rent and family homes in the areas where they are most desperately needed in the capital. However, before we are able to do this, we must restore our financial stability.

London remains in the midst of a homelessness crisis. One in every 50 Londoners and one in every 21 children in London are currently living in temporary accommodation, on which London boroughs collectively spend £114m every month on average[15]. Building new social homes in the capital needs to be a fundamental priority in the spending review.

Modelling by the NHF National Delivery Group, (December 2024), a group of 15 large developing housing associations including eight G15 members, demonstrates the number of homes that could be built under our current plans, compared with the impact of a number of government policy interventions:

- A 10-year inflation linked settlement with a convergence mechanism
- grant for existing homes, and
- reduced debt costs

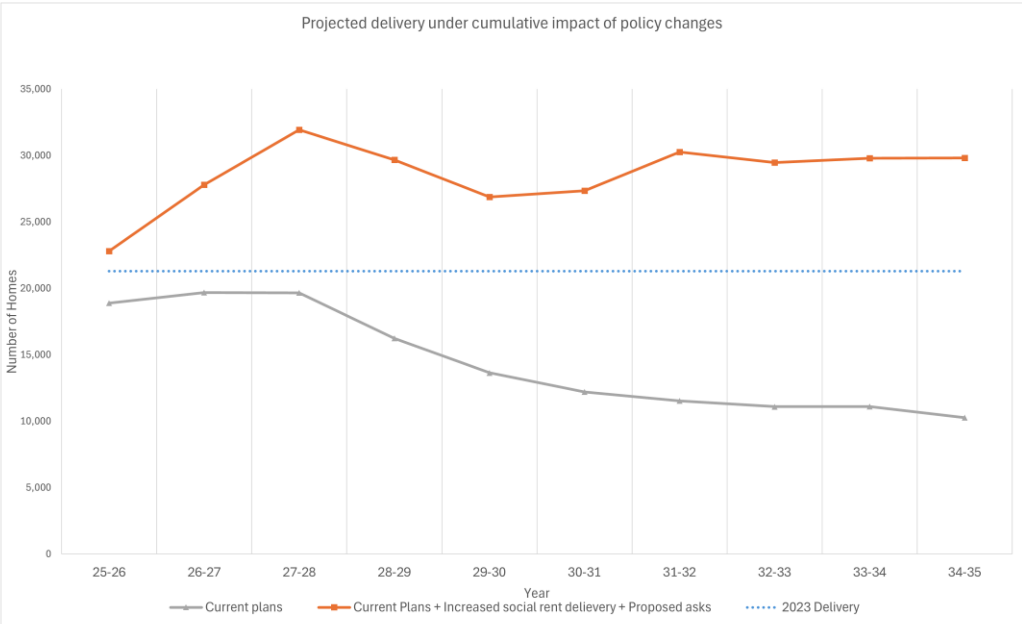

Figure 4: Project delivery under cumulative impact of policy changes. NHF December 2024

The modelling below demonstrates how policy changes can increase borrowing capacity, which can then be paired with subsidy to develop additional new homes. Tens of thousands of additional homes could be unlocked every year through these three interventions by the end of this parliamentary term.

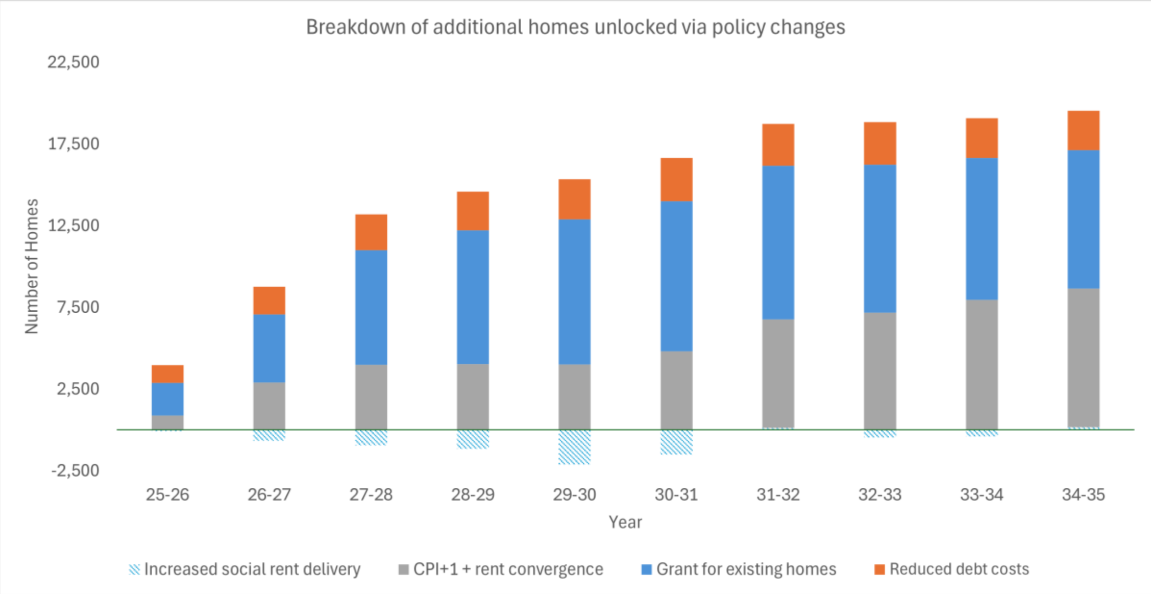

Figure 5: Breakdown of additional homes unlocked via policy changes. NHF December 2024

b. Continue improving the quality and energy efficiency of residents' homes

Our primary focus is to ensure residents' homes are safe, comfortable, and energy efficient. Investing in maintenance programmes and upgrading infrastructure addresses immediate safety concerns, contributes to long-term well-being, whilst also protecting against rising energy bills. This approach not only benefits residents but also yields substantial economic and environmental benefits.

Supporting the sector to improve the energy efficiency of social homes is a direct and effective strategy for the Government to achieve net-zero carbon emissions. The housing sector is a significant contributor to the UK's carbon footprint, and upgrading social housing stock presents an opportunity to make substantial progress toward environmental targets.

There are also significant efficiency savings to be made for social landlords in combining multiple types of major works at the same time. Having a flexible funding pot which could be used for both quality and decarbonisation works would allow us to make savings on things such as procurement, surveys and scaffolding, and would therefore be a much more effective use of public money.

Research indicates that poor housing conditions cost the NHS over £1 billion annually due to health issues arising from inadequate living environments[16] and wider society over £18.5 billion[17]. By improving housing quality, we can reduce this burden on public health services, whilst simultaneously boosting social outcomes and productivity.

Housing associations, and G15 members in particular, are ideally placed to act as a vanguard leading the sector towards net-zero. We have large portfolios of housing, allowing economies of scale, make long-term business plans which already go beyond 2050, and are enthusiastic about reducing emissions given our public service ethos. With the right support from government, we can be pioneers of approaches to decarbonise England's housing stock, and help drive a new era of green job creation.

This strategy will protect residents from rising living costs, contribute to national net-zero objectives, and could potentially generate significant growth. We urge the Treasury to consider these measures to support the well-being of residents and the broader societal good.

c. Support inclusive economic growth in the capital

We acknowledge the current pressure on public finances, and that any fiscal interventions from government come at a cost. However, we urge Government to view investment in social housing as an investment in critical national infrastructure that carries long term benefits.

Unlocking capacity to build more homes will, in the long term, benefit both residents and public finances, by allowing people to move people to move out of expensive temporary accommodation and the private rented sector into affordable housing.

Building new social homes and investing in existing ones also aligns with the government's growth agenda; recent research by the G15 demonstrated the economic and social value created by social homes across a number of areas:

Category	Value of savings across all G15 socially rented homes
Economic: higher employment and improved performance at work	**£2.34bn**
NHS: improved physical and mental health	**£1.34bn**
Construction: total spending on construction	**£1.1bn**
Police and justice: fewer victims/perpetrators of crime	**£648.5m**
Maintenance: total spending on maintenance	**£556.8m**
Local authorities: temporary accommodation and social care savings	**£554.3m**
Central government welfare (DWP): lower spending on unemployment benefit	**£168.8m**
Education: higher school attendance	**£179.4m**
Other (including lower debt, fewer fires)	**£38m**

Figure 6: Social value savings by category/ Source: Hyde and Sonnet Advisory & Impact, The Value of a Social Tenancy, 2024.

Unlike for-profit providers, as socially driven organisations, we remain deeply embedded in the communities we serve. Over the last year members have invested almost £30 million into the communities they serve, supporting thousands of residents into employment and training.

The G15 build affordable homes in London. If the government is serious about delivering 1.5 million homes and driving forward its' growth agenda, it is absolutely fundamental that the capital has enough affordable places to live.

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