

# Supported and older person's housing development survey 2023

## Survey report

June 2024

### Introduction

Housing associations own or manage around three quarters of England's rented supported and specialist older person's housing. Social housing providers are critical to delivering affordable housing for people with care and support needs across the country.

At the NHF, we surveyed our members at the end of 2023 to capture the number of new supported and older person's homes planned. This included homes for older people, supported housing for working-age people with support needs, and Housing First for people with complex needs and a history of homelessness. For the first time, we also surveyed members on their regeneration plans for supported and older person's housing. The research gives a detailed look into respondents' current plans and future ambitions to develop, and on the barriers housing associations face when developing new homes.

Where possible, we have compared these plans with results from our 2022 survey. However, there is only limited scope for this type of comparison, due to a significant difference in response rate and sample of respondents. Comparisons can broadly be made where there is significant continuity in respondents views (for example, views on the overall barriers to development), but comparisons between development plans and decommissioning rates should not be given significant weight.

### Summary

#### Development of new homes

Overall, our results show a minority of respondents were planning to develop either supported or older person's housing in the next five years, with findings showing:

- 39% of older person's housing providers and 38% of supported housing providers were planning further development.
- Decommissioning and remodelling was more prevalent within supported housing, with respondents planning to remodel or decommission 3% of their homes.
- Less than 1% of older person's housing was planned for decommissioning and remodelling.

A larger proportion of development plans for older person's housing had funding secured, compared to supported housing. Decommissioning decisions were mostly related to financial viability, inappropriate design, being operationally or physically obsolete, and local authorities decommissioning non-statutory services.

## **Housing First**

Among the seven respondents who currently provided Housing First services, none were planning to develop more. One provider who did not currently provide Housing First planned to develop 15 homes in future (3.2% of respondents total homes). Another respondent planned to decommission a higher number of units, meaning that amongst respondents, there would be a net decrease in Housing First provision.

## **Key barriers to development and regeneration**

The survey also identified several key barriers to development and regeneration of supported and older person's housing. The most common barriers identified were:

- Low capital grant per unit.
- Concerns around planning and land (including a lack of available land and delays in planning applications).
- Lack of certainty in commissioning decisions and low revenue support funding.

If these barriers were overcome, 61% of respondents would have ambitions to develop more supported and older person's housing. Similarly to last year, this would more than double respondents' existing development plans, with a 112% increase in older persons' housing delivery and a 102% increase in supported housing delivery.

## Regeneration of homes

On regeneration, respondents had carried out regeneration projects on less than 1% of their older persons' housing, and less than 0.4% of their supported homes in the last five years. Current regeneration plans over the next five years are due to increase, with around 3.5% of respondents' homes for older people and 2% of respondents' supported homes being regenerated. This may be partly due to Affordable Homes Programme funding being made available for regeneration projects.

Respondents suggested that the current barriers to regenerating projects was primarily low capital grant, social and affordable rent being too low to secure viability at available grant rates, and a lack of other funding opportunities. If these barriers were removed, respondents would be able to increase their planned regeneration of older peoples housing by 95%, and of supported housing by 174%.

## Next steps

This survey was limited in scope and only captures a snapshot of the landscape of housing for older people and supported housing for working-age people. The NHF will continue to work with its members, the government and other stakeholders to promote a more sustainable funding environment to develop and regenerate more affordable supported and older person's housing in order to meet growing needs.

## Overview of key findings

### Development plans

The main survey questions focused on development plans for older person's housing, supported housing and Housing First homes.

### Older person's housing

Our survey found that 39% of respondents that already own or manage older person's housing have plans to develop more homes (including all sheltered, extra care or designated housing for older people).

In total, respondents' development plans amount to 1,818 units for older person's housing, representing an increase of 4% compared with respondents' existing homes. In the 2022 survey, respondents indicated plans to build 7,347 units, an increase of almost 6% on their existing units. In 2021 respondents indicated plans to build 11,093 units, an increase of 11% on their existing units.

A larger proportion of respondents' development plans for older peoples housing already have funding confirmed, compared to supported housing (42% compared to 20% for supported).

## **Supported housing**

We found that 32% of respondents that already own or manage supported housing for working-age people with support needs have plans to develop more of this type of housing.

In total, respondents' development plans amount to 1,328 units for supported housing, representing an increase of 8.8% compared with respondents' existing units. It is worth noting that three respondents accounted for 68% of the total planned units.

The area with the most planned provision in terms of residents' support needs is housing for people with a learning disability and autistic people, representing 61% of planned units.

## **Housing First**

Only one respondent is planning on expanding the number of Housing First units they provide by 15. This respondent does not currently provide Housing First services. This represents a 3.2% increase of the total Housing First units.

## **Decommissioning and remodelling**

The respondents' development plans should be read in the context of their plans to decommission or remodel some of their older person's and supported homes. For older person's housing, respondents plan to decommission or remodel 14 schemes, (consisting of 357 units), slightly below 1% of respondents' existing units. (These figures do not include one provider who stated that they were looking to

decommission “up to 43 schemes” of older person’s housing, for which the total units are TBD).

Respondents also plan to decommission or remodel 44 schemes (consisting of 439 units) of supported housing, around 3% of respondents’ existing units.

The most prominent reasons for this are financial viability, inappropriate design, being operationally or physically obsolete, specific schemes being no longer needed or lacking demand, and local authorities decommissioning non-statutory services. 82% of respondents considered financial viability and inappropriate design either very important or somewhat important.

When providing more details about these decisions, several respondents mentioned that it was not possible or not viable to bring the properties up to new regulatory standards, including fire safety standards. Several respondents also mentioned the economic viability pressures on supported accommodation, and the reduction and withdrawal of support funding.

## **Barriers to development**

The five most significant barriers to development respondents selected were:

- Capital grant too low.
- Planning and land.
- Short-term contracts from commissioners.
- No other funding available.
- Reduction in commissioned support.

We asked respondents what impact the 7% rent cap (from which supported housing was exempt) has had on their development ambitions for supported and older person’s housing. For organisations which solely provided supported accommodation, this predictably had no impact. However, several respondents who also provided accommodation subject to the cap stated that the cap had reduced their ability to deliver new projects and had meant that lower available funds were redirected to address building compliance costs. In total, 11 respondents indicated that the cap had some impact on their development ambition.

## **Ambition to develop**

61% of respondents said they would have a greater ambition to develop more housing for both older people and people with support needs if the above barriers were addressed.

If these barriers were removed, respondents would hope to deliver 2,049 more units of older person's housing. This would represent a 112% increase in the amount of older person's housing compared to current planned delivery, and a 5% increase on respondents' total existing units.

Similarly, if barriers were removed, respondents would hope to deliver 1,400 more supported housing units. This would represent a 102% increase in the amount of supported housing delivered compared to current planned delivery, and a 9% increase on respondents' total existing units.

## **Supporting smaller providers**

Respondents' suggestions for the government to support smaller providers to develop more supported or older person's housing reflected the broader barriers to development. Common themes included increasing the capital grant rate, providing increased revenue funding with longer contracts, and providing assistance with planning and land. Some practical solutions included facilitating contact between smaller providers, developers and potential development sites through local partnerships.

## **Barriers to regeneration**

This year, we asked respondents what barriers were currently preventing them from regenerating their supported and older person's housing stock. The four most significant barriers respondents selected were:

- Capital grant per unit too low.
- Social rent and affordable rent too low to ensure the project is viable at available grant rates.
- No other funding available.
- Building safety costs.

## **Ambition to regenerate**

22% of respondents who own or manage older person's accommodation had ambitions to regenerate more older person's housing, if the conditions allowed it.

Similarly, 25% of respondents managing supported accommodation would have ambitions to regenerate if the conditions allowed it. If these ambitions were fully realised, they would result in a 95% increase in planned older person's housing regeneration, and a 174% increase in planned supported housing regeneration.

## **Barriers to accessing funding**

Some respondents identified specific issues with the Transforming Care Fund, which reduced their ability to access private finance. Respondents also noted that the separate nature of capital and revenue funding stymied development projects, and opinions on the ease of accessing funding through local authorities were split.

## **Survey overview**

This is the third year that the National Housing Federation has carried out a survey of its members who own or manage supported or older person's housing. The aim of this exercise was to explore members' plans and appetite for developing more of this type of housing.

There is a serious need for more specialist housing in England, and the operating environment housing associations are delivering this in continues to be challenging. Inflation in construction and labour costs is an ongoing concern, while short-term contracts for commissioned support, delays in hearing planning applications, and other compliance priorities have posed a challenge to new supported and older person's housing development.

The survey ran from November-December 2023 and gathered responses from 54 of our members. It should be noted that this was a slightly lower response rate than the survey last year, and did not necessarily receive responses from the same NHF members. Some results may therefore not be fully comparable.

### **Aims of the survey:**

- To draw a national picture of housing associations' plans and appetite for development of supported and older person's housing.

- To build on our understanding of the barriers and enabling factors to developing and regenerating supported and older person's housing.
- To estimate development and regeneration potential if the right conditions were provided.
- To inform our work with government on the future of the funding environment for supported and older person's housing providers.

## Terminology used in the report

We acknowledge that the supported housing and older person's housing sectors are complex and cover a variety of housing types and support services. Broadly speaking, these types of housing are differentiated from the 'General Needs' sector due to access being restricted in a particular way, usually linked to residents' support needs.

Throughout the survey and this report, we used the two categories of 'supported housing' and 'older person's housing' as defined in the Regulator of Social Housing Statistical Data Return<sup>1</sup>. As in the 2021 and 2022 surveys, we have added 'Housing First' as another form of designated housing for people with support needs.

We define these housing categories as:

- Older person's housing: including all sheltered, extra care or designated housing for older people with support and/or care needs.
- Supported housing: housing designated for working-age people with support needs, where support is provided with the home.
- Housing First: housing designated for tenants referred as part of a Housing First approach (usually former rough sleepers facing multiple disadvantage), receiving specialist support often contracted externally.

## Methodology

For this research exercise, we setup and fielded an online survey, which we shared with 310 member housing associations who have stated they provide one or more of the relevant housing types (older people, supported housing and housing first). From

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<sup>1</sup> <https://www.gov.uk/government/statistics/private-registered-provider-social-housing-stock-and-rents-in-england-2022-to-2023/private-registered-providers-technical-notes-and-definitions-accessible-version#definition-of-terms>



this we received 54 responses in total – representing a response rate of 17.4%. The 54 respondents’ homes represents 14% of all our members’ older person’s housing , and 15% of all our members’ supported housing. These figures are derived from members’ annual Statistical Data Returns (SDR). Therefore, data held is only as current as the last update of the SDR. The above total figures are the latest available for the sector, for the year 2022/23.

The survey questions largely remained the same as those used in the 2021 and 2022 survey. However, we also added additional questions about providers’ plans to regenerate their supported accommodation.

We received a greater number of responses from providers of older person’s housing than the other two housing types, which will have influenced some of the results. Of the 54 total, 76% own or manage older person’s housing, whereas 59% provide supported housing, and 29% provide Housing First.

## Respondents’ profile

Respondents were asked to provide a count of their current schemes and units of older person’s housing, supported housing and Housing First units.

**Table 1: Respondents’ stock profile**

	Schemes	Units
Older person’s housing	1,109	41,027
Supported housing	1,505	15,044
Housing First	n/a	455

Of those who responded, we found the following:

- 41 respondents own or manage older person’s housing.
- 32 respondents own or manage supported housing.
- 13 respondents own or manage Housing First units.
- 22 respondents own or manage more than one category of the above.

Like last year, respondents’ homes profile shows that more providers of older person’s housing responded to the survey than providers of supported housing. However, the proportion of supported housing covered in the survey is higher than previous years. Respondents’ non-general needs units are made up of 73% housing for older people, 27% supported housing, and less than 1% are Housing First units.

## Development Plans

### Older person's housing

**Please provide details about your planned development programme for older people with support needs (include all sheltered, extra care, or designated housing for older people).**

17 respondents said they had plans to develop older person's housing. This makes up 30% of all respondents, and 39% of respondents that already own or manage older person's housing.

Further details on development plans for older person's housing:

- Total number of schemes planned: 34. This represents an increase of 3% compared with the number of schemes that respondents already have in their stock.
- Total number of units planned: 1,818. This represents an increase of 4% from respondents' existing older persons' units.
- Number of units with confirmed funding: 780. Of the total number of units planned, this makes up 42%.
- Number of units with indicative funding: 216. Of the total number of units planned, this makes up 12%.

One respondent stated that their future development ambitions would be 'determined as part of the viability programme', but would result in 'circa less than 100' new units being built.

The above numbers show that there continues to be appetite for developing new housing for older people, but this may have seen a reduction on previous years. However, it is promising that the amount of schemes which have funding secured has continued a rising trend.

Similarly to last year, the development plans mentioned have significantly more units per scheme on average as existing stock (about 53 compared to 36). The potential to achieve economies of scale is one of the reasons why housing associations can develop older person's housing.

## Supported housing

**Please provide details about your planned development programme of supported housing for working age people with support needs.**

14 respondents said they had plans to develop supported housing for working-age people with support needs. This represents 26% of all respondents and 38% of all those that already own or manage supported housing.

Respondents' breakdown of their planned units shows a significant increase as a percentage of current housing, when compared to the 2021 and 2022 survey results. These results should be considered with several caveats. This increase is abnormal – when compared to the same results in 2022 (3%) and 2021 (4%), planned development has more than doubled. As supported housing development is a multi-year process, it is unlikely that the sector overall has seen such a significant increase in planned development.

As the gross response rate was around 17.4%, representing 15% of NHF members' total supported housing stock, it is likely that a small change in the mix of respondents has had a disproportionate impact on this figure. It is also worth noting that just three respondents accounted for 68% of the total planned units of supported accommodation.

Further details on respondents' development plans for supported housing:

- Total number of schemes planned: 146.
- Total number of units planned: 1,328. This represents an 8.8% increase compared with respondents' existing stock.
- Number of units with confirmed funding: 279. Of the total number of units planned, this makes up 20%.
- Number of units with indicative funding: 247. Of the total number of units planned, this makes up 18%.

## Housing First

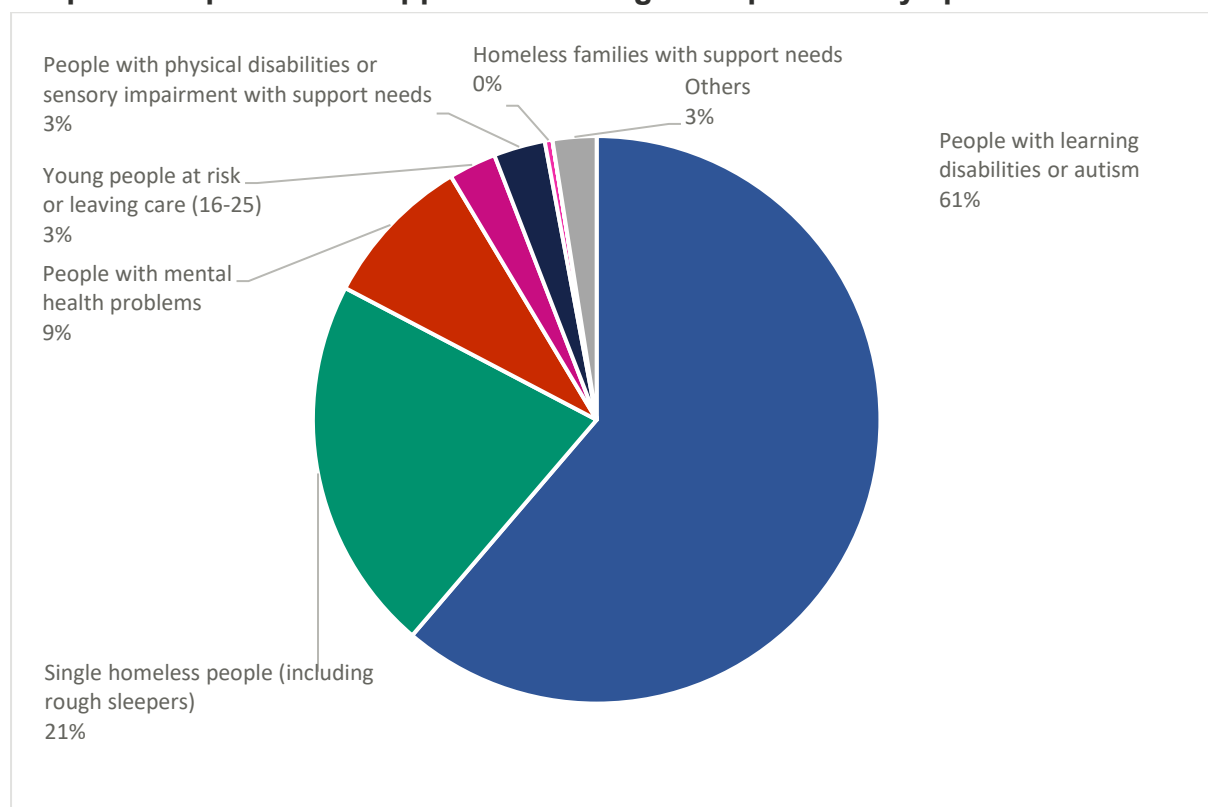
Only one respondent is planning on expanding the number of Housing First units they provide by 15, all of which have indicative funding. This represents a 3.2% increase of respondents' total Housing First stock.

This respondent does not currently provide Housing First services. These results are a significant decrease from the 61 units planned overall last year.

## Supported housing specialisms

Respondents who had plans to develop supported housing for working-age people with support needs were asked to provide further details on the types of support needs they were providing for within their development plans. The graph below represents the proportion of units respondents are planning to develop based on the type of support needs of future residents. The categories we used were based on those in Homes England's [Capital Funding Guide](#).

**Graph 1: Proportion of supported housing units planned by specialism.**



The largest planned provision for specialised support needs is for people with a learning disability and autistic people (62.5% of supported housing units planned). Second to this is provision for single homeless people (including rough sleepers) at 20.4% of housing units planned. These were also the two highest specialisms last year.

However, the proportion of planned provision for people with a learning disability and autistic people has remained stable at (835 units), whereas the amount of planned provision for single homeless provision has decreased. These two provisions continue to make up a very large majority of planned supported accommodation, similarly to previous years.

Homes for people with mental health problems represent 9% of development plans, while units for young people at risk or leaving care represent 2%, and units for people with physical disabilities or sensory impairment represent 3%. 6 units for homeless families with support needs were planned, representing 0.4% of planned units.

Development plans for other support needs are marginal or nil. Aside from the above, the only other provision that the survey captured development plans for was one indicated as ‘other’, including people with multiple disadvantages, military veterans, refugees/asylum seekers, young parents, travellers, people with HIV/AIDS or others. Respondents did not report any plans for people with alcohol or drug misuse needs, offenders and people at risk of reoffending or people at risk of domestic abuse.

The table below gives a breakdown of the number of units and schemes planned, as well as confirmed or indicative funding, based on the support needs of future residents. Many respondents did not answer the questions on confirmed and indicative funding, which might be either because they don’t have any funding yet, or because they didn’t have the information to respond.

Specialism	Number of schemes planned	Number of units planned	% of units with confirmed funding	% of units with indicative funding
People with learning disabilities or autism	103	835	10.18%	17.60%
Single homeless people (including rough sleepers)	25	292	30.48%	10.96%
People with mental health problems	9	119	36.97%	31.93%

Young people at risk or leaving care (16-25)	3	37	100.00%	0.00%
People with physical disabilities or sensory impairment with support needs	40	40	25.00%	75.00%
Homeless families with support needs	6	6	0.00%	0.00%
People with drug or alcohol misuse	0	0	0.00%	0.00%
People at risk of domestic abuse	0	0	0.00%	0.00%
Offenders and people at risk of offending	0	0	0.00%	0.00%
Others	21	34	41.18%	0.00%

This table shows that supported housing for people with a learning disability and autistic people continues to represent a large proportion of providers' development ambitions. Development ambition for accommodation for single homeless people has continued to decrease as a proportion of planned development at 22%, down from 32% last year.

Accommodation for people with mental health needs (9%) has increased relative to last year, while units for young people at risk or leaving care has remained steady at 3%. Development plans for people with physical disabilities or sensory impairments has also increased, from nil last year to 40 units this year. This is due to one provider who is delivering 40 units through HOLD (Home Ownership for Long Term disability), although this may not meet the definition of supported housing in the Policy statement on rents for social housing.

Development ambitions for people with drug or alcohol misuse, offenders, and people at risk of offending remains at nil, consistent with last year. Accommodation for people at risk of domestic abuse has reduced to 0, compared to 20 units last year.

These results may only be indicative of the whole sector, as respondents' homes accounts for 14% of all registered providers' supported homes.

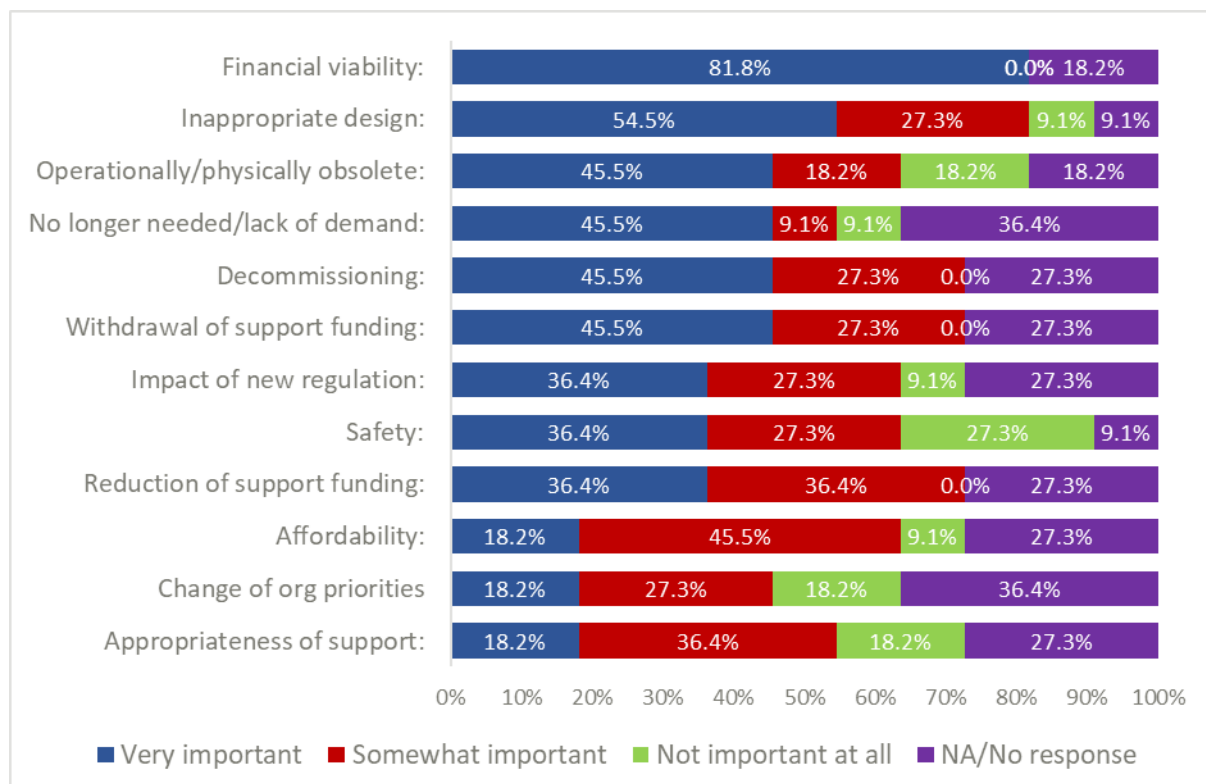
## Decommissioning and remodelling

### Are you planning to decommission or remodel any of the following types of housing?

In total, respondents plan to decommission or remodel 14 schemes, with 357 units of older person’s housing. The same is true for 44 schemes, with 439 units, of supported housing. This represents just under **0.9%** of respondents’ existing units of older person’s housing, and almost **3%** of respondents’ existing units of supported housing.

Of the respondents who provided Housing First accommodation, one was planning on reducing their offer by 35 units. This is more than double the amount that respondents are planning on developing, meaning that among respondents to the survey, there will be a net loss of Housing First accommodation.

**Graph 2: Please rate the importance of each of the following reasons for decommissioning/remodelling.**



Respondents were asked to rate the importance of factors affecting their decision to decommission or remodel. Similar to last year’s survey, respondents indicated that

the two most prominent reasons for decommissioning/remodelling were financial viability (82% of respondents considered this very important), and inappropriate design (82% of respondents considered this to be very or somewhat important).

Consistent with last year, a high number of respondents (72%) see the withdrawal of support funding as either very or somewhat important in decisions to decommission or remodel. The same number also saw local authority decommissioning of non-statutory services as very or somewhat important.

This indicates that the ongoing precarious operating environment for housing providers and financial burdens on local authorities are leading to commissioners' hesitancy to commit to support contracts, reducing their value and foregoing inflationary uplifts, and even withdrawing funding altogether. This further adds to difficulties in preserving supported and older person's housing.

45% of respondents thought a change in organisational priorities was important in their decision to decommission or remodel. Respondents who selected this option were given the opportunity to expand on the reasons behind their organisational decisions.

**Free text: Please give more details about your decision around organisational priorities.**

21 respondents commented on their decision-making around organisation priorities. Of these, a significant number (28% of respondents) highlighted concerns around the financial viability of continuing existing provision or developing new schemes. The reasons given for concerns about viability included supported housing being a small part of the overall business, the viability of improving properties to comply with new requirements, and concerns around the withdrawal of support funding. One member commented that:

*“Reduction / withdrawal of support funding is a real challenge that we are seeing across the whole portfolio.”*

Another stated that:

*“Our older persons accommodation is provided in 6 storey heritage properties refurbished in the 1980's [...] It is impossible to carry out any works to enable compliance with current and emerging fire safety legislation”.*



## Barriers to development

**What are the most significant barriers that currently prevent your organisation from developing more supported or older person’s housing over the next 5 years? Please rank each barrier in order of importance.**

Respondents could select as many options as applied from the list and place them in order of importance. The table below shows which options were selected most frequently. The top two factors are the same as the findings from the previous two years.

Factor	Overall rank (1 being most significant)
Capital grant too low	1
Planning and land	2
Short term contracts from commissioners	3
No other funding available	4
Reduction in commissioned support	5
Social Rent/Affordable Rent too low to secure viability on schemes at available grant rates	6
Building safety costs	7
Financial impact of 7% rent cap	8
Decarbonisation costs	9
Local authority Housing Benefit team not agreeing eligibility on rents and service charges	10
Uncertainty over the long-term rent settlement	11
Lack of access to affordable finance	12
Other	13
Lack of demand / local need	14
Lack of board experience in development	15
Lack of staff with development skills	16
Lack of access to move on accommodation	17
Recent shared ownership rent reform	18
Lack of affordable development consultants	19

**What impact has the 7% rent cap (exemption for Supported Housing) had on your development ambitions for supported and/or older people’s housing?**

This question received 36 responses. Of these, 18 said that either the cap had no effect and/or they were exempt from the cap (mostly due to being 100% supported housing providers).

For the 18 providers who responded that the cap had affected their development ambitions, a common comment was that the cap acted as one factor among many that was reducing development ambition, alongside the costs and necessary prioritisation of building safety and compliance, and the increasing costs of construction. Four providers stated directly that the cap had reduced their development plans.

Several providers also stated that the cap had reduced their access to finance – one provider explained that:

*“This has reduced our overall income as an organisation impacting our borrowing. This will have an impact on the development programme as a whole which in return will have an adverse effect on appetite to [develop] supported housing, which is naturally more expensive to build.”*

In a similar vein, some providers expressed that the 7% cap had continued uncertainty on future income – one said that:

*“[The 7% rent cap] had less impact, because we focus on supported, however, the cap indicated to the Board and investors how fragile the rent settlement is.”*

As explained in the ‘Ambition to Develop’ section, there is significant desire to develop more supported and older person’s housing. However, uncertainty around future income is one barrier to accessing finance and committing to new developments. One key priority of any new government should be addressing this through a long-term, inflation linked rent settlement, as part of a long-term plan for housing.

### **What impact would increased rent flexibility have on your development ambitions?**

This question had 36 responses. Of these, 14 said increased rent flexibility would have no impact or would not apply to them.

For the 22 who provided further responses, there were mixed views on this. A significant number suggested that this would help to increase their development ambitions, improve their access to finance, and help them to model schemes with more certainty. One respondent suggested that increased flexibility would:

*“encourage more development in supported accommodation and attract investors. The flexibility may also lead to a more robust and varied range of supported accommodation that meets customer needs”.*

However, this was tempered by a common view that the impact would be uncertain, as rents were either constrained by LHA levels, or had to be strongly considered alongside maintaining affordability for their tenants. One respondent suggested that the issue was less the amount of rent charged, and more the security for borrowing, as discussed previously. There were also comments that increased rent flexibility would have to come alongside improvements in the access to and amount of grant.

### **Free text: Would any other changes to rent policy increase your development ambitions? If so, which ones?**

This question had 28 responses. Of these, 9 were either “No” or “N/A”.

Of the 19 which provided further detail, a wide range of interventions were proposed. The most common view was that increased certainty in the rent settlement was the most desirable change, as discussed in the previous questions. One provider said:

*“An ideal scenario would be a commitment from the Government never to freeze or reduce rents as they did unexpectedly in 2016, which impacted all our Business Plan, Development and Asset activities.”*

Concerns were also raised about unreasonable and inconsistent levels of Housing Benefit claim scrutiny from local authorities for supported accommodation. In the short term, this relates to a concern that local authorities are moving to implement new approaches to scrutinising Housing Benefit before the implementation of the Supported Housing (Regulatory Oversight) Act, including long questionnaires on schemes and error-prone paper-based approaches.

Housing Benefit claims that were discontinued have caused cashflow problems for providers, as well as understandable distress for residents. The NHF is continuing to discuss this issue with the DWP to reach a workable solution.

Other suggestions included taking Supported Housing outside of the rent formula, working to ensure long-term commissioned contracts, and reviewing the relationship between rents and service charges.

## Ambition to develop

### **Would your organisation have ambition to develop more housing for older people, if the factors mentioned above were all satisfactory?**

Of the 28 responses to this question, 61% indicated that, if the conditions allowed it, they would have ambition to develop more housing for older people.

We asked respondents how many additional schemes and units of older person's housing this would produce over the next five years. Respondents said collectively they would be able to deliver 35 more schemes, consisting of 2,049 more units. Not all respondents that answered 'yes' to the previous question were able to quantify how many schemes and/or units this ambition would translate into. One provider did not give a precise estimate but suggested there could be 'circa 500' more units.

This potential addition to respondents' units would represent a 112% increase on respondents' existing development plans, and a further 5% increase on respondents' total units.

### **Would your organisation have ambition to develop more supported housing, if the factors mentioned above were all satisfactory?**

Of the 23 responses to this question, 61% indicated that, if the conditions allowed it, they would have ambition to develop more supported housing for working-age people.

We asked respondents indicatively how many additional schemes and units of supported housing this would produce over the next five years. Respondents said collectively they would be able to deliver 223 more schemes, consisting of 1,400 more units.

This would represent a 102% increase on respondents' existing development plans, and a further total 9% increase on respondents' total units.

Overall, it is significant that, if barriers to development were removed, this would result in over double the current planned development of supported and older person's housing. This indicates that the barriers outlined above are substantially holding back providers from developing new supported accommodation, and that there are significant gains to be made by addressing the above barriers.

In reality, the real number of increases for schemes and units may be higher, as not every survey respondent fed back on these questions. [NHF research](#) has found that the supply of supported housing is not meeting demand, and that England needs at least 167,000 more supported homes by 2040, emphasising the importance of addressing these barriers to development.

### **Other:**

This question received 30 responses. Of these, 8 had responded "none" or "N/A".

Of the 22 which provided further detail, the responses covered a wide range of issues, most predominantly planning and land, insufficient Homes England grant rates, construction inflation, and issues in local authority commissioning.

Five responses mentioned planning and land as a significant theme. Within this group, four raised issues with a lack of available land, with one saying that "*Lack of available land supply and vendors' unrealistic price expectations both continue to make new development a challenge along the south coast*", and another highlighting "*Local authorities holding onto small pockets of land which they should have been preparing for sale at nominal rates*".

Four responses mentioned the lack of available capital grant. One respondent went into detail around feelings that the Homes England grant intervention rate was unclear and involved a large amount of "haggling" over the intervention rate. They expressed that it would be helpful to have a clear and transparent grant intervention rate based on a per person or per unit scale.

Five responses flagged that issues with local authority service commissioning was posing challenges to new development. This included frustration with inconsistent planning, short-term contracts, and the risk of service decommissioning, all of which add uncertainty to new development schemes. One respondent made the point that "*It is important that Local Authorities link the commissioning of services to the delivery of new buildings for sensible time periods: we are not interested (and think*

*service delivery is affected) in doing only one part (i.e. building provision that we then do not deliver the service in”.*

### **Free text: How can government support smaller housing providers to develop more supported or older person’s housing?**

This question received 31 responses. Reflecting the broader barriers to development, the most commonly suggested interventions were around increasing the capital grant rate, providing increased revenue funding with longer contracts, and providing assistance with planning and land. One provider’s response highlighted these issues:

*“More realistic revenue and capital funding. Look at the length of the support contracts and terms, assisting in building a business case for the investment required for new build properties. Government could look at supporting Local Authority planning teams who are struggling to process planning applications in a timely manner and provide all the sign offs required for government (HE) regulations.”*

Many responses reiterated that the lack of linkage between capital and revenue funding and short-term commissioned contracts made it significantly more difficult for the boards of smaller organisations to feel confident in committing to development projects. One respondent elaborated that:

*“This is a specialist form of housing requiring both increased upfront costs, ongoing management costs and increased exposure to risk. These have a greater risk to the Business Plans of smaller RPs, so any additional monetary / governance support would help”.*

Three respondents stated that a return of ringfenced revenue funding for commissioned support would provide more confidence in committing to development.

Regarding planning, the suggested interventions included reducing the burden of environmental and biological surveys for urban brownfield sites, issuing guidance to Local Planning Authorities to award planning application priority for schemes to house older people, and supporting local authority planning teams, in which shortages were leading to delays in approval.

Some proposals also suggested practical solutions, such as facilitating contact between smaller providers, developers, and potential sites through local partnerships.

## Regeneration Plans

Last year, Homes England confirmed that funding from the Affordable Homes Programme could be used for regeneration projects (under some circumstances). To assess the impact of this change and the current landscape of regeneration schemes, we included a new set of questions about scheme regeneration in this year's survey.

### Regeneration projects over the past 5 years

11 providers responded that they had regenerated older person's schemes in the past five years. In total, these members had regenerated 34 schemes, consisting of 418 units of older person's accommodation – this represents 1% of respondents' total older person's units.

Five providers indicated that they had regenerated supported accommodation schemes in the past five years. In total, these members had regenerated 11 schemes, consisting of 63 units of supported accommodation. This represents 0.4% of respondents' total supported housing .

No providers had plans to regenerate Housing First units. This is not surprising, as Housing First units make up only a very small amount of providers' total units, and is a very recent form of provision.

### Future regeneration plans

12 providers responded that they were planning on regenerating older person's schemes in the next five years. In total, these members were planning on regenerating 184 schemes, consisting of 1,398 units of older person's accommodation – around 3.5% of respondents' total older person's homes. Of these, 130 had confirmed funding (9% of the total), and 286 had indicative funding (20% of the total).

Similarly, 9 providers responded that they were planning on regenerating their supported accommodation schemes in the next five years. In total, these members were planning on regenerating 303 units of supported accommodation – around 2% of respondents’ total supported housing stock. Of these, 128 had confirmed funding (42% of the total), and 16 had indicative funding (5% of the total).

These results show significantly increased plans for regeneration of housing over the next five years, in comparison with the previous five years. This is likely to be partly in response to the change to Affordable Homes Programme funding conditions. This ambition is most prominent for respondents’ older person’s schemes, likely due to a higher prevalence of older homes as previously mentioned in the ‘organisational priorities’ question.

## Barriers to regeneration

**What are the most significant barriers that currently prevent your organisation from regenerating supported or older person’s housing over the next 5 years? Please rank each barrier in order of importance.**

Similarly to barriers to development, respondents were asked to rank the current barriers that prevented their organisation from regenerating their supported and older person’s housing stock. Respondents could select as many options as applied from the list and place them in order of importance. The table below shows which options were selected most frequently.

Factor	Overall Rank (1 being most significant)
Capital grant per unit too low	1
Social Rent/Affordable Rent too low to ensure the project is viable at available grant rates	2
No other funding available	3
Building safety costs	4
Uncertainty over the long-term rent settlement	5
Decarbonisation costs	6
Lack of access to affordable finance	7
Planning and land	8
Financial impact of 7% rent cap	9
Lack of staff with development skills	10



Lack of board experience in development	11
Lack of affordable development consultants	12
Recent shared ownership rent reform	13
Other	14

**Free text: What impact has the 7% rent ceiling (exemption for Supported Housing) had on your regeneration ambitions?**

14 respondents provided a response to this question. Of these, seven (50%) stated that the 7% rent cap had posed challenges to their regeneration plans and reduced their ability to deliver. One respondent said that: *“This has restricted our ability to look at regeneration options. We need to maintain a development programme to deliver against existing grant commitments and statutory responsibility commitments i.e. supported living re-provisions. The rent ceiling means difficult decisions have to be made with available capacity, potentially delaying the timing of delivering regeneration schemes”.*

Four respondents indicated that the cap had no impact or was not applicable to them, likely because they solely provided supported housing. One respondent stated that it was too early to draw full conclusions.

**Free text: Please provide more detail about your motivation to regenerate. For example, is it to upgrade, modernise, and extend, or demolish, replace, and repurpose your homes?**

15 respondents provided a response to this question. A strong theme coming through was that respondents plans focused on modernising existing homes – seven responses (46%) explicitly mentioned plans to modernise homes which was no longer fit for purpose. One respondent said that *“Our regeneration plans involve modernisation and upgrading our existing stock which is now over 50 years old, with key elements in need of replacement, such as our electric ceiling heating system”.*

Several respondents indicated that they planned to replace shared facilities, including one respondent planning to upgrade a 93-bed supported housing scheme where kitchens and bathrooms were shared. Motivations also included increasing development density on site, and removing hard-to-let smaller / studio flats.

**What impact would increased rent flexibility for supported housing in the rent standard have on your regeneration ambitions?**

13 respondents provided a response to this question. The majority (76%) suggested that increased rent flexibility would have an overall positive impact. The specific ways in which it would have a positive impact included the ability to plan ahead, progress regeneration projects, and offset the increased cost from undertaking wider estate regeneration activity.

## Ambition to regenerate

We asked respondents whether they would have ambition to redevelop more older person's and supported accommodation, if the conditions detailed above were rectified.

### **Roughly how many older peoples' housing schemes/units would your organisation have ambition to regenerate if the conditions allowed it?**

9 respondents reported that they would have ambitions to regenerate their older person's homes, if the conditions allowed it. This represents 22% of respondents who own or manage older person's accommodation.

When asked to estimate how many older person's housing schemes or units they would regenerate if conditions allowed, respondents indicated that they would be able to redevelop 76 schemes, consisting of 1,333 units. This would represent a 95% increase in current regeneration plans.

### **Roughly how many supported accommodation housing schemes/units would your organisation have ambition to regenerate if the conditions allowed it?**

8 respondents reported that they would have ambition to regenerate their supported housing stock, if the conditions allowed it. This represents 25% of respondents who own or manage supported accommodation.

When asked to estimate how many supported housing schemes or units they would regenerate if conditions allowed, respondents indicated that they would be able to redevelop 43 schemes, consisting of 529 units. This would represent a 174% increase in current regeneration plans.

As with respondents' ambitions to develop, these results show that respondents have a significant ambition to regenerate their existing schemes if possible. Respondents' planned regeneration has already increased significantly when compared to regeneration from the previous five years. However, if the barriers to project viability discussed above were resolved, respondents would have the ambition to more than double their planned regeneration delivery in total.

**Free text: Do you have any other comments on the enabling factors or barriers to regeneration, or any examples of a particular regeneration project that couldn't go ahead and the reasons for this?**

9 respondents provided further comments on the enabling factors and barriers to regeneration. Four comments highlighted a lack of capital funding as an ongoing barrier – one respondent clarified that *“Despite the [Homes England] announcement that it is supporting Estate Regeneration, due to the fact that they are still focusing outcome on new homes, there is a major gap in [Registered Providers] being able to fund works to existing stock, given the increased pressure on Business Plans.”*

Two respondents highlighted uncertainty around local authority funding as a barrier, including decommissioning of support contracts and short-term contracts. Other comments also highlighted compliance costs and planning delays as barriers.

**Free text: How can government support smaller housing providers to regenerate more supported or older person's housing?**

10 respondents provided further comments on what smaller providers would need to regenerate more supported or older person's housing. 8 of these mentioned increased capital funding – one comment suggested that smaller housing associations and those providing supported accommodation should receive a higher grant rate, due to often having less headroom in their finances.

Another comment along similar lines suggested that the government should *“introduce an integrated financial support package with guidance on what “best practice” regeneration looks like, focusing on different types of schemes which offer varying levels of support”*.

## Funding models

**Have you used the following funding streams to develop supported or older person’s housing?**

**Table 4 – funding streams**

Funding streams	Number of respondents who have used this funding before
Bank finance	22
Old Homes and Communities Agency grant	22
Local Authority funding	22
Short-term leasing	10
Long term leasing from private landlord	7
Transforming Care Fund	6
Rough Sleeping Accommodation Programme	6
Department for Health and Social Care Care and Specialist Supported Housing (CASHH0	4
Specialised Supported Housing outside Rent Standard	4
Move On Fund	4
Other	5

**Are there any particular barriers that prevented you from using any of these funding streams, or any feedback you’d have on how to improve access to these funds?**

This question received 24 responses. 11 of these responses answered either that they had not applied for funding or that they had seen no issues applying for any particular funding stream. The remaining responses highlighted a diverse range of issues.

Three respondents noted issues with the Transforming Care Fund (50% of those who had accessed it), which reduced their ability to access private finance. One respondent explained:

*“[The Transforming Care Fund] requires a charge to be placed on organisations’ property assets, however, the grant funding required to deliver a scheme often exceeds the completed property’s market value. This means charges to cover the Transforming Care [funding] have to be placed on other unencumbered properties, reducing an organisation’s capability to raise future funds to support*

*investments. This means every unit delivered using Transforming Care disproportionately diminishes our future development capacity.”*

Two respondents also noted the separate nature of capital and revenue funding, and argued that improved alignment between these funds would lead to further development.

Opinions on interacting with local authorities were split – one respondent expressed that their local authority was very supportive, however, another argued that *“changes within local authorities means that it is hard to know who you need to talk to, and you end up giving up”*. Another respondent continued to raise the insecurity of support funding and the short-term nature of commissioned contracts as a barrier to development.

### **Have changes to the Affordable Homes Programme to support regeneration projects given you confidence to regenerate more schemes?**

This question received 27 responses, and was relatively divisive. 10 respondents (37%) argued that the Affordable Homes Programme changes had supported their regeneration work, whereas 12 (44%) argued that they hadn't. 5 (18%) responded that this question was not applicable to their organisation.

For those who had answered yes, several provided caveats, including arguments that the focus on additionality was challenging to achieve, and that more funding should also be made available for schemes where it is not possible to deliver additional homes.

For those who answered no, some provided additional information. The main concern raised was around the change in regeneration grant support being short term, and being seen by respondents as lacking political commitment – one respondent said that *“The change in regeneration grant support is very short term against the complex nature of regeneration schemes to fully assess risk and secure required planning permissions. This means decisions are rushed rather than fully considered”*. Two respondents also raised similar points on additionality being difficult to achieve in their regeneration projects.

### **What other funding streams have you used for regeneration projects?**

This question received 23 responses, of which 12 were either 'No' or 'N/A', and a further 8 were funding streams that had been addressed in the previous question. Three respondents highlighted funding streams that we had not asked about – these were:

- The Social Housing Decarbonisation Fund.
- Gift aid from a fully owned non-charitable subsidiary which holds market rented properties.
- Liverpool City Region Pre-Development funding.
- Towns Fund.

## Conclusion

This survey added to existing information on respondents' development plans, and provided new information specifically on respondents' plans to regenerate their units.

Relating the results to the 2021 survey, significant areas of continuity remain. In particular, the top barriers to development have remained broadly the same (low capital grant, issues with planning and land, and issues with short-term and reduced funding from commissioners).

The planned mix of supported accommodation specialisms also remains consistent on last year, with housing for people with learning disabilities and autistic people, and housing for single homeless people, representing a large majority of all planned supported accommodation.

Respondents' large desire to develop also persists, with 61% of respondents wishing to develop more supported and older person's accommodation (compared to 69% last year), if conditions allowed. If realised, this ambition would more than double respondents' current development pipeline.

These findings were echoed in the regeneration data, which demonstrated plans to significantly increase regeneration delivery over the next five years when compared to the previous five. In this context, if barriers to regeneration were removed, respondents would have ambitions to roughly double their planned older person's housing regeneration projects, and more than double their regeneration projects for supported accommodation.

While the scope of this survey is limited, it still provides insight into the recurring barriers to developing and regenerating supported and older person's housing. It provides some possible approaches to begin to tackle these barriers, at a time when increased development and regeneration is sorely needed.