

Supported housing and older people's housing development survey

Survey report

December 2021

Summary

Our survey research provides an evidence base on development plans by housing associations who currently own or manage supported or older people's housing. We look in particular at numbers for older people's housing, supported housing for working-age people with support needs, and Housing First units.

Overall, the results show a strong appetite from providers of older people's housing to develop more schemes, with new development plans equivalent to 11% of respondents' existing stock. This is positive to see, as affordable housing for older people has been identified as an increasing need.

The results however highlighted concerns regarding development plans for supported housing for working-age people with support needs. New plans are equal to 4% of the respondents' existing stock, but this part of the sector faces higher levels of remodelling or decommissioning (2% of the existing stock has been or is facing remodelling or decommissioning). Almost half of planned units for working-age people with support needs focus on single homeless people. There are limited plans for other types of supported housing.

It is positive to see development plans for Housing First units, which are the size of 15% of the respondents' existing stock of Housing First Units, however these are low numbers as Housing First units represent less than 1% of the wider supported housing sector.

It has been positive to see greater government commitment towards supported housing supply, in particular the target for 10% of homes built through the Affordable Homes Programme to be supported or older people's housing. However, without more specific targets and outcomes on what this 10% will deliver, there is a risk that

only the least expensive and financially secure schemes will be progressed regardless of the need for housing with care and/or support within the local population.

This survey identified a number of barriers to developing more homes and, in particular, small-scale specialist schemes for working-age people with support and/or care needs. The most significant barriers are:

- Capital grant available per unit too low.
- Planning and availability of land.
- Short-term support funding contracts.

Respondents demonstrated a clear ambition to develop more supported and older people's housing. On average, respondents would increase their development plans by 58% if these barriers were addressed.

This survey however was limited in scope, and there needs to be more research to explore solutions to address these barriers. The NHF will continue to work with members, government and other stakeholders to promote a more sustainable funding environment to develop more affordable supported and older people's housing in order to meet growing needs.

Overview of key findings

The survey received 80 responses from housing associations. This represents 39% of our members' older peoples housing stock, and 17% of our members' supported housing stock.

Development plans

The main survey questions focused on development plans for older people's housing, supported housing and Housing First units. We did not include a specific timeframe in order to capture all plans for development that providers currently have.

The results show that there is a stronger appetite to develop housing for older people than supported housing for working-age people with support needs. These results however will have been influenced by the respondents' sample profile, which featured more providers of older people's housing.

Older people's housing

Almost half (47%) of respondents who already own or manage housing for older people have plans to develop more schemes (including all sheltered, extra care or designated housing for older people).

In total, respondents' development plans amount to 11,093 units for older people's housing, representing an increase of 11% compared with respondents' existing stock.

Supported housing

43% of respondents who already own or manage supported housing for working-age people with support needs have plans to develop more of this type of housing.

Overall, respondents' development plans amount to 840 units of supported housing, representing an increase of about 4% compared with respondents' existing stock.

The area with most planned provision, in terms of residents' support needs, is housing for single homeless people (including rough sleepers), representing 47% of the planned supported housing units.

Housing First

38% of respondents who already own or manage Housing First units have plans to develop more. Overall figures indicate that respondents' development plans amount to 59 Housing First units, representing an increase of 15% compared with respondents' existing stock.

The percentage increase is higher than other types of housing, however Housing First units represent a very small proportion of existing stock, so the overall number of new units is low compared with other forms of housing for people with support needs.

Decommissioning / remodelling

The respondents' development plans should be somewhat tempered by their plans to decommission or remodel 1,206 older people's housing units, and 475 supported housing units. These figures are equivalent to about 1% of respondents' existing stock of older people's housing, and about 2% of respondents' existing stock of supported housing.

Comments on decommissioning / remodelling suggest that many providers are looking at remodelling schemes to provide more space for tenants. Remodelling plans for older people's housing in particular focus on turning bedsits and/or shared facilities into larger one- or two-bedrooms units. Whilst this is important to achieve higher quality and living standards, it will reduce the total number of units of older people's housing and supported housing.

The two most prominent reasons given by respondents for decommissioning or remodelling were financial viability (92% of respondents considered this very important or somewhat important in explaining their decision) and inappropriate design (89% of respondents considered this very important or important).

Barriers to development

The three most significant barriers to development respondents selected were:

- Capital grant available per unit too low.
- Planning and availability of land.
- Short-term support funding contracts.

Respondents provided a lot of comments on this question, highlighting the lack of revenue funding as a key concern, and capital grant rates being too low, given the higher cost of developing small-scale, high-quality, specialised schemes for supported housing.

Ambition to develop

Two thirds of respondents (65%) said they would have a greater ambition to develop more housing for older people or people with support needs if the above barriers were addressed.

If these barriers were removed, respondents would hope to deliver another 6,934 more units in total. This represents an increase of 58% compared with what they currently plan to deliver.

Barriers to accessing funding

The majority of comments on this area related to the challenges in achieving viability for supported housing or older people's housing schemes with the Affordable Homes Programme. Other comments mentioned issues with the exemption from the Rent Standard and the lease-based model of funding (see section 8 for more details).

Supporting smaller providers

Comments on how to support smaller providers focused mainly on funding issues, in particular regarding the Affordable Homes Programme.

Suggestions to improve this included:

- A localised approach to setting grant rates.
- Ring-fencing a proportion of funding for smaller providers.
- Providing development expertise / capacity building.
- Supporting early development costs.
- Supporting access to land.

Survey overview

In autumn, the National Housing Federation carried out a survey of its members recorded as owning or managing supported housing or older people's housing, to explore their plans and appetite for developing more of this type of housing. The survey ran in September and October 2021 and gathered responses from 80 of our members. It was sent out to 431 members, achieving a response rate of 19%.

This survey is part of the NHF's ongoing research and policy work in this area and, as such, the exercise has been informed by a number of engagement activities. These included workshops organised by the Ministry of Housing, Communities & Local Government (now Department for Levelling Up, Housing and Communities) with housing association members on barriers to developing supported housing, and a roundtable held in the summer with Lord Best and members of our Delivering Great Homes group on increasing the supply of homes for older people.

The survey questions were shaped in part by consultation with the NHF's Health and Housing National Group members.

Aims of the survey

- To draw a national picture of housing associations' plans and appetite for development of supported and older people's housing.
- To better understand the barriers and enabling factors to developing supported and older people's housing.
- To estimate development potential if the right conditions were provided.
- To inform our work with government on the future funding environment for supported and older people's housing providers.

Terminology used in this report

We acknowledge that the supported housing and older people'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 people's housing' as defined in the Regulator of Social Housing

Statistical Data Return.¹ We added 'Housing First' as another form of designated housing for people with support needs. We define these categories as:

- **Older people'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.

We acknowledge the limitations of these broad categories and the diversity of housing types and support provided in this sector.

Respondents' profile

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

Table 1: Respondent's stock profile

	Schemes	Units
Older people's housing	3,241	105,470
Supported housing	4,190	19,613

Of those who responded to this question, we found the following:

- 55 respondents own or manage older people's housing.
- 49 respondents own or manage supported housing.
- 16 respondents own or manage Housing First units.
- 33 respondents own or manage more than one category of the above.

The 80 respondents' stock represents 39% of all our members' older people's housing stock (which totals about 270,000 units), and 17% of all our members'

¹ Additional information on this can be accessed in the Regulator's Guidance [Technical notes and definitions](#) (2021). See in particular page 8: "The introduction of the Welfare Reform and Work Act (WRWA) (2016) and associated regulations necessitated a revision to the definitions used in the SDR between 2017 and 2018 for supported housing and housing for older people. As part of this, the definition of housing for older people was focused to those units which met the definitions for supported housing and that were intended for exclusive use by older people."

supported housing stock (which is about 118,000 units). We base these figures on the data we hold in our members' records, which derive from their annual Statistical Data Return (SDR). As a result, data held is only as current as the last update of the SDR.

Respondents' stock profile shows that more providers of older people's housing responded to the survey than providers of supported housing. Respondents' non-General Needs units are made up of 84% housing for older people, 16% supported housing, and less than 1% are Housing First units.

In comparison, our members' stock of housing for older people represents about 70% of non-General Needs stock, and supported housing about 30%. This suggests that in this survey, data is heavily weighted toward housing for older people, due to a lower response rate from our members who provide supported housing.

Development plans

1. Older people's housing

Are you planning to develop any older people's housing (including all sheltered, extra care or designated housing for older people)?²

26 respondents have plans to develop older people's housing (including all sheltered, extra care or designated housing for older people). All but one already own or manage older people's housing. This represents about a third (33%) of all respondents, and almost half (47%) of respondents who already own or manage older people's housing.

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

- **Total number of units planned:** 11,093 units. This represents an increase of 11% compared with respondents' existing units (105,470).
- **Total number of schemes planned:** 178 schemes, representing a 5% increase compared with the number of schemes that respondents already have in their existing stock (3,241).

² The question did not include a specific timeframe in order to capture all development plans that respondents currently have.

- Number of units with confirmed funding: 1,003 units. This is 9% of the total number of older people's units planned.
- Number of units with indicative funding: 502 units. This is 5% of the total number of older people's units planned.

The above numbers show that providers have a strong appetite to develop more housing for older people, however only a small proportion of projects have already received funding. The development plans mentioned have almost twice as many units per scheme on average as existing stock (about 60 instead of 30).

It is worth noting that one of the reasons why organisations are able to develop older people's housing schemes is the potential to achieve economies of scale. Schemes for older people's housing tend to be larger than other types of supported housing for working-age people.

2. Supported housing

Are you planning to develop any supported housing for working-age people with support needs?

21 respondents have plans to develop supported housing for working-age people with support needs. These members already own or manage supported housing. They represent over a quarter (28%) of all respondents, and 43% of those who already own or manage supported housing.

Further details on development plans for supported housing:

- Total number of units planned: 840 units. This represents an increase of 4% compared with respondents' existing units (19,613).
- Total number of schemes planned: 92 schemes, representing 2% increase compared with the number of schemes that respondents already have in their existing stock (4,190).
- Number of units with confirmed funding: 320 units. This is 38% of the total number of supported housing units planned.
- Number of units with indicative funding: 46 units. This is 5% compared with total number of supported housing units planned.

These numbers show that while there may be less appetite to develop supported housing than housing for older people, a larger proportion of the development plans already have funding secured (38% of units already have confirmed funding,

compared with 9% for older people's housing). This might suggest that providers need more funding security to develop supported housing, and that, to some extent, this type of development may hold greater risk than developing housing for older people. This is consistent with points that have been raised by members in other engagement activities; the financial risk of developing small specialist supported housing is a key barrier.

As with older people's housing, the development plans show an average increase of units per scheme (about nine units in new schemes compared with five on average in existing schemes). There is a clear contrast in size between supported housing and older people's housing. Supported housing schemes often need to operate on a small scale to avoid institutionalisation, but therefore cannot benefit from the same economies of scale in terms of development and management cost as housing for older people does.

3. Housing First

Are you planning to develop General Needs units that will be used for Housing First clients?

Six respondents stated that they have plans to develop Housing First units. This is 8% of all respondents, and 38% of those who already own or manage Housing First units. Four of these six already own or manage Housing First units.

Further details on development plans for Housing First units:

- Total number of units planned: 59 units. This represents an increase of 15% compared with respondents' existing units (387).
- Number of units with confirmed funding: 15 units. This is 25% of the total number of units planned for development.
- Number of units with indicative funding: 24 units. This is 41% of the total number of units planned.

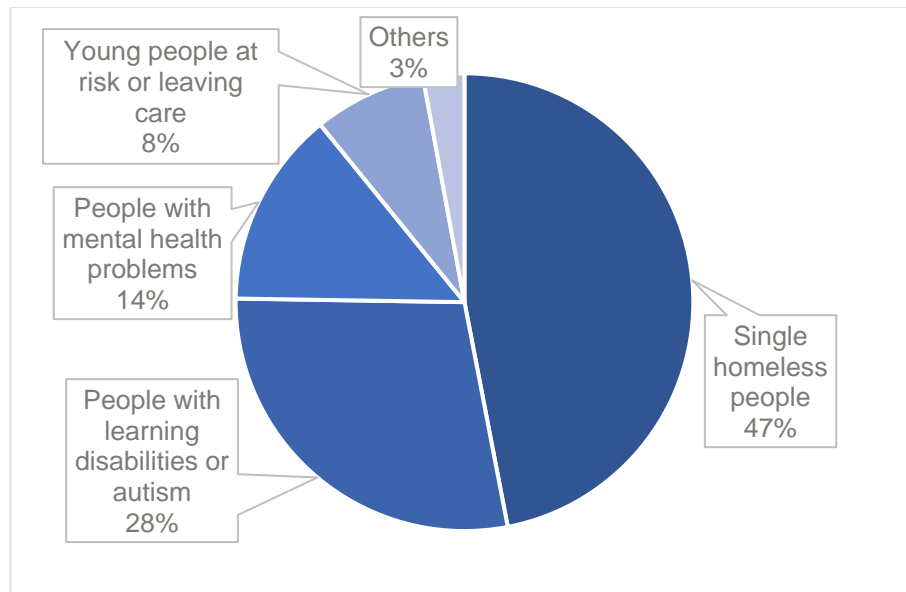
While the increase in units planned compared with existing stock is higher than that for supported housing, it should be noted that the existing stock of Housing First units is significantly lower than supported housing and so the overall number of new Housing First units is relatively small in comparison.

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.

Graph 1: Proportion of supported housing units planned by specialism



The largest planned provision in terms of residents' support needs is housing for single homeless people including rough sleepers (47% of supported housing units planned). The second largest provision planned is for people with learning disabilities or autism (28% of units planned). Units for people with mental health problems represents 14% of supported housing development plans, and units for young people at risk of leaving care represent 8%.

Development plans for other support needs are marginal and include: people at risk of domestic abuse (1% of supported housing planned units), people with physical disabilities or sensory impairment (1%), or other support needs (1%, including people with multiple disadvantages, military veterans, refugees/asylum seekers, young parents, travellers or others). The survey did not pick up any plans for schemes for homeless families with support needs, people who misuse drugs or alcohol or offenders/people at risk of offending.

Three respondents stated that they have plans for women-only developments, two of them being domestic abuse schemes. This represents only 3% of the planned schemes for supported housing.

The table below gives a breakdown of the number of schemes and units planned, as well as confirmed or indicative funding, based on the support needs of future residents. While the majority of respondents answered this question, the total number of units for a specified support need is slightly less than the overall number of supported housing units (792 instead of 840 units).

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.

Table 2: Further details on supported housing development plans

Specialism	Number of units planned	Number of schemes planned	% of units with confirmed funding	% of units with indicative funding
Single homeless people (including rough sleepers)	372	16	39%	8%
People with learning disabilities or autism	224	60	51%	0
People with mental health problems	110	14	18%	2%
Young people at risk or leaving care (16-25)	63	7	0	0
People at risk of domestic abuse	10	2	100%	0
People with physical disabilities or sensory impairment with support needs	5	0	0	0
Others	8	1	0	0
Homeless families with support needs	0	0	0	0
People with drug or alcohol misuse	0	0	0	0
Offenders and people at risk of offending	0	0	0	0

Based on the table above, there appears to be a focus on provision for single homeless people, but low numbers of development for other types of supported housing.

It is important to contextualise these results and remember that a low number of supported housing providers responded to this survey (the respondents' supported housing stock represents 17% of our members' overall supported housing stock). The specific plans for development analysed above might therefore not be reflective of the whole sector.

Decommissioning/remodelling

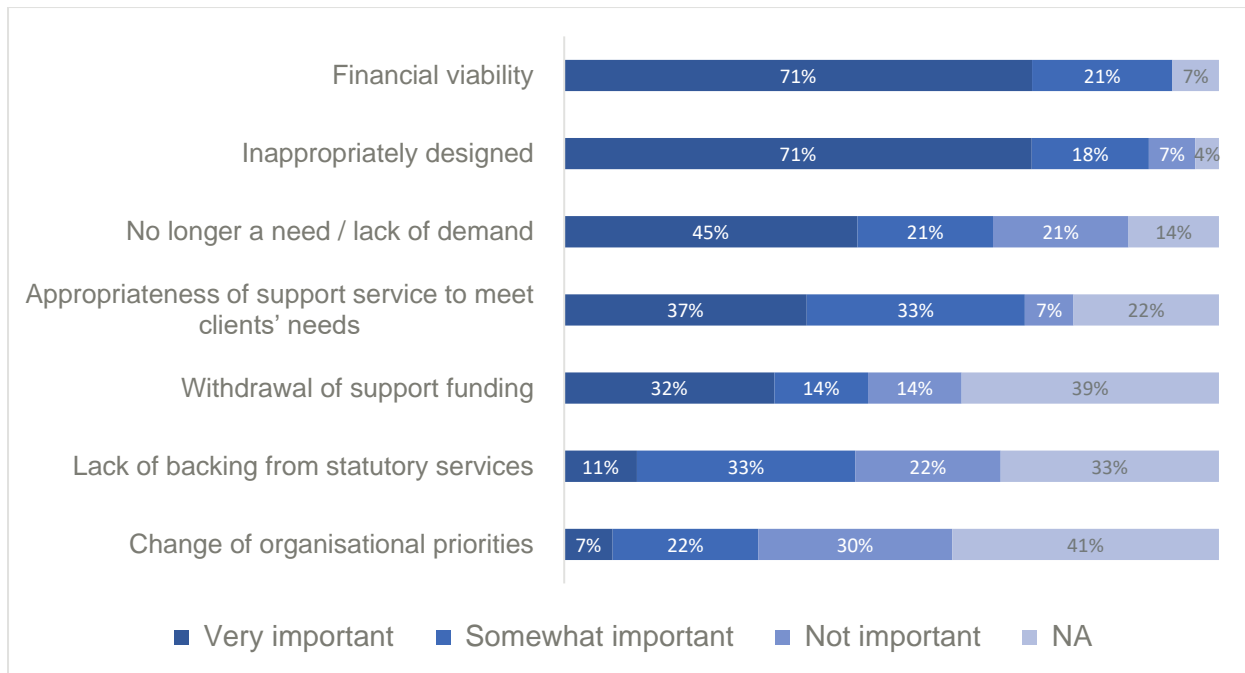
Are you planning to decommission or remodel any of the following types of housing or have you done so in the past five years?

In total, respondents plan to decommission or remodel 134 schemes, with 1,206 units, of older people's housing, and 156 schemes, with 475 units, of supported housing. This represents about 1% of respondents' existing stock of older people's housing, and about 2% of respondents' existing stock of supported housing. Based on responses provided in this section, most remodelling plans aim to turn smaller units into larger ones and are therefore likely to decrease the overall stock number for this type of housing.

Regarding supported housing specifically, a potential loss or reduction of 2% of existing stock is significant, considering that development plans analysed in this survey show only a 4% increase on existing stock. The number of supported housing units being decommissioned or remodelled represents more than half (57%) of the number of units planned for development.

The figure below shows the most important reasons respondents provided for decommissioning or remodelling schemes.

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 remodel or decommission. The two most prominent reasons cited for decommissioning/remodelling were financial viability (92% of providers considered this very important or somewhat important in explaining their decision), and inappropriate design (89% of providers considered this very important or important).

Just over a quarter of respondents (29%) feel that a change in organisational priorities was important in their decision to decommission or remodel. The respondents who selected this option ('Change in organisational priorities') were then given the opportunity to comment on the reasons behind their decisions for decommissioning / remodelling. The majority of the comments (5 of the 8) cited a change in space and living standards, from single bedsits and/or shared facilities to larger and self-contained units. A housing provider for older people mentioned that due to increased male longevity, a higher number of older people are likely to apply as couples than before. Another respondent mentioned that remodelling was the opportunity to provide modern thermal efficiency.

Other responses included comments around decommissioning or remodelling due to poor performance following a review of assets, overprovision locally and lack of revenue funding.

Barriers to development

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

Respondents could select as many options as they wanted from the list, and placed them in order of importance. The table below shows which options were selected most frequently.

Table 3: Ranking of barriers to development

Factor	Overall Rank (1 being most significant)
Capital grant available per unit too low	1
Planning and availability of land	2
Short-term support contracts	3
Lack of backing from the local authority	4
No other funding available	5
Concern about future building safety costs	6
Concern about decarbonisation costs	7
Local Housing Benefit team not agreeing eligibility on rents and service charge	8
Lack of access to affordable finance	9
Lack of local demand/need	10
Lack of access to move-on accommodation	11
Other	12

Do you have any other comments on the enabling factors or barriers to development?

Following the rating question above, respondents were given the opportunity to provide more details about the barriers they face to developing more supported housing or housing for older people. This question drew 44 comments, showing a strong interest from respondents in this area.

The most common theme related to this question (cited in about a third of comments) was issues with revenue funding to provide support to future residents. Comments on this included:

- The lack of revenue funding in general.

- Short-term support contracts.
- The lack of revenue funding attached to the Affordable Homes Programme.

Example of a respondent's comment on this:

“Main issue is the lack of long term, sustainable revenue funding and the race to the bottom approach via tendering.”

The second-most cited issue (12 out of 44 comments) was capital grant rates being insufficient per unit, given the higher cost of developing small, high-quality, specialised schemes for supported housing.

Several respondents mentioned the risk of building costs increasing, as well as having to invest in decarbonisation for existing stock, which all act as a barrier to developing supported housing.

To make schemes viable, respondents often cited the need to have higher grant rates, in conjunction with higher rents within the Rent Standard for supported housing. Some commented that these were needed to encourage supply through the traditional model and avoid the need for providers using the lease-based model with high rents and risks identified by the Regulator of Social Housing.³

“The current Homes England grant levels and inflexibility of the Rent Standard prohibit new schemes for people with a learning disability with high support and care needs.”

Another frequent barrier mentioned was the lack of support from local authorities, and a mismatch between short-term and long-term planning.

“In our experience, when we seek local authority support for new supported housing developments, we are often not on the same page. We want to develop buildings which will have a long-term future and be viable over a 30-60-year lifespan, whereas Local Authorities tend to focus on short-term aims.”

Other barriers mentioned by respondents related to local authorities, where a lack of clear referral pathways into supported housing resulted in long void periods, and the lack of local authority support to cover these. A lack of support to access appropriate

³ Regulator of Social Housing, 2019, [Lease-based providers of specialised supported housing](#)

sites in a competitive land market was also cited. Several respondents mentioned the lack of move-on options for people who no longer need supported housing.

One respondent provided an example of development through airspace extension above their existing stock (to a maximum of three floors), maximising the potential of their older people's housing without having to acquire more land.

How can government support smaller housing providers to develop more supported or older people's housing?

We received 35 responses to this question. Half of these respondents mentioned issues around funding, in particular with regards to the Affordable Homes Programme.

Comments related to funding included a number of suggestions to support smaller providers:

- Implementing a localised approach with different grant rates.
- Ring-fencing a proportion of funding for smaller providers.
- Providing development expertise or capacity building for smaller providers.
- Setting up a mechanism to support early development costs and/or building costs.
- Support access to land.

Several responses noted the inherent contradiction between the nature of supported housing services that is best met by smaller-scale structures, and the higher risk associated with developing supported housing, which means that only larger providers can afford to develop new schemes.

The second-most cited reason (13 out of 35 comments) was the need for longer-term revenue funding.

Other responses included local authorities to have clearer strategies and plans for supported / older people's housing, support with the planning process, and greater support for the almshouse model.

Ambition to develop

The majority of respondents (65%) said that they would have a greater ambition to widen / increase their development plans to build more housing for older people or people with support needs were the barriers addressed.

In total, they would have ambition to deliver another 243 schemes and a total of 6,934 more units, which represents a 58% increase compared with what they currently plan to deliver.

These numbers show a strong ambition from providers to develop more, and confirm that this sector faces particular barriers that prevent schemes from being developed.

Funding models

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

Table 4 – Funding streams

Funding streams	Number of respondents who had used this funding before
Affordable Homes Programme capital funding	32
Specialised supported housing outside the rent standard	11
Short-term leasing	10
CASSH capital funding (Department of Health and Social Care)	7
RSAP funding	7
Long-term leasing from private landlord	7
Transforming care	4
Move-on Fund	2
Other	3

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

Affordable Homes Programme

The most commonly cited issues (6 out of 22 comments) related to Affordable Homes Programme capital funding being insufficient for ensuring the viability of new supported housing schemes.

Specific comments on this included:

- A suggestion to provide a more favourable grant rate for smaller housing associations.
- More flexibility around Value for Money to recognise different housing markets and site constraints.
- A grant that takes into account the higher costs associated with later living, including for the Older People's Shared Ownership product.

One respondent pointed at the contrast between NHS England and Homes England capital grant rates:

“NHS England grant comes with various restrictions and risks that push us towards only agreeing if the scheme is 100% capital funded, which NHS England is often prepared to do. This is not Value for Money for the public purse and contrasts starkly with Homes England grant levels and rules. We need a happy medium between these options!”

The next most common response (4 out of 22 comments) was related to the lack of revenue funding attached to capital funding:

“Until the funding for the support package can be confirmed, we are unable to commit to developing more units.”

Leased exempt accommodation

There were a number of comments on the exempt rent and lease model, where providers lease properties and cover the cost through charging higher rents where the housing meets the definition of specialised supported housing.

The main concerns raised about this model included:

- Residents not being able to work, as they would not be able to afford rent when it is not covered by housing benefit.
- The incoherence of a model seeking to provide market returns to investors.

- The lack of regulation for organisations that are not registered providers of social housing.

Other comments on funding

Other comments on barriers to accessing funding included a lack of internal expertise, knowledge and skills, in particular among smaller organisations, to respond to funding bids within timeframes, and the need to enter into consortium arrangements with larger housing associations.

A few providers also mentioned the pressure on small organisations to address existing residents' needs in the context of the pandemic.

One respondent cited that the HOLD Shared Ownership product for people with long-term disabilities faced the problem of there only being one mortgage lender, which does not ensure value for money.

Conclusion

This survey provides a useful insight into housing providers' plans and ambition to develop older people's housing, supported housing for working-age people with support needs, and Housing First units.

Overall, the results showed a strong appetite from providers of older people's housing to develop more schemes. However, the results highlight concerns regarding the limited development plans for supported housing for working-age people with support needs, and the high levels of planned remodelling or decommissioning for this part of the supported housing sector. Development plans for specialist supported housing that is not for single homeless people are particularly low.

This survey identified a number of barriers to developing more supported housing homes, in particular related to funding models for small-scale specialist schemes for working-age people with support and/or care needs. While the Affordable Homes Programme provides a new commitment towards supported housing, the lack of specific targets within the supported housing category could lead to a scarcity of investment in housing for some client groups.

We acknowledge the limited scope of this survey, and the need for further research to explore solutions to develop a more sustainable funding environment for supported and older people's housing.