

Supported housing and older people's housing development survey

Survey report

March 2023

Summary

Housing associations own or manage around three quarters of England's rented supported and specialist older people's housing and are critical in meeting the country's need for affordable housing for people with care and/or support needs.

We surveyed our members to capture the number of new homes planned 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. Where possible, we have compared these plans with results from our 2021 survey.¹ The research sheds light on housing associations' broad ambitions to develop and on the most pressing barriers to increasing numbers of new homes.

Overall, the results show a limited appetite for development with more plans to develop housing for older people than supported housing for working-age people. Respondents' stated development plans would expand the existing stock of older people's housing by almost 6%, though this is lower than the 11% recorded last year. For supported housing, development plans would increase respondents' existing stock by just over 3%. Results show that more than half (57%) of respondents that already own or manage supported housing units are not aiming to develop more over the next five years (for older people's housing this is lower at 45% who are not aiming to develop).

As reported in the 2021 survey, supported housing faces higher levels of decommissioning or remodelling than older people's housing. Almost 3% of respondents supported housing stock will likely be decommissioned or remodelled in the next five years, which almost equals the scale of planned development for this

¹ <https://www.housing.org.uk/globalassets/files/supported-housing/supported-housing-and-older-peoples-housing-development-survey-report.pdf>

housing type over the same period. However, a larger proportion of development plans for supported housing already have funding secured, compared to older people's housing (55% compared to 22% for older people's).

The ambition to develop Housing First units is roughly consistent with the previous reporting, with respondents' plans representing a 13% increase on existing Housing First stock numbers. Respondents did not report any plans to decommission or remodel any Housing First units.

Our findings identified a range of factors leading to respondents decommissioning or remodelling their stock. Most notably this was due to:

- Financial viability
- Inappropriate design
- Withdrawal of support funding

Over half of respondents noted that a change in organisational priorities was either 'very important' or 'somewhat important' to decisions to decommission or remodel. Many of these respondents cited a rise in service standards and aims to better meet users' needs as examples of these shifting priorities.

The survey identified a number of key barriers to development of more older people's and supported housing. Respondents also had clear views about how to overcome these. The most significant barriers are:

- Capital grant funding too low per unit
- Planning and availability of land
- Reduction in commissioned support
- Short term contracts and/or erratic commissioning decisions by local authorities
- Social/Affordable Rent levels too low to secure scheme viability at available grant rates

Despite these barriers, respondents indicated that if the conditions allowed, 69% of them would aim to develop more housing for older people and supported housing for working-age people with support needs. This is more than double the current ambition to develop over the next five years for both housing types (111% increase).

Respondents also contributed lots of ideas on how to support smaller providers to access funding and engage in development.

This survey was limited in scope and only captures a part of the landscape of housing for older people and supported housing for working-age people. There needs to be more research to explore solutions to address the barriers to further development. 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 76 responses from housing associations. This represents 52% of our members' older people's housing stock, and 29% 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. Whereas last year we did not include a timeframe, this year we specifically asked for development plans over the next five years.

Older people's housing

Over half (55%) of respondents that already own or manage older people'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 7,347 units for older people's housing, representing an increase of almost 6% compared with respondents' existing stock. In the 2021 survey, respondents indicated having plans to build 11,093 more units, representing an increase of 11%.

Supported housing

43% 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. Overall, respondents' development plans amount to 1,105 units of supported housing, representing an increase of over 3% compared with respondents' existing stock.

A larger proportion of developments plans for supported housing already have funding secured, compared to older people's housing (55% compared to 22% for older people's).

The area with the most planned provision, in terms of residents' support needs, is housing for people with learning disabilities or autism, representing 60% of planned units.

Housing First

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Over half (55%) of respondents that already own or manage Housing First units have plans to develop more. Overall figures indicate that respondents' development plans amount to 61 units, representing an increase of 13% compared with respondents' existing stock.

Decommissioning / remodelling

The respondents' development plans should be read in the context of their plans to decommission or remodel some of their older people's and supported housing units. This amounts to 89 schemes, with 1,599 units, of older people's housing, and 118 schemes, with 887 units of supported housing. These figures are equivalent to about 1% of respondents' existing stock of older people's housing, and about 3% of respondents' existing stock of 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 (96% of respondents considered this very important or somewhat important).

Over half (52%) of respondents indicated that a change in organisational priorities was considered very important or somewhat important to decisions to decommission or remodel. When providing more details around these decisions, respondents mentioned an ambition to raise standards in their delivery of older person's housing or supported housing. Another common motivation to decommission or remodel was the drive to ensure residents' needs are properly met, where they are not already.

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
- Reduction in commissioned support

Respondents provided a lot of comments on this question, focussing largely on insufficient grant levels, short term support contracts, planning delays and high build costs. Insufficient revenue funding was another factor, as was a lack of in-house capacity and expertise to navigate these multiple challenges.

Ambition to develop

Over two thirds of respondents (69%) 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. This is higher than the 58% captured in the 2021 survey, which reflects strong ambition but also the scaled down development plans due to a high-risk environment.

If these barriers were removed, respondents would hope to deliver another 9,398 more units in total. This represents an increase of 111% compared with what they currently plan to deliver.

Supporting smaller providers

Comments on how to support smaller providers focused mainly on funding issues (both capital and revenue), support contract conditions, the need for a strategic approach and targeted support to smaller providers. Suggestions to improve these areas included:

- Funding to support land acquisition and build costs
- Extend support contracts to five or ten years
- Bring forward government's older person's task force
- Target communications towards smaller providers to help access to funding

Barriers to accessing funding

Several comments in this section related to insufficient internal knowledge or capacity to deal with the range of funding streams available. Others talked about the leasing arrangements for housing associations being fraught with risk and generally not being financially attractive. The majority of comments saw an opportunity to expand on concerns raised elsewhere. Specifically, the challenges in achieving viability for supported housing or older people's housing schemes because of low grant rates, short commissioning contracts and insufficient revenue funding.

Survey overview

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In autumn 2021, the National Housing Federation carried out a survey of its members that own or manage supported housing or older people's housing (or both). The aim of this exercise was to explore members' plans and appetite for developing more of this type of housing. We decided to repeat the survey for 2022 to gauge how these plans had developed or changed from the previous year.²

There is a serious need for more specialist housing in England, and the operating environment in which housing associations are trying to deliver this has only become more challenging. The increased costs in building and running this type of housing, coupled with a social housing sector rent increase cap for 2023/24 and high borrowing costs, has made it a difficult time to engage in specialist housing development. In its 2020 'People at the Heart of Care' white paper, the government outlined its ambition for 'every decision about care to be a decision about housing'. A clear focus was established on giving more people the choice to live independently and healthily in their own homes for longer; increasing the supply of affordable, specialist housing is key to achieving this ambition.

The survey ran in December 2022 and January 2023 and gathered responses from 76 of our members. It was run slightly later than in 2021, because we wanted to wait for the outcome of the government's consultation on applying a ceiling to social housing rent increases for 2023/24. We understood that any cap on rent increases would inevitably have an impact on housing associations' business plans and their decisions around development.

This survey exercise is part of the NHF's ongoing research and policy work in this area. Results from this survey will feed into our work on the Supported Housing (Regulatory Oversight) Bill and support in the work of our Older Person's Housing Group as it aims to identify and de-risk the barriers to developing more specialist older person's housing. It also sits alongside a piece of research we conducted with Imogen Blood Associates this year on the wider value of supported housing.³

² <https://www.housing.org.uk/globalassets/files/supported-housing/supported-housing-and-older-peoples-housing-development-survey-report.pdf>

³ "Ultimately other services finish at 5pm": The value of supported housing to homelessness prevention, health and wellbeing. Imogen Blood & Associates, University of York Centre for Housing Policy (March 2023).

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

Terminology used in the 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.⁴ As in the 2021 survey, we have added 'Housing First' as another form of designated housing for people with support needs.

We define these housing 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.

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1112008/2022_PRP_Technical_notes_and_definitions_FINAL_V1.0_.pdf The definition of 'supported housing' is subject to ongoing debate

- 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.

Methodology

For this research exercise, we setup and fielded an online survey, which we had shared with 374 member housing associations who have stated they provide one or more of the relevant housing types (older people, supported housing and Housing First). From this, we received 76 responses in total – representing a response rate of 20%. The 76 respondents’ stock represents 52% of all our members’ older people’s housing stock (which totals 250,949 units), and 29% of all our members’ supported housing stock (which totals 120,113). These figures are based on the data we hold in our members’ records, which derive from their annual Statistical Data Return (SDR). Therefore, data held is only as current as the last update of the SDR. The above total figures the latest available for the sector, for the year 2021/22.

The survey questions largely remain the same as those used in the 2021 survey, providing some opportunities for benchmarking. However, we have also added a question about the impact of the 2023/24 rent increase cap, provided more space for respondents to talk about changes in organisational priorities, and added further options to choose from when ranking barriers to development to this year’s survey..

We received a greater number of responses from providers of older people’s housing than the other two housing types, which will have influenced some of the results. Of the 76 total, 82% own or manage older people’s housing, whereas this is 67% for supported housing and 29% for Housing First.

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: Respondents’ stock profile

Table example	Schemes	Units
Older people’ housing	4,595	131,684
Supported housing	4,627	34,248

Housing First	n/a	779
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166,711

Of those who responded, we found the following:

- 62 respondents own or manage older person's housing
- 51 respondents own or manage supported housing
- 22 respondents own or manage Housing First units
- 40 respondents own or manage more than one category of the above

Like last year, respondents' stock profile shows that more providers of older people's housing responded to the survey than providers of supported housing. However, the proportion of supported housing covered in the survey is higher this year.

Respondents' non-general needs units are made up of 79% housing for older people, 21% supported housing, and less than 1% are Housing First units.

Development plans

Whereas last year we did not include a specific timeframe, this year we opted for five years as a way to guide members' responses.

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) in the next five years?

34 respondents said they had plans to develop older person's housing over the next 5 years. This makes up 45% of all respondents and over half (55%) of respondents that already own or manage older person's housing.

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

- Total number of schemes planned: 112. This represents an increase of 2.4% compared with the number of schemes that respondents already have in their stock.
- Total number of units planned: 7,347. This represents an increase of 5.6% from respondents' existing older person's housing stock. This is notably lower than last year, when ambition would have seen an 11% increase on current levels.

- Number of units with confirmed funding: 1,654. This represents 23% of the total number of units planned, which is over double what it was last year.
- Number of units with indicative funding: 1,048. This represents 14% of the total numbers of units planned, which is also higher than the figure last year.

The above numbers show that there is an appetite for developing new housing for older people, but this has fallen off slightly compared to last year. This may be due to the financial constraints housing associations are under at present, particularly in terms of the delivery and management of specialist housing. Only a small proportion have received funding already, although it is encouraging that this is a higher proportion than last year's data showed.

The development plans mentioned have more than twice as many units per scheme on average as existing stock (about 65 compared to 28), which is higher than last year. The potential to achieve economies of scale is one of the reasons why housing associations can develop older person's housing.

Supported housing

Are you planning to develop any supported housing for working-age people with support needs in the next five years?

22 respondents said they had plans to develop supported housing for working-age people with support needs. This represents over a quarter (29%) of all respondents, and 43% of all those that already own or manage supported housing.

Further details on the development plans for supported housing:

- Total number of schemes planned: 132. This represents a 2.9% increase on respondents' existing stock levels, which is slightly higher than last year's survey increase of 2%.
- Total number of units planned: 1,105. This represents a 3.2% increase on respondents' existing stock levels, which is lower than the 4% increase indicated in last year's survey.
- Number of units with confirmed funding: 604. Of the total number of units planned, this makes up 55%, which is higher than the 38% captured in last year's survey.
- Number of units with indicative funding: 31. Of the total number of units planned, this makes up only 2.8%, which is lower than the 5% captured in last year's survey.

These numbers show that while there is less appetite to develop supported housing than housing for older people, a larger proportion of the developments plans already have funding secured (55% compared to 22% for older people's). This suggests that providers need more funding security to develop supported housing and that this type of development may hold greater risk than developing housing for older people. Often operating on a small scale, supported housing schemes don't benefit from the same economies of scale in terms of development and management cost as housing for older people does. Where there is still appetite to develop, they will likely be smaller and with fewer planned units.

Housing First

Are you planning to expand your Housing First offer in the next 2 years?

12 respondents stated that they had plans to develop Housing First units. This is 16% of all respondents, and just over half (55%) of those that already own or manage Housing First units.

Further details on development plans for Housing First units:

- Total number of units planned: 61. This represents a slight increase from 59 last year, boosting the current stock levels by 13%.
- Number of units with confirmed funding: 8. This is 25% of the total number of units planned for development, which is equal to the percentage captured last year.
- Number of units with indicative funding: 4. This is 15% of the total number of units planned for development, which is lower than

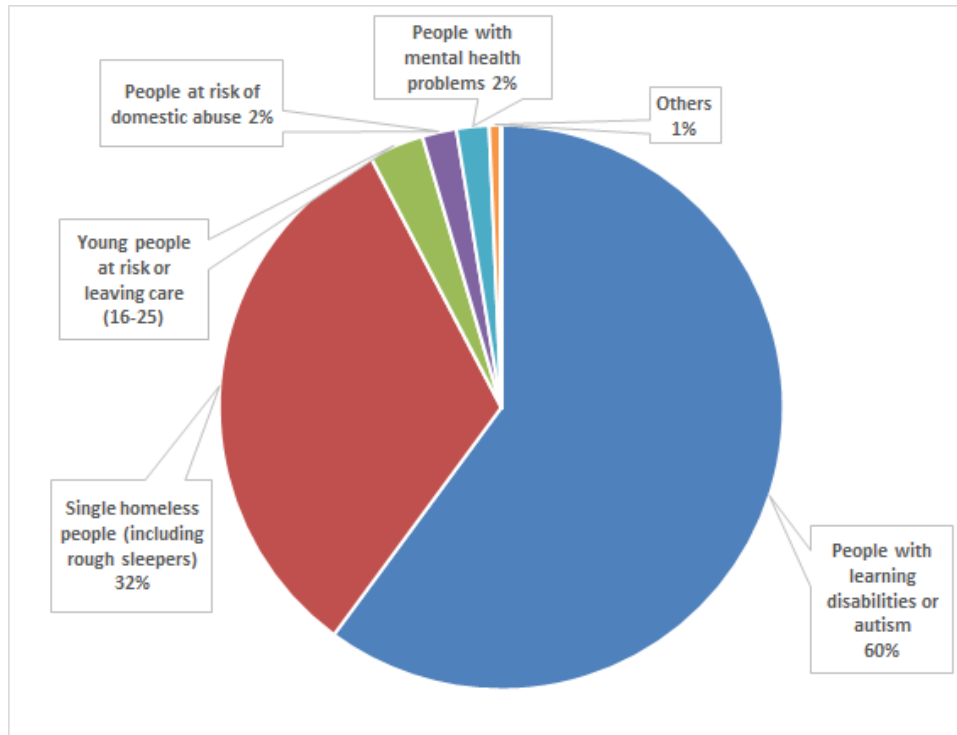
One respondent pointed out that plans were dependent on local authority commissioning, whilst another said that they would plan 'as directed by local authorities'. Others said they had yet to decide. Our sample size for Housing First units is much larger this year than last comparatively (779 compared to 387), although development ambitions remain roughly consistent.

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 for specialised support needs is for people with learning disabilities or autism (60% of supported housing units planned). Second to this is provision for single homeless people (including rough sleepers) at 32% of housing units planned. These were also comfortably the two highest specialisms last year. However, the order is reversed – this year, plans for housing units for people with learning disabilities or autism are now highest at 612 units and 95 schemes planned (change from 224 units and 60 schemes last year) to overtake plans for housing for single homeless people. As a proportion of overall plans across all specialisms, these two provisions make up 92% of all supported housing development plans captured in this survey, up from 75% last year. Of course, this will reflect a different pool of organisations so can only tell us so much.

Units for young people at risk or leaving care (16-25) represents 3% of development plans, with units for people at risk of domestic abuse and people with mental health problems representing another 2% each respectively.

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 or others.

Respondents did not report any plans for schemes for homeless families with support needs, people with alcohol or drug misuse, offenders and people at risk of reoffending or people with physical disabilities or sensory impairments.

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. Most but not all respondents provided this additional data on supported housing development plans, so the total number of units for a specified support need is slightly less than the overall number of supported housing units (1,018 instead of 1,105).

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)	328	38	15%	8%
People with learning disabilities or autism	612	95	2%	0%
People with mental health problems	19	10	36%	2%
Young people at risk or leaving care (16-25)	32	3	38%	0%
People at risk of domestic abuse	20	1	0%	0%
People with physical disabilities or sensory impairment with support needs	0	0	0%	0%
Others	7	5	0%	29%
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%

The above table suggests a shift of appetite from last year for development of supported housing for people with learning disabilities or autism. Whilst the overall number of planned units by specialism captured was higher this year (1,018 compared to 792 last year), the percentage of these which were for people with learning disabilities or autism rose from 28% of the total to 60%. Comparing results with last year, it shows similar levels of development ambition for single homeless people. Although, plans for development of units for people with mental health problems and young people at risk or leaving care, for example, has dropped off.

These results may only be indicative of the whole sector as respondents' stock makes up only 29% of members' supported housing stock overall (this is 12% higher than last year's survey).

Decommissioning/remodelling

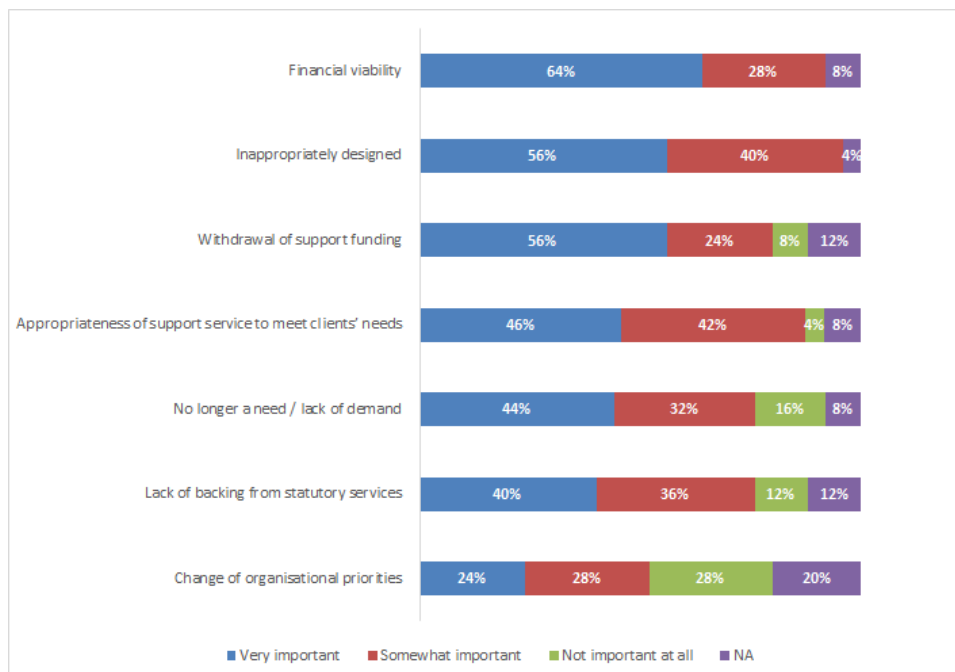
Are you planning to decommission or remodel any of the following types of housing or have you done so in the past five years?

In total, respondents plan to decommission or remodel 89 schemes, with 1,599 units, of older people' housing. The same is true for 118 schemes, with 887 units, of supported housing. This represents just over 1% of respondents' existing stock of older people's housing, and almost 3% of respondents' existing stock of supported housing.

A potential decommissioning or remodelling of nearly 3% of supported housing stock is significant, especially since development plans analysed in this survey amount to an increase of 3.2% on existing units. The number of supported housing units being decommissioned or remodelled by respondents represents 80% of the total number of units planned for development throughout the survey (1,105).

None of the respondents that indicated they already provide Housing First units said they planned to reduce their Housing First offer or had done so in the past five years.

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. Comparable to findings from last year's survey, respondents indicated that the two most prominent reasons for decommissioning/remodelling were financial viability (92% of respondents considered this very or somewhat important), and inappropriate design (96% of respondents considered this to be very or somewhat important).

A notable distinction when compared to last year, the ‘withdrawal of support funding’ option has increased in importance to respondents. This year, over half (56%) of respondents consider this to be a very important factor in decisions to decommission or remodel, compared to just 32% last year. In an increasingly precarious operating environment for housing providers, commissioners’ hesitancy to commit to support contracts, reducing their value or withdrawing them altogether could be adding to housing associations’ difficulties in preserving much needed older people’s and supported housing.

Almost a quarter (24%) of respondents thought that a change in organisational priorities was important in their decision to decommission or remodel. Respondents that 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 (if indicated this was a significant factor).

13 respondents commented about their decision making around organisation priorities. A common theme (31% of respondents) was that respondents’ schemes had become unviable or the funding in place was not sufficient to sustain the provision. One member commented that, whilst decisions to decommission/remodel arise due to a combination of factors, ‘withdrawal or inadequacy of funding is a key driver’. Respondents highlight that this precariousness in funding leads to tough decisions around ‘prioritising specific customer groups’ to maintain some level of provision. A lack of funding can impact on respondents’ abilities to staff their schemes sufficiently well to run them safely, even if the demand is there and the quality of homes and service is good.

Other notable themes were respondents raising the standards in their delivery of older person’s housing or supported housing. Almost a quarter (23%) of respondents mentioned wanting to ‘set the bar’ for standards and for their delivery to be consistently ‘respected’. This suggests that amongst respondents there is a view that there is a trade-off between scale of delivery and quality of provision for residents. Similarly, a common motivation to decommission/remodel was the push to ensure residents’ needs are properly met, where they are not already.

Free text: What difference has the 7% cap on social housing rent increases (and exemption from this cap for supported and older people’s housing) made to your organisation’s appetite to develop new supported or older people’s housing?

62 respondents commented on the impact the rent cap has had on their organisation's plans for further development. The majority (60%) of respondents indicated that the ceiling on general needs rent increases did not have an impact on development ambitions. Just over two thirds (70%) of those respondents offered a reason for this, with a significant minority suggesting they either do not currently have development plans as part of their strategy or had no plans to develop even prior to the rent cap announcement. Others commented that they would still be able to develop despite the constraints placed, and that other pre-existing barriers (such as insufficient grant levels and unpredictable commissioning) are more pressing.

Almost a quarter (24%) of respondents indicated that the cap has had an impact on development appetite, with several referencing the increase in build and borrowing costs being hard to manage as a result. Some also flagged that the rent cap 'sits within a range' of existing challenges to development, which contributes to the overall picture that whilst not catastrophic, the rent cap on general needs homes has made worse an already precarious financial environment for housing associations. A handful of respondents (15%) indicated that the cap had either made them reconsider the risks around planned development, or that assessment of the impact of the cap on general needs on their business model had yet to be carried out.

A small number of respondents (13%) noted that the supported housing exemption has helped keep development ambitions at a constant for supported and older person's housing. One respondent said that the exemption had made development 'more feasible', with another saying that it had helped them 'maintain their ambitions'. One respondent highlighted that, whilst the exemption was welcome, there is an acute need for a longer-term settlement on which they can 'reliably model (their) growth plan'. This means that for almost three quarters of respondents (73%), the combination of the general needs rent cap and the supported housing exemption saw no negative impact on their development ambitions for supported and/or older people' housing.

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 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 2021 survey. The third highest barrier this year was added as a new option this year, coming above 'short term support contracts' which was ranked third most significant last year.

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
Reduction in commissioned support	3
Short-term support contracts and/or erratic commissioning decisions by local authority	4
Social/affordable rent levels too low to secure scheme viability at available grant rates	5
Lack of backing from the local authority or local Integrated Care Board	6
Building safety costs for existing homes	7
No other funding available	8
Local Housing Benefit team not agreeing eligibility on rents and service charge	9
Financial impact of below inflationary rent rise 2023/24	10
Decarbonisation costs	11
Lack of access to affordable finance	12
Lack of local demand/need	13
Other	14
Lack of access to move-on accommodation	15

Free text: 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 39 comments, showing a strong interest from respondents in this area.

The factors and barriers mentioned spanned a range of areas, the most frequently mentioned were very similar to those seen in the 2021 survey. The most common barriers and enabling factors mentioned here are also reflected as high-ranking factors above. This shows that respondents felt it important to reiterate these as primary concerns. These included:

- Availability/level of capital grant funding
- Long-term and secure revenue funding
- Valuable and long-term support contracts
- Prohibitive build costs
- Access to and cost of acquiring land
- Planning issues

One comment which captures points around funding and contracts reads:

“insufficient grant levels make development unviable in line with the rent standard; short commissioning contracts...limit underpinning viability for development of new support housing stock”.

Another comment sums up the difficulties providers are facing via delays in planning and build costs:

“(we) had planning permission to build a 16 flat scheme – this took over 2 years to obtain - but we have now decided to sell the plot to a developer as the build costs have become prohibitive for us”.

There were other less common but notable examples of enabling factors and barriers to development mentioned in this section. For example, a few respondents said there are often unrealistic expectations placed on providers from commissioners. One added that, despite local authorities having clearly identifiable need for specialist housing:

“It feels like the ‘need’ has to be constantly emphasised for bids or presentations for funding contributions”

The funding allocated for development often still doesn't match up with what is required locally (for example 1 bed homes not being built where these are the highest statistical need on the housing register).

One large provider spelled out the immediate impacts of low rent levels at available grant rates on their ambition to develop older people's housing:

“We recently appraised four extra care schemes which all had support from local authorities but were not considered viable in terms of build costs at social rent”.

Another comment from a smaller provider highlighted that there is simply a lack of 'in-house expertise' when it comes to capital development, and that support in fostering these skills and awareness would be greatly beneficial.

Ambition to develop

Would your organisation have ambition to develop more housing for older people or people with support needs, if the factors mentioned above were all satisfactory?

Of the 64 responses to this question, 69% indicated that, if the conditions allowed it, they would have ambition to develop more housing for older people or people with support needs.

We asked them indicatively how many additional schemes and units this would produce over the next five years. Respondents said collectively they would be able to deliver 204 more schemes and 9,398 more units. This accounts for both housing for older people and people with support needs. Not all respondents that answered 'yes' to the previous question were able to answer as to how many schemes and/or units this ambition would translate into. This was because of a host of reasons: they would need to give it further consideration, it would be dependent on viability, it would need the involvement of the local authority to calculate accurately.

This potential addition to respondents' stock would represent a 2.2% increase in the number of schemes and a nearly 6% increase in the number of units of both housing types if the barriers to development were broken down. This would outweigh respondent's commitments to decommissioning or remodelling highlighted in this survey. In reality, the real number of increases for schemes and units may be higher as not every survey respondent fed back on this question. Nor was every respondent who indicated that they would aim build more able to say exactly what this would translate into.

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

We asked this question to give providers an opportunity to share thoughts on how government can support small scale development. This question had 49 responses which again indicates its importance to members. Some of the key themes are captured below.

Grant rates

A large number of respondents (41%) flagged capital grant rates as a way for government to support smaller providers to develop. Coupled with this was a need for greater certainty in revenue funding. Respondents would also value additional funding to support land acquisition and build costs, including a suggestion that the latter should be VAT exempt on development for older people.

Support contracts

Almost a quarter of responses (22%) referenced the length, certainty and value of support contracts provided by commissioning bodies. Respondents suggested extending these to five or ten years from the current three-year cycle, for example, as a way to improve certainty for providers when committing to development. These contracts need to be inflation linked too, respondents said, in order to reflect the high and rising costs of provision.

Strategic approach

A notable thread throughout responses to this question was the need for government to commit to an overarching strategy with regards to supported and older person's housing development. This would mean ensuring multidisciplinary support is available for providers when schemes begin and that there is a shared understanding of the needs and processes associated with supported and older person's delivery.

Amongst these comments, there was reference to the urgent need to bring forward the government's planned older person's task force. This was a commitment made as part of the government's levelling up ambitions but has as yet not been brought forward. Consistent with this, respondents said we need decision makers that keenly understand the barriers to development in this area of the sector and value the

contribution that well-delivered (especially smaller) schemes can have on individuals' lives and society. This will help to avoid 'knee-jerk reactions' in policy and funding decisions and move to a more strategic way of working. An integrated and 'multidisciplinary approach' towards the application and access to funding for schemes would also be helpful in order to 'plan, identify and dedicate resources, and deliver submissions on time and to a high level'.

Targeted support

A significant minority of responses referenced a need to target support for smaller providers in accessing funding and development advice. Comments referred to a need for 'more grant available, at lower levels' as a means to attract smaller development. A shift in approach is needed from government to minimise the 'competitive nature' between smaller and larger providers, as well as 'increased information targeted at smaller providers'.

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	35
Short-term leasing	12
RSAP funding	11
Specialised supported housing outside the rent standard	10
Long-term leasing from private landlord	8
DHSC CASHH capital funding	7
Transforming Care	7
Other	4

Free text: 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?

This question elicited 25 responses, a comparatively low number when compared to the other open text questions in this survey. Of these, a quarter of respondents told us that they lacked sufficient internal knowledge of the range of funding streams available to them, or at least capacity to explore them. This might be due to providers' size or because they have institutional knowledge of a particular stream. One respondent felt that there was significant space to improve communications around the funding routes listed. Linked to this, some respondents felt that in some cases applications and pre-qualification criteria (such as being an investment partner) are too onerous.

Six respondents highlighted the difficulties around leasing arrangements for housing associations. They are often fraught with risk and are generally not financially attractive, so the preference is generally to utilise capital funding to develop.

Some respondents used this as another opportunity to raise concerns around the access to sufficient revenue funding. Even where there is sufficient capital grant, low levels of revenue funding can risk the viability of a scheme from its early stages. Added to this is the challenge presented by the restrictions on rent levels when weighed up with the amount of capital grant available. The level of grant provided by Homes England and the GLA is often too low for providers to viably finance high-cost specialist housing schemes on low social rents. Respondents pointed out that there needs to be added flexibility in rent setting to recognise schemes' high revenue costs where the funding is not forthcoming. These funding challenges tied to rents are unique to supported and older person's housing as distinct from general needs housing and respondents highlight that future rent settlements need to reflect this.

Conclusion

This survey provides a useful insight into respondents' plans and ambition to develop older people's housing, supported housing for working-age people with support needs, and Housing First units. It also enables us to relate these findings to those gathered in the 2021 survey and highlight emerging trends in barriers and enabling factors to development and changes in development appetite.

Overall, the results show that there remains an appetite to develop more schemes for older people's housing, despite the barriers. However, the scale of planned development is smaller than what was captured in the previous year's survey. The results for supported housing reveal limited plans for development across a range of different types of provision. Development plans for people with learning disabilities or autism and for single homeless people are the only types of provision where there is potential for further development. Respondents' data suggests that any increase on their existing supported housing stock will be roughly matched by rates of decommissioning or remodelling, which means no net increase.

We were able to identify a range of barriers to developing more older people's and supported housing, drawing particular attention to access to and levels of funding, consistency and value of commissioning contracts and prohibitive planning delays and build costs. A common barrier for smaller providers was insufficient knowledge and capacity in relation to available funding streams. Respondents did indicate that, if these barriers were removed and the process for development? was streamlined, there would be increased appetite to develop more than they currently have plans for.

Whilst the scope of the survey is limited, it provides insight into the recurring barriers and enabling factors that housing associations are faced with when planning to develop older people's and supported housing. It also enables us to plot changes in how these factors are impacting development plans in different years.