

The Rt Hon Steve Barclay MP  
Secretary of State  
Department of Health and Social Care  
39 Victoria Street  
London  
SW1H 0EU

27 April 2023

Dear Secretary of State,

## **The Housing Transformation Fund**

We are writing to you jointly as representative bodies from across the supported housing sector and the Association of Directors of Adult Social Services, a charity with Director members from all 153 English councils, following publication of the government's next steps to put People at the Heart of Care.

Collectively the signatories to this letter provide almost all supported and retirement housing for rent in England and are committed to working closely with the government to provide more of these much-needed homes and services. We therefore welcomed the White Paper's commitment to take a strategic approach to supported housing – strongly reflected in its intention to make every decision about care a decision about housing.

The £300m Housing Transformation Fund, announced in December 2021, was an integral part of that commitment. An investment of £300 million to integrate housing into local health and care strategies would have significantly bolstered supported housing's contribution to the strategic aims and statutory duties of NHS, social care and criminal justice services – boosting outcomes for resident health and wellbeing.

We are therefore deeply disappointed by the government's decision to omit the Housing Transformation Fund from its plan for adult social care system reform 2023 to 2024 and 2024 to 2025. While this latter plan references the government's ambitions to integrate housing, health and care as well as increasing the supply of supported housing, it removes a pre-existing funding commitment which would have made this a reality and helped fix problems for the long term.

The government has recognised that supported housing is critical to the transformation of Adult Social Care and maintaining people's ability to live independently and in doing so reduce people's reliance on care services. Supported housing is also vital in reducing homelessness and relieving pressures on health and the criminal justice sector. We know that decent housing impacts on people's health and that a lack of suitable housing options with support is a barrier to timely transfer of care from hospitals.

Supported Housing is not only vital to a sustainable social care system, it also makes a substantial contribution in helping people to access primary care and specialist treatment and diagnosis from partner services to maintain their health and well-being. Good-quality supported housing has been shown to aid its residents in building healthy relationships, higher esteem and independence and in developing a greater sense of agency over their lives.

In a time of huge cost pressures, supported housing urgently needs greater security of funding and a strategic footing to meet growing need across the population. Supported housing in the social rented sector often operates on very tight margins and inflationary pressures are pushing up the cost of all aspects of managing schemes. Alongside financial pressures on existing schemes, there are also significant barriers to new development. In

many cases, new supported housing schemes which vulnerable groups urgently need have now become effectively undeliverable. A recent supported housing development survey conducted by the National Housing Federation showed significantly reduced appetite to develop new schemes with low capital grant rates, planning and land availability and revenue funding for services cited as major barriers. The Fund and the resultant place based strategies would have contributed to diminishing these barriers and provided the confidence needed for significant investment from housing providers.

With demand for supported housing expected to increase by 125,000 homes in under ten years, delivery of the Housing Transformation Fund would have been a vital step towards ensuring that some of the most vulnerable people have the support, access and care they need at home. It would contribute to the delivery of invaluable housing and support for disabled people, homeless people, older people, people with mental health problems, people who have experienced domestic abuse and many others.

In the absence of the Housing Transformation Fund, we are keen to understand what practical steps the government is proposing to take to increase the supply of supported and retirement housing. Finally, we would be grateful for a meeting with you to discuss the issues raised in this letter and the continued pressures on supported housing.

A copy of this letter has been sent to the Rt Hon Michael Gove MP, Secretary of State for Levelling Up, Housing and Communities.

Yours sincerely,



**Kate Henderson, Chief Executive, National Housing Federation**



**Sarah McClinton, President, Association of Directors of Adult Social Services**



**Gavin Smart, Chief Executive Officer, Chartered Institute of Housing**



**Rick Henderson, Chief Executive, Homeless Link**