

**SAVE OUR  
SUPPORTED  
HOUSING**

**#SOSHOUSING**

Rt Hon. Sir Keir Starmer MP & Rt Hon. Rachel Reeves MP  
Prime Minister and Chancellor of the Exchequer  
10 and 11 Downing Street  
London  
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April 2025

Dear Prime Minister and Chancellor,

We write to you on behalf of a wide range of organisations who provide or rely on supported housing services across England to raise serious concerns about the financial crisis facing the supported housing sector and the impact of this on the deliverability of the government's missions.

Supported housing is a vital national resource that delivers homes and services to half a million people. It boosts wellbeing, health and employment prospects, and enables people to live independently with the right support. Supported housing plays an indispensable role in cutting NHS waiting list backlogs, and reducing pressure on social care, temporary accommodation, and other vital public services. By providing homes for prison leavers, it reduces the risk of reoffending. And by reducing the disadvantage faced by Armed Forces veterans it helps public authorities meet their statutory duties under the Armed Forces Covenant.

### **The financial crisis facing supported housing**

However, the future of supported housing is at risk because of the dire financial situation facing the sector. Following years of funding cuts under the previous government, local authorities have been forced to decommission vital services. Rising costs alongside reduced funding have rendered many services unviable, forcing many to close, while demand for supported housing continues to rise. The decision to increase employers' National Insurance contributions has placed even further pressure on providers' budgets.

1 in 3 supported housing providers had to close schemes last year because of funding pressures. All this has created an existing shortfall of 80,000 supported housing places for working age adults and between 73,000 and 245,000 places for older people across

England. These pressures are set to worsen still, with research conducted by the National Housing Federation showing that:

- 60% of providers will have to close supported housing schemes in the future.
- 1 in 3 providers may be forced to stop providing supported housing altogether.

### **The risk to the government's missions**

**Without intervention from government at the forthcoming Spending Review, more supported housing services will be lost.** This will not only jeopardise ministers' commitment to improving supported housing as laid out in recent consultation documents, but will also hinder the government's ability to deliver on vital overarching objectives outlined in the Plan for Change agenda:

- **The NHS and social care:** without supported housing there would be a need for an additional 14,000 inpatient psychiatric places and 2,500 places in specialist residential care. In 2023/24, mental health inpatients experienced 110,000 days of delayed discharge waiting for supported housing, the primary reason for delayed discharge. A further reduction in provision will therefore impede the government's mission to build an NHS fit for the future, tackle waiting list backlogs, and shift from 'hospital to community'. Without appropriate housing for those who can live independently with support, the government's long-term ambition to take steps towards a National Care Service will also be jeopardised.
- **Homelessness:** without supported housing an estimated 41,000 more people would be made homeless, with a further 30,000 put at serious risk of future homelessness. Without government intervention to support the sector, councils will be even more reliant on expensive and poor-quality temporary accommodation and ministers' ambition to reduce record levels of homelessness will be hindered.
- **Violence against women and girls:** without supported housing, more women will be forced to return to abusive relationships. Data from Women's Aid indicates that more than 4,000 women referred to refuge services have been turned away because of a lack of capacity. Reduced supported housing provision will jeopardise the government's ambition to halve violence against women and girls over the next decade.
- **Crime and the criminal justice system:** without supported housing, more than 2,000 additional prison places would be required. Reduced supported housing services will therefore limit the net impact of government's plan to create more prison places. Reoffending rates for those who are homeless on release is almost double that of those who are released into accommodation. This means that reduced supported housing provision will also impact significantly on ministers' ambition to tackle crime and create safer streets.

### **The government's opportunity to save supported housing**

We welcome the government's commitment to regulating the sector and tackling rogue

providers, and echo the Housing, Communities and Local Government Select Committee's call to rejuvenate supported housing. The upcoming Spending Review provides a vital opportunity for ministers to do this: enabling good quality providers of supported housing, averting the significantly worsening financial crisis facing the sector and instead placing it on a more sustainable footing.

Councils are key partners in delivering sustainable supported housing, but they require long-term investment to prevent further decommissioning of services and put the sector on a sustainable footing. To save supported housing and deliver this, we are calling for:

- Long-term and increased funding for housing-related support of at least £1.6bn per year for local authorities.
- A commitment to deliver more supported homes by 2040, with clear funding in the Affordable Homes Programme, and ensuring supported homes form part of the government's 1.5m housebuilding target.
- Ensuring that the long-term housing strategy and homelessness strategy encompass the vital role of supported housing.

With your support, we look forward to working with you to ensure that the supported housing sector can act as delivery-partners for your missions for government.

Yours sincerely,

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