

Smaller charities are overlooked when it comes to solutions to the housing crisis

By Nick Phillips | 18 September 2025

The government must do more to offer smaller providers the legislative support they need to grow, argues Nick Phillips

Housing continues to be in short supply throughout the UK.

The price of buying a home is rising in tandem with a rental market which is increasingly out of reach of so many today.



This inevitably leads to a higher demand for social housing, and that's despite a net loss of units nearly every year since 1981.

Currently, 1.3 million households are on waiting lists nationwide, many of whom are among society's most vulnerable and at heightened risk of homelessness. That is why thousands in the UK rely on the "third sector"

to provide what the government and private sector cannot: long-term, community-focused homes.

As chief executive of The Almshouse Association, I see the huge impact that smaller charities can have on residents' lives, especially in almshouses, which are the oldest forms of charitable housing, managed by over 8,000 volunteer trustees. We are proud to support 1,500 almshouse charities across the UK, enabling more than 36,000 people to live full, independent lives in these small communities.

And almshouses aren't the only ones making a difference. Across the country, approximately 8,600 charities provide housing as part of their mission.

These include housing for veterans, places of safety for women, co-housing models, supported housing, homeless shelters, intergenerational living complexes and well-known institutions such as the Chelsea Hospital.

These charities offer more than just a place to live, they are real homes, offering a sense of connection and community often with various support services.

Despite their vital role, many smaller providers in the charity sector are often excluded from government planning and funding. This exclusion can give the impression that policymakers undervalue the significant contribution of charitable housing, placing at risk the unique character, scale, and independence of these smaller organisations.

Many of these organisations are too small to become registered housing providers (Regulated Social Landlords). As a result, they miss out on several benefits available to other housing providers – including access to government funding opportunities and the enhanced credibility that official recognition can often bring.

However, charitable organisations are already registered, regulated and governed by the Charity Commission. Given their regulated status by an already trusted government body, wouldn't it be reasonable to allow small charitable housing providers access to the same benefits as registered housing providers? This would allow for the preservation of their unique character and the fiscal benefits that distinguish them from other traditional housing providers.

Why would it be a burden for a small charity to become a registered provider? The Social Housing Act and the Regulator of Social Housing are designed for providers with at least 1,000 units, a scale that many charity housing cannot typically meet.

Many of the challenges in expanding this sector of affordable housing go back to the exclusion of charity housing in the National Planning Policy Framework (NPPF)- which defines affordable housing only as accessible to housing providers that are registered.

It is time to give proper recognition to the “third sector”, with its role ever more apparent in providing valuable homes for those in need.

I have seen firsthand how our sector’s exclusion from the NPPF has hindered our member charities’ ability to build new units. Demand for almshouses far outweighs supply and being recognised in the NPPF would help ease the pressure experienced by the entire housing sector.

Smaller charities are different, they are gifted by philanthropy for the good of others, they are non-profit making, they place the wellbeing of the resident at the heart of their model. They are small scale yet often found in places where larger social housing is not. They fill in the gaps that the private sector and housing associations cannot. A paradigm shift is needed – a change of relationship between charity housing and government is well overdue.

While ministers are considering the private sector and the social housing sector it is time to give proper recognition to the “third sector”, with its role ever more apparent in providing valuable homes for those in need.

We believe now is the moment for smaller charitable housing providers to unite and work collaboratively with government to develop the most effective way of creating legislative solutions that support both the sector and society as a whole.

Nick Phillips is chief executive at The Almshouse Association