

CTBRIEF

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Liz Zacharias senior consultant, Campbell Tickell

Funding supported housing



“The government has launched its proposals and two consultation papers on funding for supported housing. We now know that the Local Housing Allowance caps have been abandoned. But there has to be a note of caution for the new proposals. In summary the proposals split supported housing into three strands.

• **Strand 1** Sheltered housing, including extra care, will be given its own gross eligible rent level (inclusive of service charges) with a cap. Providers’ application of this sheltered rent will be regulated by the Homes and Communities Agency.

The intention is to find value for money for the tax payer while bearing down on service charge costs and allowing a rent formula +/-10%, plus eligible service charges.

All well and good, but there are a couple of niggly issues. Firstly, the position with sheltered schemes not developed or managed by HCA-registered providers is unclear.

Secondly, housing costs, including service charges, vary by scheme based on numerous factors including property age, number of units, and communal areas/facilities. Setting a sheltered rent that works equally well across the country will not be easy. Government has said it is interested in a banded approach for sheltered rent levels. Realistically this seems the only way to go.

Overall it is good that the government is now in listening mode and there is recognition of the need for a system that protects future supply to meet the needs of an ageing population.

• **Strand 2** Short-term supported accommodation, including hostels



For sheltered schemes not developed or managed by HCA-registered providers, the position is unclear

“How are people in short-term housing supposed to learn to sustain tenancies if they lose the responsibility for paying rent and service charges?”

and refuges, with short-term defined as up to two years. These proposals have taken many by surprise and raised concerns.

These services are being taken out of the welfare system altogether, so all funding for housing management and support will come from councils, presumably as a whole service contract. This will be challenging in terms of service tendering and the impact on relationships between agencies and housing providers. As a result, might we see a reconfiguration of management agreements and service-level agreements?

In addition to the concerns from providers, I would add one more: how are people in short-term accommodation supposed to learn to sustain tenancies if they lose the responsibility for paying rent and service charges?

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Anna Griffiths executive director, Action Village India

From disability to stability – our Christmas appeal



“People living with disabilities around the world, especially in developing countries, are among the poorest of the poor. Poverty and disability are strongly interrelated. Poor people are more likely to have disability because of the conditions in which they live and their limited opportunities for healthcare.

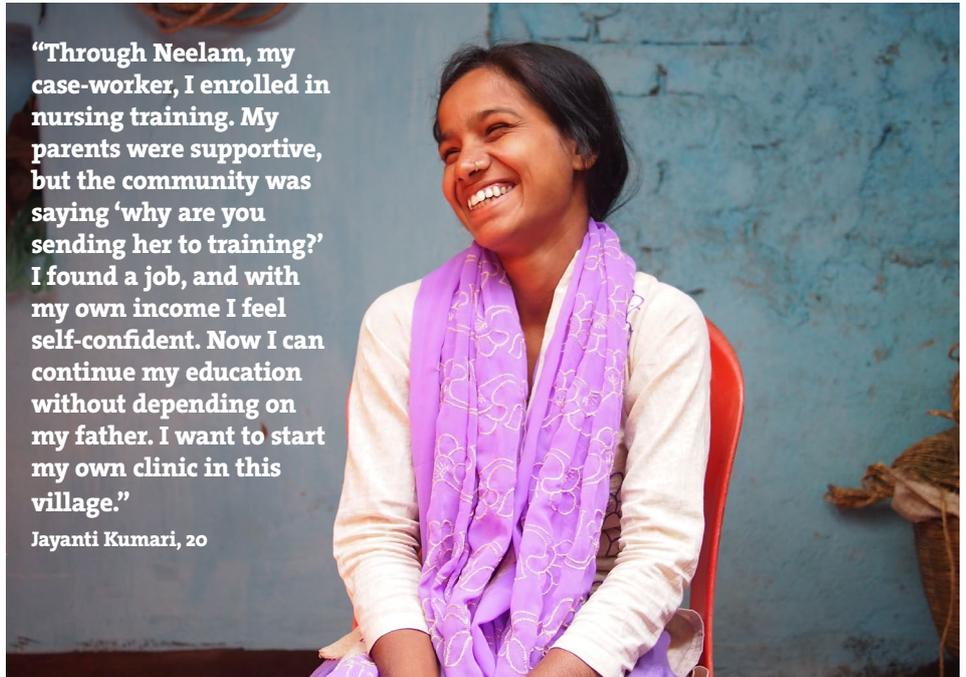
Discrimination compounds the problem. In India, people living with disabilities are among the most excluded in society and although there is support available, rural areas are still under-served. In Tamil Nadu, in southern India, 2.6% of the population – nearly 2 million people – are disabled. Many are unable to access benefits or integrate into mainstream society.

This Christmas we are raising vital funds to help transform the lives of 2,000 people living with disabilities in Tamil Nadu. The ‘From Disability to Stability’ project, run by our long-standing partner CRUSADE (Centre for Rural Systems and Development), will enable these individuals and their families to lead a life of dignity and self-reliance.

The project works towards change by assisting people living with disabilities to access benefits and employment opportunities and through providing better housing and medical care. The project forms special self-help groups for people with disabilities so they can self-advocate

“Through Neelam, my case-worker, I enrolled in nursing training. My parents were supportive, but the community was saying ‘why are you sending her to training?’ I found a job, and with my own income I feel self-confident. Now I can continue my education without depending on my father. I want to start my own clinic in this village.”

Jayanti Kumari, 20



Action Village India

for their rights among government officials and the general public. Through these groups, they are able to express solidarity and mutuality with each other, save money and access resources and entitlements.

The project has been inspired by the work of another one of our partners, NBJK (Nav Bharat Jagriti Kendra), whose project working to transform the lives of 45,000

people living with disabilities in Bihar and Jharkhand, has been celebrated this year through a photographic exhibition documenting the lives of nine individuals. To support our Christmas Appeal, you can make a donation at actionvillageindia.org.uk/appeals – where you can also find out more about AVI’s work and events. You can also contact info@actionvillageindia.org.uk or phone 020 72415125

Liz Zacharias Funding supported housing

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This approach may enable people to secure employment without the burden of a high supported housing rent (‘gig economy’ here we come!), but it is unclear how it enables people to retain jobs once they move on, or budget around a low salary and housing costs.

While the proposal of a ringfence for this funding is a step in the right direction, supported housing providers are naturally cautious, given the pressures on council, health and criminal justice budgets. Non-statutory responsibilities will not be protected from cuts, as experience tells us.

• **Strand 3** Long-term supported housing – independent living for working-age adults, usually with learning disabilities and/or mental health issues. This includes exempt and specialist housing. Interestingly this merits only a half-page policy statement and no consultation paper or questions.

The government’s wish to protect this part of the sector has an underpinning imperative: the ‘Transforming Care for People with Learning Disabilities’ policy and drivers to move people with complex needs out of assessment and treatment centres following the Winterbourne View scandal.

Moreover, there is the private-sector

dominance of this part of the market and the use of exempt accommodation rules to fund schemes receiving significant private sector capital investment and let to housing providers under lease arrangements. Supported housing for working-age adults is now becoming an investment asset class and therefore it seems likely this burgeoning market would be seen by ministers as important to protect.

The consultation period ends on 23 January 2018, with new final proposals expected later in 2018 and implementation pushed back to 2020.

To discuss the issues raised in this article, contact liz@campbelltickell.com



Atara Fridler director, Crisis Brent
Sarah Rowe senior policy officer, Crisis

Crisis at 50: Building a plan to end homelessness



“Crisis is the national charity for homeless people. Founded 50 years ago, Crisis works side by side with around 11,000 people a year to help them leave homelessness behind for good.

In September we hosted a panel discussion in north-west London looking at how to overcome the challenge of delivering more affordable homes to people in poverty. The event was designed to build on the work of Crisis Brent, formerly the charity Lift, which merged with Crisis in 2016.

In Brent, as in many places, it is an uphill struggle for people to resolve their homelessness in the face of significant structural challenges. It has become increasingly difficult for people living in poverty to find affordable accommodation locally. It is therefore not surprising that homelessness continues to rise.

Crisis Brent has sought ways to tackle these structural challenges locally, in addition to working with homeless people on a one-to-one basis. An example of this is our work with Harlesden Neighbourhood Forum. Our objective here is to enable local people to influence the planning process so it better meets their needs.

With the Old Oak and Park Royal Development Corporation (OPDC) area adjoining Harlesden, and already having an

impact on the local housing market, we are also looking for ways to ensure local people and agencies like Crisis are able to respond more strongly to development proposals.

The September panel discussion explored these structural challenges. The session was chaired by Brian Robson, research and policy manager at the Joseph Rowntree Foundation, and a range of speakers outlined their suggestions for overcoming barriers to delivery. They included: Rosa Payne, head of strategic land, Network Homes; Maggie Rafalowicz, associate director, Campbell Tickell; Philip Tulba, head of services, locality; Tony Hirsh, housing policy manager, Brent Council; and Mick Mulhern, director of planning at OPDC.

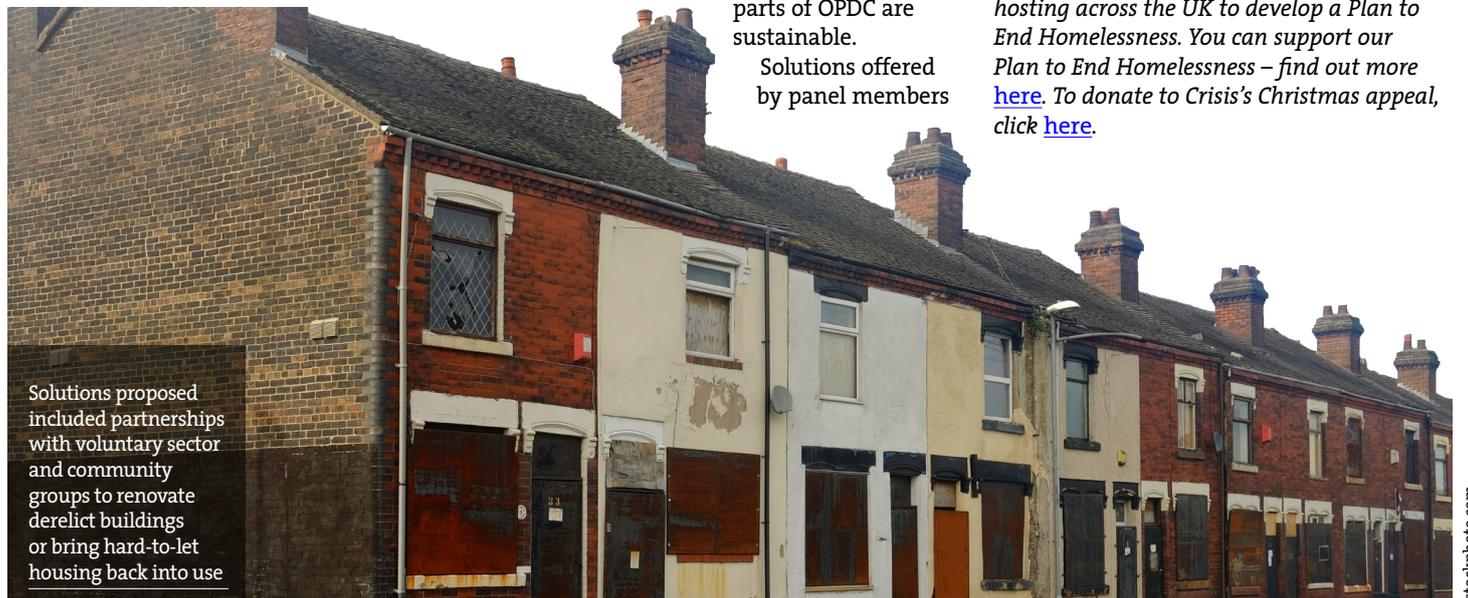
A key challenge identified was the impact of escalating land costs and how to better capture land value for community benefit. Another was the hard choice to be made between meeting the housing need of a range of income groups, or doing more to meet the need for homes at the lowest (social) rents. The discussion highlighted differing views about whether the very high-density neighbourhoods proposed for parts of OPDC are sustainable.

Solutions offered by panel members

“A key challenge identified was the impact of escalating land costs and how to capture land value for community benefit.”

to increase the availability of homes affordable to homeless people within current policy constraints included:

1. Partnerships between councils and housing associations to make best use of public land for community benefit, delivering truly affordable homes for a range of income groups, including at social rents.
 2. Partnerships with voluntary sector and community groups to renovate derelict buildings or bring hard-to-let housing back into use – targeted at homeless people, and linked to employment/training projects.
 3. Work with private investors that welcome provision of low-rent housing to extend the resources available from public sources.
 4. Making use of the government’s Community Housing Fund to help communities help themselves by providing land for truly affordable housing and self-build/self-help projects.
 5. Examples of build-to-rent schemes incorporating a proportion of discounted rent homes that reflect local incomes.
- The Delivering Inclusive Growth event was one of a number of consultations Crisis is hosting across the UK to develop a Plan to End Homelessness. You can support our Plan to End Homelessness – find out more [here](#). To donate to Crisis’s Christmas appeal, click [here](#).*



Solutions proposed included partnerships with voluntary sector and community groups to renovate derelict buildings or bring hard-to-let housing back into use

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Roger Maddams senior associate, Campbell Tickell

Join the accounting Self-Preservation Society



“You’re only supposed to blow the @&*%\$! doors off!” Oh, how German safe-breakers reflected on that when, instead of just cracking open the safe in their nefarious activity in Nottuln in 2012, they ended up destroying the whole bank, two buildings opposite and probably everything in the safe. As in The Italian Job, duff understanding of the capacity and capability of the tools used caused a whole raft of ‘unintended consequences’.

Although not (usually) practiced in exotic locations such as the Italian Alps en-route to Turin, the use of spreadsheets to build long-term business plans can cause huge unintended consequences.

On the one hand, they are hugely flexible and easy to use, while on the other, inherently lacking in any built-in control mechanisms. In 2012 retailer Superdry had to issue a profit warning, resulting in losing one third of its share value, caused by a spreadsheet-error, where a negative figure had accidentally been treated as a positive during the forecasting process.

The long-term business plan is one of the key cornerstones in establishing an organisation’s financial resilience, its funding requirements and how the strategic plans can be delivered within the financial constraints, from covenant compliance to liquidity pinch-points. It is one of the central planks of good financial governance and as such, deserves the full respect of using the right tools for such an important job.

The ‘pros’ of building your own ‘DIY’ spreadsheet-based long-term business plan can be quite beguiling. They would cover:

- ‘Everyone knows how to use Excel’; widely available, widely used in the business
- Low-cost; low ‘barriers to entry’ in not having to get more specialist training in its use
- Flexibility: Add rows and columns, delete stuff that appears to be clutter, pop in some fancy formulae and formatting.

However, Excel can act like wet dynamite. The flexibility can lead to doors being blown off by a moment of inattention. Formulae can be hard-coded, hidden rows that hold part of the audit trail for calculation can be deleted, sign convention

confusion can set in (ask Superdry) and, inevitably, the spreadsheet grows and grows. And what if the person who established the model in the first place leaves? How do you answer that urgent ‘board meeting tomorrow’ question of ‘what on earth is that calculation trying to do?’

For organisations large or small, there are sector-specific business planning packages in the marketplace. Although these require a relatively small level of training and cost to acquire the licences, they come with a far higher degree of certainty and risk minimisation, thereby giving:

- Far higher levels of comfort to the management, Board, lenders, regulator and other key stakeholders. The double entry accounting within the package is a ‘black box’ that cannot be tampered with by the user
- Emphasis on understanding the inputs (assumptions, facts such as funding terms, year 1 budget and development plans) and outputs (prime financial statements, covenant compliance, unit numbers) rather than the processing
- Changes to accounting practice (e.g. FRS102 introduction, annual changes to the FFR layout) handled by the software supplier’s backroom experts, who work in partnership with leading sector auditors to get the software processing 100% right.

Campbell Tickell is an official Brixx partner, building, reviewing,

“As in The Italian Job, duff understanding of the capacity and capability of the tools used caused a whole raft of ‘unintended consequences’”

updating and guiding organisations in managing the transition from DIY spreadsheet-based systems to secure Brixx models. This is either for ongoing use by the organisation itself, or in CT, undertaking and hosting the initial build and ongoing periodic updates to the plan for management review and presentation.

Join the Self-Preservation Society – use the best tools for the job!

To discuss the issues raised here, contact roger.maddams@campbelltickell.co.uk



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Mike Ward *senior associate, Campbell Tickell*
 European Federation for
 Living: sign up!



What does EFL offer?

Membership benefits include:

- Closer engagement with colleagues across Europe, creating opportunities for collaboration
- Better understanding of operating costs across political, commercial and legislative regimes
- Opportunities to share good practice and to access new markets for products and services
- Opportunities to share the costs of digitisation or other innovation and change programmes
- Staff development opportunities – making a career with participating companies more attractive for talented people
- Opportunities to learn from EFL partners in bidding for funding for housing and regeneration schemes
- Opportunities to establish dialogue with organisations who might be interested in co-investment.

“A t a time when the news is packed full of ‘deal or no deal’ stories and Brexit has become a national obsession, some might find it surprising that we feel it the right moment to move closer rather than further away from European colleagues.

The truth is that collaboration has never been more important. Although there are clearly differences between national systems, housing traditions and funding approaches, time spent with European Federation for Living (EFL) partners has shown us that the sector faces very similar challenges across Europe.

Providers and municipal authorities need to solve multiple challenges: ageing populations; high house demand and limited supply;

“There are fascinating and effective ideas that we can adapt and test in the UK to strengthen our ability to tackle housing supply and social challenges.”

inflating costs; the need to digitise and drive value; and pressure from national governments. These can all pull resources out of the sector to plug other budgetary gaps. Issues around regeneration and social inequality are also felt across national boundaries.

There are fascinating and effective ideas that we can adapt and test in the UK to strengthen our ability to tackle housing supply and social challenges.

Established in 2007, initially with membership from the Netherlands, Germany and France, EFL is a learning, good-practice and innovation network with three strands of membership. Housing associations are the core members with representation from across Europe.

The second kind of ‘associate’ membership brings in housing-related supply chain companies. These are diverse in scale and business specialism and include IT providers, strategy and financial consultants, as well as technical and investment innovators. Building information modelling (BIM), 3D representations, low-carbon design and energy management are some of the areas of expertise represented within EFL. Many associates take on lead roles in EFL topics groups and representation.

The last category of membership is for the academic institutions, which, again, are diverse in specialism and geography and include universities. An exciting development in 2017 has been the

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Mike Ward Joining the European Federation for Living

Continued from page 5
organisation and hosting by EBZ Business School in Bochum, of a housing summer school, attended by about 30 young housing professionals from across Europe. In October 2017 the Urban Planning Institute of the Republic of Slovenia became the most recent academic participant.

EFL in action

EFL holds two main conferences each year. However, the greatest value comes from the themed 'topic groups' and the related projects around which members collaborate.

The topic groups look in depth at issues that members voted to be the highest priorities for them.

Currently these are: finance and treasury; digitisation; intergenerational living; energy; and social domain, which broadly equates to community initiatives and social value. The last topic brings EFL into collaboration with an even wider community of housing providers and municipalities.

Another topic group has been established to identify and respond to calls for relevant

EU-funded programmes. Projects include the I-stay@home project, in which UK provider Habinteg played a leading part and which revolved around identifying, testing and indexing ICT solutions that enabled independence and an improved quality of life for disabled and older people.

In the field of energy efficiency, the EU-funded TRIME project saw collaboration among housing providers in France, Germany, the UK and the Netherlands in supporting customers to save on their energy costs. Learning from this programme is currently being disseminated.

Another initiative, the low-carbon house project, led by Zurich-based architect KEOTO, focused on genuinely zero-carbon designs. These can be replicated across different geographic contexts and take into account the whole construction life-cycle.

In all these projects the emphasis has been on a positive, proof-of-concept approach with dissemination of lessons throughout the network and beyond.

"Campbell Tickell expects to play an active part in the work of EFL Expertise, as well as engaging with the main network"

New initiatives

Currently, a research project led by Dr Gerard van Bortel of TU Delft is exploring innovative finance and governance approaches across Europe. This work will culminate in early 2018 with a publication that will contain 17 European country chapters and international comparative contributions, from the USA and Australia.

Consultancy

Early on, EFL established a subsidiary under the brand 'Expertise' to fulfil consultancy assignments. This has been restructured in recent months to enable this area of work to grow. Campbell Tickell expects to play an active part in the work of EFL Expertise, as well as engaging with the topic group work and live projects within the main network.

Could it be for you?

Campbell Tickell has thought carefully about the value of membership of EFL, which does require a commitment of time and energy. We're convinced it has strong merits that will become even clearer as we come closer to leaving the EU. The benefits will be greater still if others join and take part in EFL's collaborative work and learning. *To learn more about the issues raised here, contact david.williams@campbelltickell.com*

CAPTION COMPETITION

Mia Rafalowicz-Campbell presents the prizes at the CT Team Quiz Night ...

Email your best captions to zina.smith@campbelltickell.com or tweet them to @campbelltickell1 before 15 January 2018 for the chance to win a mystery prize!



LAST ISSUE'S WINNER

Congratulations to Innisfree Housing chief executive John Delahunty for his entry to September's competition: 'Stephen: "So, Greg, you put it ALL down to the Age Defying Cream from Olay?"'



Mia Rafalowicz-Campbell

policy and research officer, Campbell Tickell

Placemaking: giving meaning to meanwhile



“Now the deserved owner of a buzzword badge, placemaking has become somewhat of a cliché. A sprinkle of deck chairs and some bunting a place do not make. However, that doesn’t make the aims of placemaking – to create public spaces that work for the local community – any less valid.

Public space is there to serve people, engage communities, build bridges and networks, and fundamentally improve wellbeing. Aims as grand as these deserve more than a one-shot approach: what’s called for is a slower, considered and evolving process.

Earlier this year I attended the Future of London Placemaking conference, where a number of speakers were advocating for placemaking as a multi-stage process. Rather than being about branding or PR, placemaking should always be about creating public spaces that work for the local community. So what does this look like in practice?

For a start, public places need to be well conceived, implemented and tended to. As Kate Swade from think tank Shared Assets puts it, there should be three stages: placeshaping, placemaking, and placekeeping. Rushing straight for the making stage might tick boxes faster, but it won’t keep them that way.

Creating meaningful and lasting spaces is not light work. Every project should be shaped to its direct environment, as emphasised by Robert Evans from Argent (developer of the much-cited Granary Square in London), who makes sure to point out that no one approach can be picked up and simply planted elsewhere.

Another to highlight the need for an evolving approach to placemaking is Tom Bridgman from the London Borough of Lambeth. Speaking about ‘meanwhile’ spaces, he notes that they work better as a means to an end rather than an end in

“Rushing straight for the making stage might tick boxes faster, but it won’t keep them that way.”

themselves. In practice this means that they should be part of wider placemaking goals – and not just about activating space in principle.

A case in point is Pop Brixton, which turned disused land into a space for independent local businesses to set up and test the market for their goods or services. This system can then be developed and leveraged into the longer-term Brixton regeneration project.

Over on Peckham High Street the Pem People Pop-up shop runs an employment academy and event space out of an unlet shop temporarily granted by London Borough of Southwark. Working with residents and those perhaps harder to reach in the community, the initiative hopes to use this as a springboard and secure a longer-term space, which would create a coherent narrative amid the rapidly-changing

Peckham regeneration project.

When you’re designing a space from scratch on a much larger scale, as in the Homes and Communities Agency development of Northstowe New Town in Cambridgeshire, these lessons are more necessary than ever. With only 90 homes occupied of a planned 10,000, the planning and design team are working to ensure they create an engaging and diverse town centre that will both attract potential new residents and engage those already interested.

That’s why the team are taking a purposefully evolving approach. Rather than deciding on the exact final composition of all spaces, they are developing various streams of ideas for meanwhile spaces that can be adapted as they develop. It will be important to reassess these spaces at the right time and with the right metrics. If they do so, they might just create a place that listens to and grows with its users.

Each project is its own animal, with a unique set of conditions and variables, but what’s true of them all is that they form part of a larger local context. Due consideration of how the places we shape, make and keep can work with and for the community must leave some room for those places to evolve and fit into the longer-term fabric of the local environment.

To discuss the issues raised here, contact mia@campbelltickell.com



Above: Deckchairs and cranes ... Wembley regeneration

Right: Northstowe New Town – surrounding settlements and scale



Mia Rafalowicz-Campbell; HCA



Peter Shanks associate, Campbell Tickell

Housing in Northern Ireland: policy update



“Big policy announcements have become a trademark of the Northern Ireland Federation of Housing Associations (NIFHA) conference. This year’s event in September in County Down was no different; albeit slightly more subdued, given Northern Ireland’s political impasse and the subsequent lack of a ministerial presence.

The long-awaited review of social housing allocations was launched and runs until 21 December 2017. Back in 2013, research by Ulster University and the University of Cambridge raised concerns about how applicants with ‘intimidation’ points (i.e. those threatened from their homes by paramilitary groups) were being prioritised over other victims of violence (e.g. domestic violence).

One of the review’s 20 proposals seeks to remove ‘intimidation’ points from the selection scheme. Despite consensus during the research phase that this is a much-needed measure, a recent statement by the Northern Irish police chief constable that paramilitaries orchestrated the intimidation of families in a government-endorsed shared housing scheme in east Belfast (on the same day the review was launched!) raises questions about whether this proposal will now be countenanced.

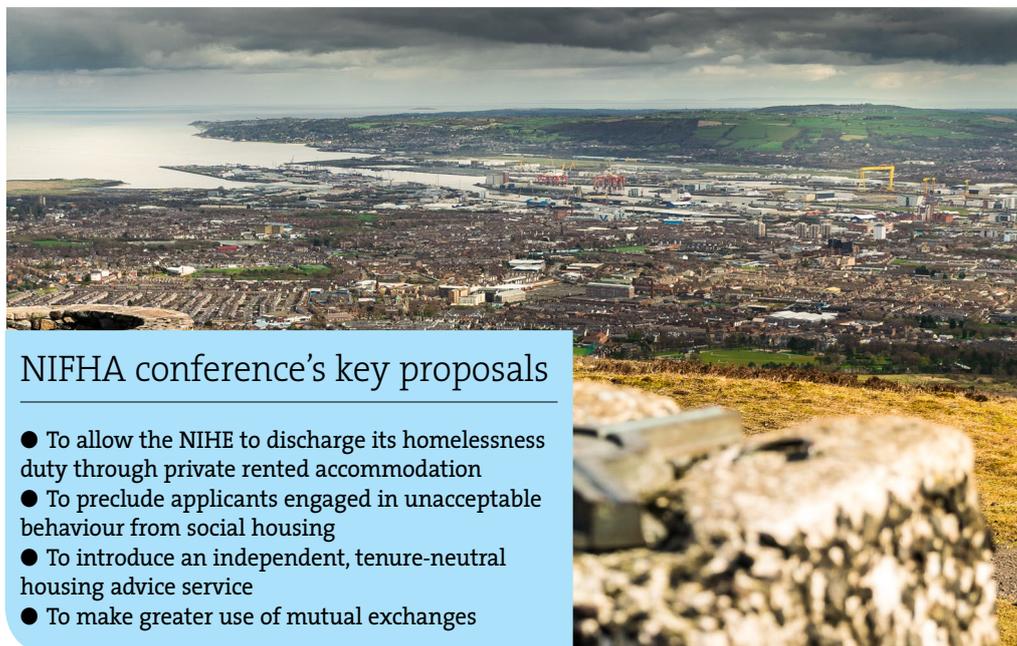
The campaign to reverse the 5% reduction to the Supporting People budget continues to gain

traction in Northern Ireland. Supporting People funds 880 housing-related support services across Northern Ireland, is delivered by 106 organisations and supports more than 20,000 vulnerable people to live independently, helping to avoid the financial and social costs of hospitalisation, institutional care and homelessness.

A study by the Northern Ireland Council for Voluntary Action has shown that for every £1 spent on Supporting People programmes, the public purse saves a further £1.90. A key message from the NIFHA conference was for the Northern Ireland Housing Executive (NIHE) to work with delivery agents to enable strategic remodelling of the £73m annual programme and find innovative solutions to the 5% cut.

After four rounds of housing association inspections, the Department for Communities (DfC) now moves to a one-year pilot phase of its risk-based approach to regulation. Under this new framework, the key emphasis will be on outcomes rather than compliance. As you read this, members of DfC’s Housing Regulation and Inspection team will be sifting through the revamped regulatory returns, before making a judgement on whether any housing associations require follow-up action in the months ahead.

They will be seeking assurance that boards



NIFHA conference’s key proposals

- To allow the NIHE to discharge its homelessness duty through private rented accommodation
- To preclude applicants engaged in unacceptable behaviour from social housing
- To introduce an independent, tenure-neutral housing advice service
- To make greater use of mutual exchanges

THE DIARY

National Housing Federation Board Member Conference

2-3 February 2018
London

Day 2 features a housing governance masterclass with CT’s Stephen Bull. boards.housing.org.uk/

Property Week: Regenerate Conference

20 February 2018
U+I, London

CT will be attending this event discussing what it takes to plan, fund, develop and run regeneration projects. regenerate.propertyweek.com

Chartered Institute of Housing South-east and London Conference

7-8 March 2018
Brighton

The event has four key strands: Brexit and the economy, bricks and mortar, organisational change, and innovation. cih.org/events/

Community Housing Cymru Governance Conference

8-9 March 2018

Llandrindod Wells, Powys

Speakers include CT’s Radojka Miljevic. chcymru.org.uk/en/events

assess and manage risk effectively; that financial planning processes and controls are robust; and that a strategic approach to value for money can be shown.

The DfC will want to know if it is easy for tenants to participate in and influence decision-making, and if boards are clear on the customer service offer and deliver quality choices appropriate to the diverse needs of tenants.

Under this risk-based approach, the primacy of boards becomes ever more critical in running and directing affairs, satisfying multiple stakeholder requirements, and delivering excellence in each of the three new regulatory standards: governance, finance, and consumer. To discuss the issues raised here, email peter.shanks@campbelltickell.co.uk



David D'Arcy *development consultant*
**Developing housing in Ireland:
 The role for housing providers**

“In the February 2017 CT Brief, David Williams outlined the Rebuilding Ireland initiative and the opportunity for Approved Housing Bodies (AHBs) to become key partners in the plan. The aim is for AHBs to work, with the support of some state funding, towards the target of building 47,000 social homes by 2021.

So what progress has been made? It has been a steady start. AHBs have been increasing their skills base at board and staff level. Attracting new staff has been challenging, as the wider construction and property sector continues to enjoy a resurgence after the lean years directly following the financial crash in 2008. At the same time, local authorities (Ireland has a total of 31 city and county councils) have also been actively pursuing their own development programme.

Quarterly updates are now being provided (rebuildingireland.ie) showing a total at Q2 2017 of 697 separate projects at some stage through the development process. These will ultimately produce 11,049 new social homes; 110 schemes have already achieved completion with 1,106 properties ready to be let. These figures relate to both AHB and local authority activity.

Despite this promising start, most media attention has been relentless on varying elements of the housing crisis. The numbers on waiting lists now exceed 92,000 households, many of whom work on average incomes and in previous generations would have expected to move into home ownership.

The private sector alone cannot meet the demands of those needing to live in or close to Dublin. Market rents are moving so quickly upwards that the government has been forced to introduce a number of rent pressure zones (RPZ) across the country. This puts a cap of 4% on any rent increase in any given year.

Ireland also has more complex

“There is a strong suspicion that land hoarding is prevalent, particularly by Irish and international owners, who acquired land during the post-crash years at rock bottom rates.”

issues to consider than just the normal potential blockages in a development project.

Total housing stock grew by just 8,800 between 2011 and 2016, when the population actually rose by 169,724, according to the 2016 census. There is a scarcity of bank lending to the construction sector, while the availability of finance that is available, mostly from private funds, is at such a high rate as to make many projects unviable.

UK readers will be surprised to learn that VAT is still charged on new-build construction. Developers complain they cannot turn a profit in the current market, citing that up to

40% of their costs are tied up in state charges and levies.

There is a strong suspicion that land hoarding is rife, particularly by Irish and international owners, who acquired land during the early post-crash years at rock bottom prices. Land and property values have been enjoying healthy increases over the last two to three years.

Attempting to redress this situation, the government has introduced a vacant site levy, effective from January 2018. This will impose an annual charge for unused land, set initially at 3% of its market price – though set to increase to 7%

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Clúid Housing completed this unfinished apartment block in Macroom in partnership with Cork County Council

Clúid Housing



Greg Campbell partner, Campbell Tickell

Balancing your council's top team



“How can local authorities make sure they can cope with an ever-changing environment? The picture is complicated and becoming increasingly so – see for instance the recent National Audit Office report on progress in setting up combined authorities.”

That report has been characterised as highlighting inconsistency and lack of clear direction in the development of new local government structures, alongside a jockeying for position by different players. Whether this is fair or not, it is clear that major change will continue. The shape of most councils in five to 10 years' time could be quite different from now.

Individual councils are engaging in a wider range of delivery, investment and partnerships than ever before. Examples include local authority trading companies and joint ventures with private sector and other bodies. At the same time, we are seeing new forms of investment such as shopping centres, together with the reinvention of more traditional forms of delivery, such as housing development.

This means that councils need to have

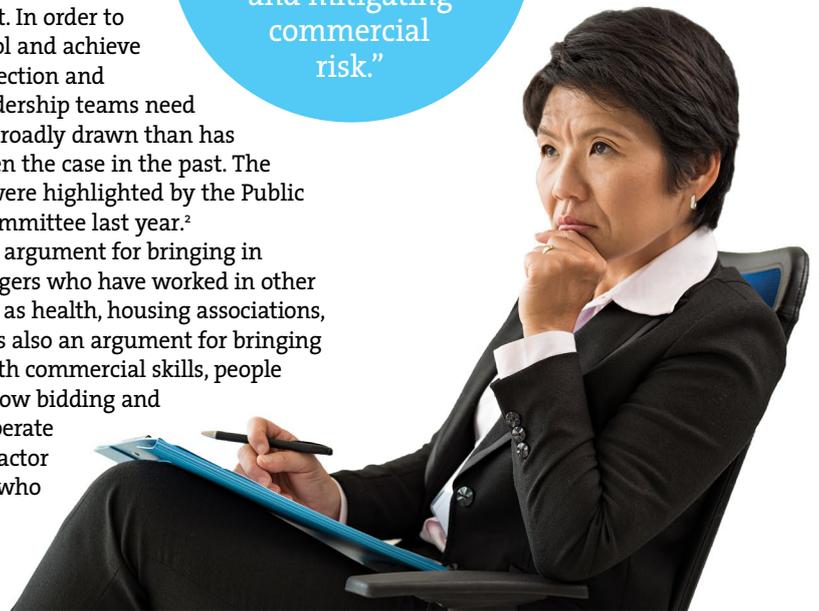
people in their top teams who understand the new business streams, who recognise the risks and opportunities, who have experience of operating in different kinds of environment. In order to retain control and achieve coherent direction and delivery, leadership teams need to be more broadly drawn than has typically been the case in the past. The challenges were highlighted by the Public Accounts Committee last year.²

This is an argument for bringing in senior managers who have worked in other sectors, such as health, housing associations, charities. It is also an argument for bringing in people with commercial skills, people who know how bidding and tendering operate from a contractor perspective, who understand digital customer services

“This is an argument for bringing in senior managers who ... are comfortable assessing and mitigating commercial risk.”

(from retail, for instance), who understand finance, and who are comfortable assessing and mitigating commercial risk.

Continued on page 11



David D'Arcy Housing in Ireland: The role for housing providers

Continued from page 9 for the second and subsequent years. It remains to be seen if this will force landowners and developers to use their land for housing.

There is a consensus that 25,000-35,000 newly constructed homes a year will be the minimum amount needed going forward, for the economy to grow and to adequately house the population. Although the country is now enjoying strong economic growth, with unemployment falling as the jobs market improves, any confidence appears to be very Dublin-centric. Confidence too is tempered with the uncertain fallout over Brexit and the pressure from the EU to see more corporation tax harmonisation across member states.

I have been working with Clúid's Housing New Business Team, Ireland's largest AHB, with over 6,000 units. Clúid, alongside the handful of other large

organisations such as Respond and Túath, have embraced this new era, increasing both their capacity and size of development programmes.

There is a move away from buying 'turnkey' schemes from developers to entering into development agreements for the construction of new and better designed homes. It is hoped the rest of the sector follows suit, particularly as the government has expressed a desire for new social housing to be provided progressively through construction rather than acquisitions. AHBs have been, to some extent, competing directly with the first-time buyer's market.

There is further evidence of AHBs and LAs forging a path together. In Ireland we have a healthy approvals process that involves the local authority giving initial support to any AHB project. If that support is not there, then the AHB will

not proceed. Local authority sites are now being offered to AHBs as tendering opportunities with increasing regularity. These are grounds now for continued partnership working.

A role for smaller AHBs, who understandably may find construction too much of a risk, could be a means of reducing the country's level of vacant dwellings – estimated to be in the region of 260,000. Working alongside local authorities particularly on one-off and small-scale projects in their local areas could be a solution for these groups to play a part and thus expand the profile of the sector.

AHBs are moving in the right direction. Their development activity has to increase year-on-year if they are now to be seen as major partners in the solution to Ireland's housing crisis.

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Greg Campbell Balancing your council's top team

Continued from page 10

This does not mean that councils should go out selecting candidates willy-nilly, simply because their experience has been gained well away from local government. Plainly they still have to be able to adapt to a local authority environment.

They need to understand how the political dimension operates, and how to operate within that framework, for all its difficulties and its strengths. They must be comfortable in a regulated environment, where different forms of scrutiny and accountability apply. They need to be able to cope with being in the public eye. They need to be able to work out how decisions may impact on customers and communities, and how local (and sometimes national) media are liable to handle particular issues.

They must understand and be comfortable with the public service ethos. And they have to be able to engage effectively and sympathetically with their team members, peers, superiors and elected members, whose backgrounds are liable to be quite different from their own.

This is at the same time an argument for bringing together diverse teams, which include leaders who know and have grown up in a public service and local authority environment, and those whose experience is likely to be quite distinct.

They all need to be capable of collaborating and contrasting positively and creatively. One wants disrupters – the people who are not afraid to challenge and to ask ‘the dumb question’, who think laterally and can use their range of experience to deploy new and different solutions. But they must be disrupters who can adapt to the operating environment, who recognise the limitations as well as the potential.

How does one find such people? It means moving beyond traditional approaches to the senior recruitment process and developing new approaches: finding alternative sources of potential candidates, using less common or less orthodox media for recruitment, employing different kinds of selection processes. And it means engaging with headhunters with the ability to search out candidates who differ from the norm, who combine the range of

experience and insight to face up to the challenges referred to above.

Moreover, once one has brought in such new leaders, it is not a matter of leaving them to sink or swim. They will require support and guidance, broader induction programmes than one would routinely deploy. It may mean coaching and it will mean mentoring, in order to help them adapt and ensure that as the employer, one is maximising the value of the range of their different skills and experiences.

Where one sees an authority fail to introduce new and flexible thinking into its leadership and strategic development, it must be highly likely that it will be unable to address current and emerging challenges, and will fail to take opportunities to adjust to the new environment and thrive.

Worse still, it is liable to lose out in competition for funding and other opportunities, and it is likely to attract justifiable criticism from electors and media alike.

It is about achieving a balance, however. We have seen organisations in different sectors go too far in bringing in out-of-sector leaders, to the extent of populating their executive teams entirely or almost entirely with big-hitters from elsewhere. And the predictable result has been a failure to engage with and grasp sector norms and the levers that one must pull in order to achieve results.

“It means finding alternative sources of potential candidates, using less common or less orthodox media for recruitment.”

One infamous example illustrates the point: three years ago, it came to light that Tesco had mis-stated its accounting position by a quarter of a billion pounds. Commentator Luke Johnson highlighted in the Financial Times that none of the 10 members of the company's main board had any executive experience as a retailer. This may appear far removed from local government, a sector subject to law and the expectations of democracy, accountability and public scrutiny. Nonetheless, similar principles can apply just as strongly. *To discuss the issues raised in this article, contact greg@campbelltickell.com or gera@campbelltickell.com*

¹ www.nao.org.uk/wp-content/uploads/2017/07/Progress-in-setting-up-combined-authorities.pdf

² publications.parliament.uk/pa/cm201617/cmselect/cmpubacc/708/708.pdf





Katrina Robinson MBE solicitor and head of legal services, Optivo



The benefits of in-house legal services

“The property director and the chief executive were having their quarterly value for money meeting. The CEO queried why the plumbing contractors were being paid £300 an hour. ‘Why don’t you employ in-house plumbers?’ said the CEO, ‘At a cost of £20 an hour?’ The director explained that he had a special relationship with the contractor and they knew the organisation really well so he’d stick with them.

Sounds unbelievable doesn’t it, though this is the position taken by a significant number of housing associations when considering their legal services provision.

While many acknowledge that having an in-house solicitor would not only be significantly cheaper and have a number of other benefits, they still prefer to outsource their legal work.

I have often asked CEOs why they don’t have an in-house lawyer and I’m afraid I’m yet to be given a plausible response; though more often than not I’m told they’ve used Bloggs and Co for years and are happy with them, while usually adding, ‘They’re a bit pricey though’.

Let’s look at the figures first. Solicitors charge anything from £150 to £400 an hour, whereas an in-house solicitor’s budget including salary, training and such like could be as little as £30-50 an hour. So what’s the catch? Well, there isn’t one.

The benefits of course are not just financial. The solicitor would be in a unique position to consider all of the processes of the landlord to ensure that claims were staved off and reputations unharmed.

Employed solicitors are also far more likely to embark on litigation, be that as claimant or in defending actions brought. How many times have you settled a case because the increasing legal costs made continued litigation financially unviable even though you were sure of your eventual success?

“All an in-house solicitor cares about is saving you money, winning your cases and guiding you through the mire of legislation which is relevant to your business.”



One of the first cases I had when I started my career with housing associations was a very complex anti-social behaviour possession claim with witnesses too frightened to give evidence. The trial lasted for seven days and, had external solicitors been instructed, it would have cost in the region of £36,000 – the internal ‘charge’ for my services equated to £4,250. In fact, the matter was so complex that it is highly unlikely external solicitors would ever have been instructed because of the cost.

All an in-house solicitor cares about is saving you money, winning your cases and guiding you through the mire of legislation which is relevant to your business. Imagine if an external solicitor only had one client and that was you, no doubt you’d think that was a brilliant service.

Those who are actively considering creating an in-house provision are often concerned about the management of a solicitor. I’ve been asked ‘how can I manage a solicitor, when I’m not a lawyer?’ The

answer is quite simple: you manage them like you would any other colleague and trust in their professionalism to perform their function. I have never been managed by a solicitor and it has never been an issue.

You will always need external legal firms, of course, to take your instructions on a number of issues and our commercial partners are very much needed. Your in-house solicitor could also manage your relationship with your external firms, including the procurement of more favourable costs.

When I am consulted about the benefits of having an in-house solicitor, I am understandably asked about the cons. I always say that I’m yet to find any, despite trying to for a number of years.

So, if you’re still not convinced about value for money, then I can put you in touch with a great plumbing company who only charge £250 an hour and they’ll get to know your organisation really well ...
To discuss the issues raised here, contact jon.slade@campbelltickell.com



Helen Cookson senior associate, Trowers & Hamlins
Charities and the future of consent under new data protection rules



“As highlighted in the September edition of CT Brief, the General Data Protection Regulation (GDPR) means that charities need to review their data protection regime and take action to ensure compliance. The GDPR presents challenges to all sectors, but the new rules on consent will have a particular impact on charities and their fundraising activities.

Following the Information Commissioner’s Office’s (ICO) investigation into fundraising activities that concluded in 2017, charities have already had to take action – but that does not mean they will be GDPR compliant. What further steps should charities consider to prepare for GDPR in this respect?

In the aftermath of the fundraising investigation, the ICO emphasised to charities that in most cases it is very likely that there are only two conditions which they will be able to rely on in processing the personal data of donors and prospective donors for fundraising purposes: “legitimate interests” and “consent”.

The GDPR places an even greater emphasis on transparency and accountability. The condition being relied upon to process data must be identified and recorded in advance. It must be explained in privacy notices (also called information notices) and the data subject’s rights – which flow from that condition – must be explained clearly. Given the potential impact on individuals’ freedoms, a privacy impact assessment should be conducted on fundraising activity and a clear audit trail should be available to demonstrate compliance.

However legitimate their interest in fundraising, many charities will have concluded that, in light of the potential prejudice to the rights and freedoms of individuals, consent is the only condition which they can rely upon to justify processing personal data. So what does the GDPR require in relation to consent?

As the ICO emphasises in its draft

guidance, the GDPR sets a high standard for consent. Under the GDPR “consent” means offering individuals genuine choice and control. It requires a positive opt-in, and the use of pre-ticked boxes or any other method of consent by default are explicitly no longer lawful.

Consent must be specific and granular. Separate consents are obtained for distinct processing operations. It should not be included in any other terms and conditions, say if you have a membership scheme or if a service is being provided to an individual.

It will be vitally important that charities make sure that they can provide evidence of consent in all respects: “who, when, how, and what”.

Asking for consent on a vague or blanket basis will not be acceptable and although the consent form should be clear and concise, it must also contain specific information making clear the individuals have a right to withdraw consent and explaining what they must do.

Withdrawing consent should be simple and available using the same medium used to obtain consent in the first place. So if you seek consent using an online form, you cannot insist that consent can only be withdrawn by phoning a helpline.

Charities must also remember that the consent form may not be the only document to consider. The GDPR is also making significant changes to what must be included in a privacy notice – for example, requiring for the first time that source of data must be included. Charity privacy notices will also require significant review and this is especially important to consider when redesigning consent forms, as privacy notices and consent forms are often combined.

The ICO has produced draft guidance on consent which is available on its website. The guidance will be published in final form after the EU Article 29 Working Party produces its guidance document, expected in December.

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“It will be vitally important that charities make sure that they can provide evidence of consent in all respects: ‘who, when, how, and what.’”



Mike Wilkins *managing director, Octavia Living*
 Developing land and homes
 for outright sale



“Five years ago, with grant rates falling, Octavia embraced the notion of development for sale. But with scarce land opportunities in inner London and grant levels nowhere near sufficient to meet total costs at affordable rents, we thought we would see whether we could make outright sales work to generate cross-subsidy.

We have now completed 69 flats and 33 houses for sale. Reviewing the lessons from what we have done so far, we have concluded that, while it will never be our core activity – we would much rather be spending our time fully on social housing – the process of learning about sales has had benefits. So what are our key findings to date?

The schemes we have developed have fallen into three categories. The first was the easiest. Here we took the developer risk on upgrading properties we would otherwise have sold because they were simply too expensive to repair. In these three houses we found that, with careful cost control and real attention

to detail, we have significantly improved on what we would make if we sold at auction.

Second, with a number of small infill sites – not suitable for social housing and with high construction costs – we worked with a small, imaginative builder to convert a piece of garden into a mews home. A former garage site will become another single house and two small commercial properties will shortly be four more homes for sale.

The final category of property has been new build. Two schemes so far: one, with land acquired at the peak of the 2008 property cycle, simply did not work as a fully affordable scheme in the era of austerity, but it did stack up with some outright sales included. We started with the intention of selling a fixed proportion of these homes, but as prices moved upwards during development, we successfully offered more as shared ownership.

We are doing the same on a new scheme in Cricklewood where we started out with outright sales. However, with rising prices, we

“With a 50% initial purchase we delay our financial gain but this is to try and see if we can support a different, lower-income group.”

are again able to look at offering some of the properties – in this case large three and four-bed homes in a leafy suburb – on a shared-ownership basis.

This is a slightly different kind of shared ownership and new to us, available to households whose income is still under the £90,000 threshold, but who may not currently live within the borough. With a 50% initial purchase we delay our financial gain to try and see if we can support a different, lower-income group. We hope this approach will work for families who need a larger home – a segment of the community that is regularly outpriced in London.

Outright sale has taught us more about the importance of detailed cost control and getting the specification right, and has helped us realise value from some small sites that might otherwise have lain fallow. More than this, while the risks are higher with an outright sales programme, these opportunities can further our social mission.

To discuss the issues raised here, email maggie.rafalowicz@campbelltickell.com



Gladstone Village in Cricklewood, north London – where some properties are offered on a shared-ownership basis

Octavia Living



Dominic Martin operations director, Atlas Residential, and chair, UK Apartment Association Policy and Research Committee



Build to rent: what works in America

“The last five years have witnessed the long-predicted arrival of the institutional private rented sector (PRS), which is now being referred to as build to rent (BTR). At its core, this is purpose-built apartments for rent, with such buildings enjoying amenities and service not traditionally found in apartments designed for sale. While the private sector has led the charge, a number of the larger housing associations have created their own portfolios as well.

As the UK’s housing sector creaks at the seams, BTR now provides over 17,000 completed homes across many large towns and cities, as well as nearly 79,000 units in either construction or planning.

BTR can be (and is) part of the solution to alleviate the housing crisis. And for the next 10 years, with annual housebuilding targets now up to 300,000 or more, if BTR comprises just 5% of this new supply, this is a further 100,000 to 150,000 homes.

So what is the BTR product? Debate centres around what BTR looks like, with amenities such as gyms, resident lounges and roof terraces being incorporated. Critically though, a key component is the increased focus given to general operational functions such as leasing and staff offices, parcel management, storage and refuse strategies.

Lessons from America

A fundamental element of this US-style business model, referred to as ‘multi-family housing’ (which has been established for over 50 years), is the recognition of the ‘resident’ as the customer. Unfortunately, to date, this is a concept that the UK residential management sector, where landlords are the client, has yet to really grasp.

Learning from our established operation in the US, where customer service really is king, significant emphasis is placed on recruitment, training and development. A good team delivers better customer service and helps form a strong community feel through events and feedback. In addition, the results of placing the resident first include hitherto unknown flexibility – be this three-year tenancies or taking a welcoming approach to pets.

Family values

One common assumption is that this new asset class will by and large be the domain of millennials, and the up and coming ‘Generation Z’. For those more urban apartment developments, this can be the case. However, as documented in the 2001-2011 census, while the number of households renting in the 25-34 age group grew by 75%, the number renting in the 35-64 age group grew by 95%! Families are therefore also a key component in the UK’s rental landscape too.

Much of the attention and activity has so far been on high-rise living in the big cities. For renters who prefer a more suburban lifestyle, in particular families, we can learn some interesting lessons from the US housing sector.

There is of course a high-rise urban living culture in the US as well, but the US market is in fact dominated by ‘garden

style’, low-rise apartment living, mostly two and three storeys. These are the favoured rental options for many middle-income ‘grey collar’ American families. However, so far, the concept has received little attention in the UK.

150,000
Potential new homes if BTR provides just 5% of housing targets over the next 10 years

How viable is BTR?

A final yet essential consideration is that apartment living must make financial sense for all parties. In the case of low-rise developments, these are

fortunately less expensive to construct than their high-rise counterparts. In the face of rising construction costs and the ongoing viability debate, as well as the push into modern methods of construction, this is an important consideration. The knock-on effect for renters is that with a reduction in development costs, lower rents can be achieved.

To discuss the issues raised here, contact maggie.rafalowicz@campbelltickell.com



Atlas Residential apartments in Dallas, Texas. The US market is dominated by ‘garden-style’ living

balancing your top team

In a fast-changing environment, senior leaders have to understand new business streams, recognise risks and opportunities and identify how decisions impact customers. Successful top teams need balance between those who understand your business now and those who bring different skills.

You want disrupters: not afraid to challenge, thinking laterally, deploying innovative solutions. You also want leaders who know the sector but bring diverse experience and collaborate productively.

This means innovative approaches to recruitment, and above all, recruiters who bring candidates with the range of experience and insight to tackle your organisation's challenges.

With a 15 year senior recruitment track record, Campbell Tickell's networks extend across central and local government, health, education, housing, care, finance and the commercial sectors.

