



**Karen Brown**  
Senior policy lead,  
Northern Housing Consortium

## Investing in northern infrastructure



The government's Industrial Strategy White Paper outlined the possibilities of Local Industrial Strategies aiming to 'boost productivity' and 'enhance infrastructure and growth'. Delivering growth through the driver of 'Place' is the local dimension to the White Paper, so how will each local area pick up the housing agenda through these strategies?

### Boosting growth

The aim of 'boosting growth' will be to build new homes. Among our members in the north of England, the ambition to develop good-quality housing will be matched by the potential for local place strategies. The northern metro mayors have declared that they stand ready to deliver ambitious plans to build more homes. So, we have the strategies, we have the momentum to match ambitions

for infrastructure, and we have the housing ambitions. But, infrastructure to support housing is a diverse and complex issue. There are areas of the north facing severe constraints, with additional targeted investment needed to support major development programmes.

### Challenges

So what are some of the challenges? First, the infrastructure deficit isn't just in roads and railways – it is also evident in the quality and age of the existing housing stock. For example, there are large quantities of pre-war terraced housing, much of which requires significant investment. To accelerate the delivery of new homes in the north, investment to bring brownfield land to market is perhaps the single most important measure that could be taken by government.

*"We have the momentum to match ambitions for infrastructure, and we have the housing ambitions."*

The infrastructure deficit doesn't only reside in roads and railways, but in the quality and age of existing housing stock

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**Competitive bidding**

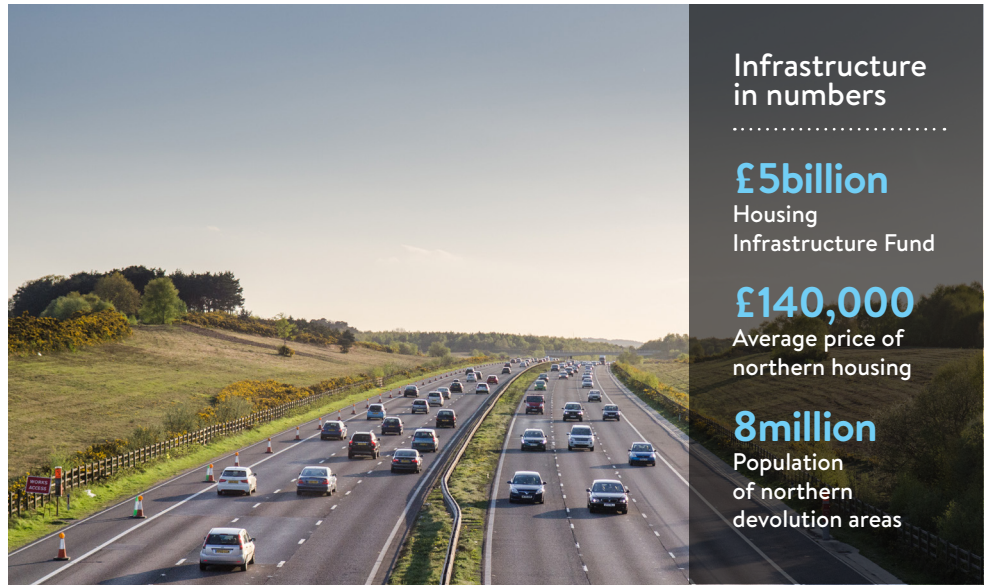
Second, in the last year, local authorities have been bidding for a slice of the £5 billion Housing Infrastructure Fund, to pay for roads, railways and schools.

This is an extremely competitive process, but one which is ultimately intended to support the building of new homes. Success in bidding involves demonstrating the highest financial return for the lowest investment. This has a bias towards areas where homes are sold at higher prices, unlike in northern areas, where the average price of a property is £140,000. There is a risk that while trying to be equitable, the competition becomes a blunt tool where more sophisticated regional modelling may be necessary.

**Regional public investment inequality**

Third, northern regions face squeezed investment from more than one pressure point. In areas where private sector investment is weakest there has also been far less public infrastructure investment.

Regional inequality in public infrastructure investment could mean that it becomes more challenging to attract other investment in housing. Simultaneously, there is an immediate and pressing issue for the continuity of regeneration funding in northern areas. With lower land and property values, these projects are more reliant on EU regeneration funding than in the south-east.



iStock

**Infrastructure in numbers**

**£5billion**  
Housing Infrastructure Fund

**£140,000**  
Average price of northern housing

**8million**  
Population of northern devolution areas

**Devolution**

Fourth, more than eight million people in the north live in areas subject to devolution deals – these must be about securing a fairer share of the proceeds for growth. How devolved administrations respond to infrastructure challenges will have major implications for housing.

The housing sector is well positioned to be at the heart of a place-shaping revival. Giving local areas greater control over infrastructure investment will only reduce housing inequalities if local strategies also have clear objectives. These include promoting the wider benefits of good housing, and directing public investment to benefit the region.

**“Success in bidding involves demonstrating the highest financial return for the lowest investment”**

**Evidence**

Fifth, a lack of evidence or independent information underpinning housing policy is another key challenge in northern areas. The value of robust evidence is essential – particularly on the broader value and socio-economic impact of good-quality housing.

The Northern Housing Consortium aims to support ways in which we can demonstrate the link between an infrastructure project and the homes it can unlock.

We aim to ensure there are sufficient public resources available and that these are distributed and used fairly to improve the quality of housing.

To discuss the issues raised in this article, contact [maggie.rafalowicz@campbelltickell.com](mailto:maggie.rafalowicz@campbelltickell.com)

**THE DIARY**

**NHF National Housing Summit 2018**

19–20 September | London

On Day 2, CT Partner, David Williams, will be on a panel discussing: ‘Doing Housing the European Way’ at 10.50. This will explore different operating models and funding approaches used in Germany and other countries, and how these could be applied to the housing sector here.

**CIH Ireland Homes & Communities Conference**

20 September | Ireland

The CIH Homes & Communities Conference 2018 expands on its previous theme of health and housing to encompass the issues and challenges impacting on our sector across the island of Ireland. CT associate Kathleen McKillion will be discussing reclassification on Day 1.

**NHC Northern Housing Summit 2018**

10 October | Manchester

The NHC’s 2018 Summit brings leaders together to discuss the future of housing in the north through the lens of placemaking, growth, and health, and sees the launch of our research with the Smith Institute looking at the hidden costs of poor-quality housing.

To find out more, visit [www.campbelltickell.com/events-listing](http://www.campbelltickell.com/events-listing)



**Maggie Rafalowicz**  
Director, Campbell Tickell

## The Future of Right to Buy

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Funding for new affordable homes and replacement Right to Buy (RTB) units has never replenished the pot of much-needed social rented housing. When the coalition government revitalised RTB in 2012 with the promise that stock sold would be replaced, nobody who worked in housing believed that promise could be kept. The evidence has unfortunately borne out this belief (see chart).

So, if the target can't be met, why not change the target and the tenure? Alongside the recent Social Housing Green Paper, the government is consulting on the use of receipts from Right to Buy sales. There are nine areas on which the government is seeking views; the last one concerns changing the target, so it measures the net increase of all social and affordable housing, not just those replacing RTB homes. It may be a more honest target, but it won't make up for the shortfall of lost stock.

The government is also consulting on whether replacements could come in the form of shared ownership. In some locations, this may make schemes more viable, but as above it will not provide the much-needed social rented stock. What other areas are being considered in the RTB consultation?

### Increasing the amount that can be spent on replacement homes.

Currently RTB receipts can only fund 30% of a replacement home. The government is seeking views on whether to raise the cap to 50% of the build cost (not the total cost) for social rent. But build cost is just one factor and local authorities will still press to be able to retain 100% of the receipts.

### RTB receipts?

The government is questioning whether RTB receipts should

continue to be used to acquire existing properties, as this does not increase the overall supply of homes. In some places, it may indeed be cheaper to buy properties, but in locations like London it would be cheaper to build a new property. However, this does not consider the cost of land, which is the greatest factor affecting house prices in expensive areas, so it would only work on free or heavily discounted public land.

### Increasing the timeframe

Local authorities will have five as opposed to three years to spend RTB receipts. This will only apply to receipts that a local authority currently holds. Clearly it takes time for a council to identify deliverable development opportunities and build up the capacity to develop themselves. The three-year rule would be retained for future receipts.

### The cost of local authority-owned land

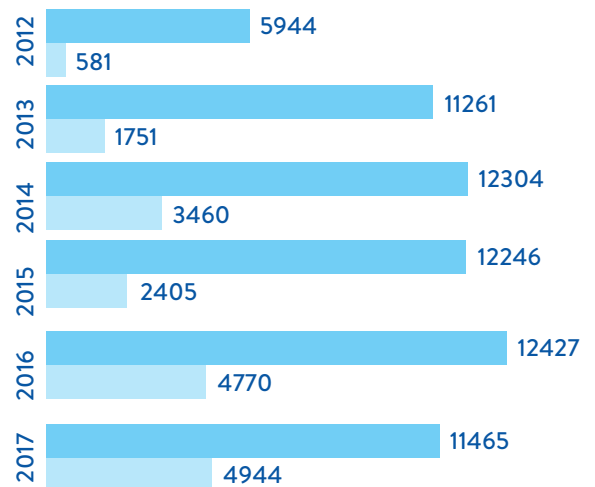
Changing the way the cost of local authority-owned land is treated is one of the more interesting suggestions. Currently a ring fence separates a council's Housing Revenue Account (HRA) from General Fund (GF) assets. When a council builds affordable homes on GF land, the HRA is meant to compensate the GF. The government is considering relaxing the restriction and allowing land to be gifted at no cost. We need to see the detail before judging this proposal, but it might free up opportunities.

We have been advising local authorities considering setting up housing companies that they assess the best use of all of their assets, regardless to which account it is attributed, and this proposal could be a positive contribution.

The second pilot of Voluntary Right to Buy (VRTB) for housing

### Right to buy sales (England)

### Right to buy starts and acquisitions (England)



Source: Ministry of Housing, Communities and Local Government Right to Buy data (June 2018)

**“It may be a more honest target, but it won't make up for the shortfall of lost stock.”**

associations was launched in the Midlands in August. Tenants have to apply by the middle of September and the lucky ones will be chosen by a ballot. Unlike local authorities, housing associations will be fully compensated and allowed to decide which properties they will sell. If a tenant is eligible for VRTB but their current home cannot be sold, the housing association must find an alternative property to offer.

Time will tell whether associations will be able to deliver one-for-one replacement homes and portability options; and if the scheme is a huge success, to what extent the government will be willing to provide continued funding.

The consultation closes on 9 October 2018.

To discuss the issues raised in this article, contact

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Mia Rafalowicz-Campbell  
Policy and research officer, Campbell Tickell

## The success of Community Land Trusts

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As we look left and right for antidotes to the housing crisis, for solutions that don't simply widen the wealth gap, community-led housing (CLH) approaches are gaining traction. While CLH increases the supply of genuinely affordable housing, its core values of community understanding, engagement and nurturing are what underscore the importance of its contribution. At a time where responsible regeneration often gives way for displacement gentrification, CLH initiatives like Community Land Trusts (CLTs), which have surged in popularity over the past decade, offer a genuinely hopeful way forward.

With origins in 1960s America, there are today almost 300 CLTs at various stages across England and Wales, 23 of those in London. To date, more than 800 homes have been built by CLTs, set to surpass 3,000 by 2020.

[The National Community Land Trust Network](#) has produced a map detailing each of these schemes and their stages of development, and

avid readers of *Time Out London* magazine will be able to confirm that the subject of CLTs has now well and truly entered popular discourse.

A Community Land Trust is, in short, a mechanism by which the community remains the beneficiary of developments on local land. A CLT is formed through self-organisation, after which it buys or is gifted land, builds out (without the help of developers nor the need to pay them wide profit margins), and provides homes for sale or rent based on local incomes rather than market rates. The CLT is then the steward of this land, and any sell-on of properties will be at similarly affordable rates.

Community-led housing comprises a very small proportion of total housing stock in the UK, far less than 1%. With the government's favourable attitude towards CLTs, as evidenced by their exemption from the rent cut and the [Community Housing Fund](#), it is clear that there is a real appetite for CLTs and CLH in general to play an increasingly important role in the

**“At a time where responsible regeneration often gives way for displacement gentrification, CHL initiatives offers a genuinely hopeful way forward.”**

325 Fishponds Road, Bristol is a Community Land Trust, where the community remains the beneficiary of the development

future of housing provision.

The question now, however, is just how to make that a reality? This issue is made explicit by the recent Social Housing Green Paper calling for responses to the question of how to overcome the barriers faced by communities trying to lead such initiatives. Growth of community-led housing projects is complex by definition, as new organisations must serve new communities rather than existing organisations expanding to serve other communities: it is 'scaling out' rather than 'scaling up' that is required.

For more information about CLH and the role of local authorities, see the report produced by the Co-operative Councils' Innovation Network, and the [CLH toolkit](#) produced by HACT covering housing, communities, legal, planning and finance issues.

To discuss the issues raised in this article, contact

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pic: National Land Trusts Network

### Community-led housing in numbers

**300**

community Land Trusts in England and Wales

**800+**

homes built

**£163m**

available from the Community Housing Fund

**3,000**

homes to be built by 2020



**Helen Woods**  
*Calder Valley CLT and associate consultant, Campbell Tickell*

## Building a community in Calder Valley

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Calder Valley Community Land Trust is a Community Benefit Society, controlled by 80 members and a board of 10 trustees. Based in Calderdale, West Yorkshire, we came into being in 2014. This followed a discussion between Todmorden Pride and Hebden Bridge Partnership about the need for more accessible accommodation for older people and affordable housing for young people and families.

### How are we doing this?

Our focus is on community-led affordable housing initiatives. We also hold land and buildings on behalf of the community, including the beautiful Fielden Hall, gifted to us for continuing community use.

We are working in partnership with John Eastwood Homes, a local alms-house in Walsden to build six new independent-living bungalows for older people; the land was gifted to us by Calderdale Council. We have received planning consent and we are about to tender the contract.

Funding partners include Homes England (we received Registered Provider status in June 2018), John Eastwood Homes, and the Quaker Trust, with borrowing from Unity Bank as well as a grant from Calderdale Council in return for nomination rights.

### Planning

Recently our application to bring homes back to one of Hebden Bridge's earliest settled areas (a challenging hillside site above Bridge Lanes and off Heptonstall Road) has gone in for planning permission. We have detailed plans for how the residential road – once known as High Street – can live again, as one, two and three-bedroom homes for renting at affordable rents.

The land was gifted by Calderdale Council and, again, funding will come from Homes England and our own borrowing.

We are also busy planning to raise significant funding through the launch of a Community Share Issue. It is the second and largest share issue launch for social housing in England.

We are inviting local people who are potential investors to let us know at this stage by making a (non-binding) 'pledge' of what they expect to be able to invest. So far, we have received pledges from 35 people and match funding from the Power to Change 'Booster programme' of up to £100,000.

There will be a full launch of the community share issue when we have planning permission for the Hebden Bridge development. There will also be a detailed prospectus and business plan to explain exactly what we are proposing. (we're working on them now).

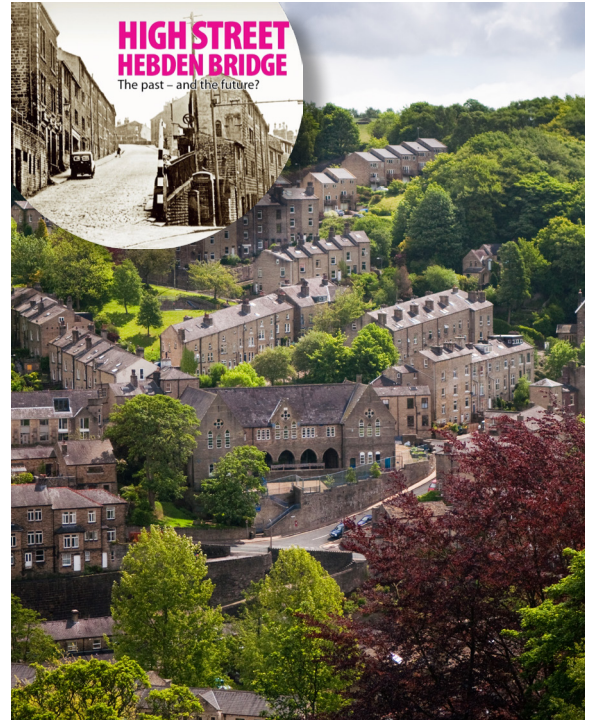
### Support

We have had great support from a wide range of people. We've also received small grants from Todmorden Pride & Hebden Bridge Partnership and support from the National CLT Network, from Locality, Community Foundation, local town councils, Big Potential and Power to Change.

We are currently holding a series of five public meetings on issues related to housing (see box, right). So, if you live in the area and would like to talk to us about what we're doing, please feel free to come along.

Tweet us @CVCLT1

[www.caldervalleyclt.org.uk/meetings.html](http://www.caldervalleyclt.org.uk/meetings.html)



Calder Valley Community Land Trust plans to provide homes in one of Hebden Bridge's earliest settled areas

### What do the meetings cover?

Our first meeting was about housing need in the area; the second covered the role of Community Land Trusts in delivering affordable housing.

Our other meetings cover:

- **Wednesday 22 August**  
'Making New Housing Sustainable and Energy Efficient'
- **Monday 24 September**  
'Investing ethically in new housing'
- **Monday 29 October**  
'Putting the vision back into public and council housing'

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**Peter Brown**  
Chief executive, Dot Dot Dot

## Property guardians: a viable housing option



**P**roperty guardianship began in The Netherlands to prevent squatters. Over the past 15 years the sector has grown in the UK, and as it grows, it has become a viable housing option for an increasing number of people.

Although it is still and always will be a niche housing solution, we firmly believe property guardianship can be a viable housing choice – as long as individuals considering guardianship are clear about the benefits as well as the drawbacks and the buildings themselves are managed by a competent operator.

### The UK sector

Estimates by the University of York research indicate that there are anywhere between 4,000 to upwards of 10,000 property guardians living in the UK. While most guardians are concentrated in London and other major cities, there are now property guardians in most areas across the country. Everything from flats, houses, offices, old churches, schools, care homes and even disused fire stations, can become homes on a temporary basis (see box, right).

Established in 2011, Dot Dot Dot is the only property guardian social enterprise in the UK. We have always taken care with property standards to ensure safety is our top priority. We actively work with others in our industry to help define and promote clear, unambiguous standards to which property guardianship should be delivered, from health and safety to guardians' rights.

We have built our service to ensure guardians are housed safely and owners can be confident about how their buildings are used, and trust in our service.



### A viable housing option

By speaking with local authorities and charities, I know that housing advisers and those responsible for housing needs services have fewer options to recommend or signpost their clients towards, and that this problem is only increasing as rental prices rise.

As part of our commitment to address this issue we have been working with two London-based housing charities to brief their housing advisers on the requirements and benefits of property guardianship. In turn, these advisers have introduced a number of their clients to us, some of whom have gone on to be housed in our properties.

We would like to continue to widen access to well-managed property guardianship wherever we have buildings, for those it suits. If you or your organisation would like to find out more, please visit:

[www.dotdotdotproperty.com/helping-housing-need](http://www.dotdotdotproperty.com/helping-housing-need)

Property guardians reside in, and look after, buildings that would otherwise stand empty

### What is property guardianship?

Property guardians look after buildings that would otherwise stand empty. They occupy these buildings as their home, in exchange for significantly lower fees versus rental market rates. For property owners, this provides security for their empty building; for guardians it provides a cost-effective housing option. In the eyes of the law, property guardians are licensees and must receive a 28-day 'notice to quit' period.

Dot Dot Dot's approach takes this standard model one step further. It supports its guardians to volunteer for 16 hours each month, so that local residents and the wider community benefit too. In 2017 Dot Dot Dot's guardians gave more than 22,500 hours to charities and good causes.

To discuss the issues raised in this article, contact

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1 Property Guardianship in London – a report compiled on behalf of the London Assembly Housing Committee by Professor Caroline Hunter and Jed Meers at York Law School, University of York, UK – Nov 2017

2 The Law on Property Guardianship – Dot Dot Dot helps to publish white paper regarding safety – Nov 2017



## Creating great organisations

Recruiting the right people is a challenge – it's about creating a great organisation.

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in the market, ensures we find the right people for you and maximise value for money.

Great organisations are moreover about ensuring excellent systems and structures are in place. We are well-positioned to help with this too – our specialist team offers a blend of HR and organisational development expertise.

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GREAT ORGANISATION TODAY.

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or email [dawn.matthews@campbelltickell.com](mailto:dawn.matthews@campbelltickell.com)



Tariq Kazi  
Associate consultant, Campbell Tickell

## Treasury to-do's: your top-nine tasks

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**W**hat should your board and executive prioritise on the treasury agenda? In the post-Brexit economy, the answer today could well be different from 12 months ago. And indeed, what it might be 12 months from now.

What is not changing – and rightly so – are the expectations of the Regulator of Social Housing. Staying on top of your treasury risks is crucial to complying with the Governance and Financial Viability Standard.

It also provides the financial capacity to continue delivering your corporate and social aims.

Here is your top-nine treasury topics list:



### 1 Day-to-day banking

Ask your treasury team to review all the bank accounts in your group and confirm whether they clear into a central pool. Do you need them all or can you close some? At the very least, it is good housekeeping. Perhaps you'll discover some cash efficiencies too.



### 2 Liquidity & funding

Model a liquidity stress in your cash flows, with a slow-down or stop in property sales income for a period of time, together with a cost overrun on capital investment. Can your funding lines see you through a liquidity stress?

### 3 Loan portfolio management

Look at the repayment/maturity profile of your loan portfolio. Is there an implicit refinancing assumption that you should probe? Are you assured that the bank will say yes at the right time? What are your options if not?

### 4 Interest rate management

If you have standalone derivative swaps, you'll already know all about mark-to-market valuations and providing property security to cover those movements.

But do you have visibility on the fair value of your embedded fixed-rate loans? What is the hidden economic value of your loan book obligations, after adjusting for fixed rates? Does the economic value of your social housing assets (valued using the Existing Use Value-Social Housing approach, assuming you continue using them for their intended purpose) still comfortably exceed

the economic value of your loan obligations? If not, what is your long-term strategy for addressing this?

### 5 Security management

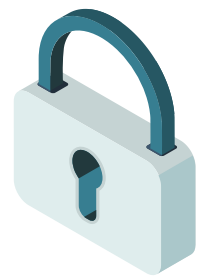
When was the last four-way reconciliation undertaken across your:

- (i) loan security register;
- (ii) fixed assets register;
- (iii) housing management system;
- (iv) Land Registry records?

How much of your uncharged security is ready-to-charge?

How much of your security is overcharged to lenders? This is

about good housekeeping and making best use of all your assets. And it will help show the regulator that you fulfil its expectations laid out in the



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Governance and Financial Viability Code of Practice.

**6 Financial covenants**  
Are all key external reporting dates diarised? Is there enough lead time for management review and to provide quality assurance over your information? Are all the definitions of your financial covenant tests understood? Remember, there are many different definitions of interest cover and gearing. More than one management team has discovered that the ‘tightest covenant’ and the ‘second-tightest’ can switch places without much prior warning.

**7 Platform and processes**  
Are you managing your loan portfolio on a standalone spreadsheet? How do you keep on top of version control? Does your spreadsheet capture 100% of the risks in your underlying loan agreement? Putting in place a Treasury Management System may work best if you've got a growing loan portfolio across a range of products. Sometimes

paying for a good system is the best way to deal with complexity of loan instruments and interest rate products.

**8 Investor relations**  
When a lender asks about your strategic plan, can you direct them to a clear set of documents demonstrating that their investments are safe? And how it is helping you to deliver your corporate and social aims? Are you happy that your investor relations literature balances how your social heart works with your commercial head? Remember your audience.

**9 Professional advisers**  
Have you got all the right skills, knowledge and experience at your disposal? Have you given your in-house treasury team the ability to tap into a range of advisors' expertise across the market? This will give you the flexibility to adapt your ask according to what you need

and what each advisor is best at delivering. Treasury can sometimes become a complex and challenging part of running a housing business, especially when external market conditions are evolving. You may wish to focus on simplifying your arrangements, managing risks, or preparing for the future.



To discuss the issues raised in this article, contact

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Sheila Scott  
Chief executive, Shelter from the Storm

## Shelter from the Storm: funding for a new home



Shelter from the Storm (SFTS) is 11 years old this year. We started with one night a week in a church hall and now we care for 42 men and women 365 days a year. In the beginning it all seemed relatively straightforward. We'd provide a bed and dinner for the street homeless – and then we'd help them access the services that were available to them. Sadly, 11 years on, things aren't quite like that.

### High demand

According to the latest figures in April from Crisis, 4,751 people are estimated to be sleeping rough in England on any one night. There was an increase of 15% from 2016 to 2017, and since 2010 rough sleeping estimates, which are almost certainly low, show an increase of 169%.

Demand for our services has gone through the roof. Every night of the year we're full and every night we are forced to turn people away. The safety-net of the welfare state has shrunk, social housing has dramatically decreased, and the provision of mental health care is at breaking point.

The nature of the guests we help has changed too. Up to a third of

### CT'S CHARITY PARTNERS FOR 2018-2019

Each year Campbell Tickell nominates two charities to support over the course of a year. One is focused on domestic social issues and needs, and one has an international focus. This year our team nominated Shelter from the Storm and Help Refugees. Find out more about their brilliant work in the following articles.

the 42 men and women staying with us at any time will be in work, often full-time and for famous high-street names. They are still unable to find a room they can afford to rent as the sums just don't add up. The homes we do manage to access are mostly expensive, insecure tenancies in the private rented sector, often quite shoddy and usually hours away from their work and community.

### How we help

Sometimes it feels overwhelming, but we refuse to be daunted. As we raise all our own funds, without a penny from central or local government, we can and do work with homeless people wherever they

**“We can and do work with homeless people wherever they are and wherever they come from.”**

**Demand for SFTS's services has increased**

are and wherever they come from (see box, page 11).

We offer an holistic wrap-around service to every single one of our guests. When we welcome someone new to the shelter, our senior caseworker works intensively with them to create a tailored care plan. This may include: referrals to housing; sessions with our in-house counsellor; in-house English for Speakers of Other Languages classes; legal services; GPs; education and employment; or simply a fresh set of clean clothes.

We have years of experience supporting people who have fallen through the cracks of society – from referring to anti-slavery agencies or to the local maternity ward (we've often been birth partners for our guests!); and from accessing domestic violence service, to applying for benefits, or attending court as a McKenzie friend. Every night our guests and volunteers share a delicious, freshly cooked, hot dinner. A simple act for most of us, but for many of our guests, this is the first time since they left home.

### New premises

In recent years, investment and regeneration has meant our previously dark little corner of Kings Cross in London has become a glamorous destination hub for the public. Like the street workers, we are not wanted there anymore and like our guests we've been given notice. But we've finally found new premises: a disused supermarket in Archway, north London.

In January 2019, we plan to open a permanent home for SFTS. We will also open during the day as a community café, so we can increase the services we offer like ESOL, video workshops and Philosophy Forum, and share them with the



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Alex Green  
Field communications manager, Help Refugees

## Restoring dignity to refugees



Help Refugees shows the extraordinary things people can do when they come together. Set up by a group of friends who wanted to make a difference, we are now a global movement that is helping hundreds of thousands of people. But we couldn't do it without the support of our donors.

Expecting to find NGOs and governmental bodies in Calais, we were shocked to find just a few small, local French community groups, trying to provide for thousands of refugees living in the region. Alongside local partner groups, we rented a warehouse, learned how to sort donations, and set up a system of aid distribution. Help Refugees was born.

Overnight we became the largest aid operation in northern France, providing food, clothes, information and shelter to thousands of refugees. Three years later, we now support more than 80 projects across 12 countries. We've helped more than 722,500 people. And all of this is driven by the hard work and dedication of more than 25,000 volunteers.

Fundamentally, we work to restore dignity and normality to the lives

of refugees and displaced people. And nowhere is this more important than by enabling people to have decent food and – in often harsh and challenging conditions – keep their children happy and healthy. Just imagine the struggle of not being able to afford items as basic as nappies for your baby. This is a daily reality for many refugee parents, who are forced to make the heart-breaking decisions between providing food, nappies or other essentials.

But with the support of our donors, we are able to provide more nappies to parents on the island of Lesbos and in the north of Greece. In unfamiliar and sometimes harsh places, it is one less thing for parents to worry about.

Alongside this, in camps across Greece, tasty, nutritious food is hard to come by. Military rations are often poor, and residents' lack of funds mean their options to supplement these meals are limited. Eating this low-quality, unfamiliar food is demoralising. But more than this, it is a hindrance to health – especially in the development of babies and children.

Our Food Project is based on a simple idea. By providing fresh fruit



and vegetables, we can improve the diet of camp residents, while supporting them to live more independently. Enabling people to cook the food they want to eat. We know it is just fruit and veg. But for thousands of refugees stuck in Greece, it is also a small but important step in restoring independence and making life feel a little more normal. And with more donations, we can ensure that more people can eat food that is familiar, healthy and homely.

Help Refugees is all about showing people that they don't have to sit by and watch history happen – they can step up and play a part in making things better.

**A boy eats homemade pizza made from ingredients supplied by our Food Project**

**Find out more**  
[helprefugees.org/](http://helprefugees.org/)

SFTS - continued from page 10

local community.

It is a hugely challenging and expensive project, but we are well on the way to achieving our dream of a new home for the homeless. It is the people not the place and we are looking forward to another 11 years caring for the dispossessed of London. At Shelter from the Storm they'll find a place of safety, a place of transformation, a place of hope.

**Find out more**  
[sfts.org.uk/](http://sfts.org.uk/)

**“We have years of experience supporting people who have fallen through the cracks of society.”**

### SFTS's achievements: 2017 – 2018

- SFTS supported a total of 173 people to move out successfully into accommodation.
- Supported 90 guests to find employment or to sustain a job that they already had.
- A total of 330 individuals were supported with accommodation and services.
- SFTS paid for 33 identity documents such as passports or birth certificates for people to access housing, employment or welfare.
- SFTS helped 47 people claim the benefits that they were entitled to.
- Six guests at SFTS were attending college.

## LAP - The Leadership Academy Programme - is now recruiting delegates and mentors.

**Don't miss out on being a part of this exciting opportunity!**

**The Leadership Academy Programme (LAP)**  
is a career development programme for  
disabled employees.

Anyone living with a disability or health condition, employed by any business or organisation, can have the opportunity to sign up as a delegate on the programme.

Countless case studies from our programme participants highlight the benefits they received from taking part in this initiative.

LAP is also looking for mentors, senior managers/ executives, who have a minimum of 8 hours to spare, on a voluntary basis. Full training and support will be provided.

For an employee living with a disability or a long-term health condition, being a participant on LAP Cohort 2018-19, will be life-changing.



### FOR MORE INFORMATION

Please read more about the programme and watch the short video, which highlights the impact that LAP has had on some of the former delegates and mentors:

**[www.disabilityrightsuk.org/how-we-can-help/leadership](http://www.disabilityrightsuk.org/how-we-can-help/leadership)**

If you are interested in attending the programme, considering being a mentor, or would like further information, please email:

Katrina Morris Leadership Academy Executive: **[Katrina.morris@disabilityrightsuk.org](mailto:Katrina.morris@disabilityrightsuk.org)**



Liz Zacharias  
Senior consultant, Campbell Tickell

## Liam Gallagher on Supported Housing

CAMPBELL  
TICKELL

I am a bit of a ‘Johnny come lately’ when it relates to appreciation of Liam Gallagher’s songwriting and singing abilities. However, having read the government’s Funding for Supported Housing Response to two consultations, I am amazed by ‘our kid’s’ understanding of our funding journey and its outcome.

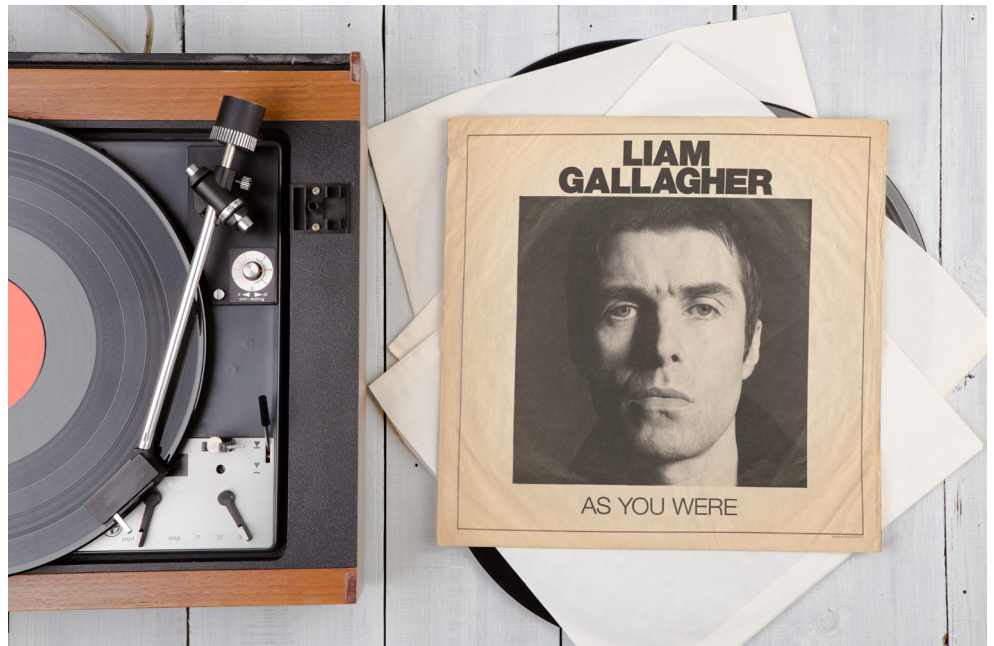
Calling his latest album *As you were* – did he know something we didn’t? With the announcement on 9 August that funding would continue via the welfare system, we seem to have returned to the position we were in 2015, before George Osborne announced the application of the Local Housing Allowance cap to supported housing rents.

The ‘Bold’ government consultation paper, launched in October 2017, tried hard to identify a funding framework that would help sheltered tenants judge ‘For What It’s Worth’ when it came to their rent and service charges. Campbell Tickell were not the only ones to see the proposals as a ‘Paper Crown’, criticising it for not identifying the right funding mechanism to tackle ‘When I’m In Need’ for vulnerable people.

### Value for money

The underlying implication of the 2017 proposals suggested that providers of supported housing had a ‘Greedy Soul’. They were not providing value for money to the public purse or quality provision for those in need.

The proposals for short-term services being paid for by councils using un-ringfenced top-up funds from the government were seen by many in the sector as a ‘Wall of Glass’. It was a seemingly straightforward solution that presented a clear barrier to future provision, given the dire straits that local authority funding increasingly finds itself. Illustrating this point,



two councils recently stated they will only be funding areas that are legal responsibilities. As we all know, supported housing has never been on a statutory footing in the same way that social care has been.

The proposals were not a ‘Universal Glean’ for anyone with sheltered and extra care providers, or short-term services providers and working-age adult long-term services. In fact the plans were more likely to make them think: ‘You Better Run’.

### Government response

The government proposals were out for consultation from October 2017, with ministers saying ‘Come Back to Me’ by 23 January 2018. Many of us did – well, 304 responded for sheltered and extra care, and 434 for short-term. Then we waited, working hard to make our case. Any provider that was asked how they were coping with the funding uncertainty would say: ‘I Get By’.

Finally, the government responded. I don’t know about you, but in terms of making a good

**“We could be ‘Standing on the Shoulder of Giants’ with the next iteration of quality and value-for-money regimes in supported housing services.”**

decision for the future of supported housing – ‘I’ve all I Need’.

It’s no ‘Chinatown’ during a New Year celebration, but the government response does offer to work with the sector on developing ‘a sound and robust oversight regime’ addressing quality and value for money.

The government wants to look again at the inter-relationship between housing-related support and housing. So ‘Definitely Maybe’, we could be ‘Standing on the Shoulder of Giants’, with the next iteration of quality and value-for-money regimes in supported housing services – as long as we can learn from previous experiences.

Liz Zacharias is a senior consultant at Campbell Tickell, leading on our work in care and support (and also a new fan of the music of Liam Gallagher and Oasis!).

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Mike Richardson  
Partner, Lane Clark & Peacock LLP

## Pensions: preparing for the inevitable



The deadline for completing the triennial valuation of the Social Housing Pension Scheme (SHPS) is 31 December 2018, and we are yet to see the preliminary results. Here I set out our predicted outcome and how housing associations can begin preparing for the inevitable increase in SHPS contributions.

Since the last valuation of SHPS in 2014, significant falls in UK long-term interest rates have meant that the value placed on pension liabilities has risen hugely, leading to increased pressure on balance sheets and pension contributions.

### What are we anticipating?

We predict that this will be a difficult valuation. As well as the tough financial conditions, it is also being carried out in the context of a Pensions Regulator feeling bruised about the criticism it has been receiving for its ineffective actions on Carillion and BHS, among others.

On an all-else-being-equal basis, we expect the deficit of SHPS to have increased from £1.3bn to £1.5bn, despite more than £300m of deficit contributions being paid in by associations over the past three years.

However, for the reasons set out below, all may not be equal, meaning the deficit has the potential to be bigger. We know that SHPS is on the regulator's radar, so it would not be a surprise to see a strengthening of the assumptions (i.e. a bigger deficit), and potentially a reduction of the length of the recovery plan.

Preliminary results were expected in December 2017. However, given the above, as well as the new governance arrangements that SHPS introduced at the end of 2017, these preliminary results have not been published. It now seems



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unlikely that anything will be circulated in September 2018.

Despite this, the valuation will still need to be finalised by 31 December 2018. In the past, any changes in contributions and/or benefits to take effect from the following April for the current valuation.

### What does this mean for you?

Total contributions to SHPS are likely to increase significantly. This comes from two sources:

- **Deficit contributions** (relating to benefits already promised to past and existing employees) will likely increase. In present value terms this could be by 50% or more at an overall level. In addition, the SHPS Employer Committee is looking at reallocating contributions among associations. While this is a zero-sum game overall, if changes occur then some associations could see a material change in their contributions.

The deadline for completing the valuation of the Social Housing Pension Scheme is looming

- **Contributions for future service** are also likely to increase. Again, this will depend on the final assumptions used, but on an all-else-being-equal basis, the increase could be 5% to 10% of pensionable salary.

### What to do right now?

Given the squeezed timetable, it would be good practice to warn key decision makers in your organisation as to what to expect from the valuation, and that big decisions and possible consultations with employees are approaching later in 2018/early 2019. More generally, organisations will want to review their overall pensions strategy, checking that it is fit for purpose, and ready for the future.

*“Significant falls in UK long-term interest rates have meant that the value placed on pension liabilities has risen hugely.”*

Find out more on 6 November at CT and LCP's seminar: "SHPS – Should you exit?"

To discuss the issues raised in this article, contact

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**Charli Bristow**  
*Project & research officer, Future of London*

## Overcoming Croydon's barriers



London's biggest development sites and Opportunity Areas are often in neighbourhoods divided by roads, railways, waterways and other infrastructure, or straddling neglected or contentious administrative borders. Development can bring its own challenges, marked out by red lines that can inflate land values and divide existing and new residents.

In Croydon, south London, the landscape is changing fast: the council's £5.25bn regeneration programme is set to deliver 23,594 new jobs and 10,000 homes by 2031. Designated an Opportunity Area in 2013, Croydon's growth is being delivered through five distinct but integrated masterplans: East Croydon, West Croydon, Mid Croydon, Fairfield, and Old Town. How is this being managed and delivered to avoid the common pitfalls?

As we know it, Croydon town centre is home to a complex system of subways, divided by an unfinished ring road and punctuated with large, impermeable commercial blocks. Masterplans tend to work towards a shared vision for connectivity across the whole of an area. The scale of growth in Croydon brings a unique opportunity to overcome barriers by rethinking transport networks and transforming the public realm, better connecting the town centre internally and to nearby amenities.

### Bridging east and west

The London Borough of Croydon has been improving connectivity for several years. In 2011, it brought in architects, designers and engineers to collaborate on the East Croydon Masterplan, of which the new footbridge is a key element. Tess Martin, Associate at Hawkins\Brown, stressed the importance of considering the bridge as part of the wider public realm: a key



component of the area's movement network and an integral part of the East-West pedestrian link.

### Activating spaces

Alongside strategic works, smaller elements are vital to delivering the vision. Aurelie Pot, deputy team leader at the London Borough of Croydon, explained that the interventions set out in Croydon's masterplans can be broken down into smaller pieces and delivered independently by different organisations as funding becomes available.

In East and Central Croydon, road art featuring designs from local artists brings colour to the public realm. Ahead of major works in Mid-Croydon, the local authority and Croydon BID have set up Street Live, a programme of events on a temporarily pedestrianised section of the high street. Featuring a pop-up screen, street food and live events, these small-scale experiments will inform long-term decisions.

### Permeability in the town centre

The town centre too is changing, with Croydon Partnership set to transform the retail offer, replacing the Whitgift Centre with a new



**Croydon is home to a complex system of subways; while road art brings colour to the public realm**

Westfield Croydon. The proposal includes 136,500 square metres of retail space alongside significant office space, leisure and community facilities. The development will also bring forward 400 to 600 new homes, a first for Westfield.

Abhimanyu Acharya of Space Syntax, a street network analytical tool, spoke about pedestrian movement in Croydon. Although well connected to the wider south-east, Croydon's local network is fragmented, creating a paradox whereby it is easier to leave the town centre than move around it.

London Borough of Croydon's approach makes a strong case for valuing smaller scale projects to adapt and enhance the existing urban fabric, and for integrating these in and around major strategic projects.

*"The scale of growth in Croydon brings a unique opportunity to overcome barriers."*

The field trip was part of Future of London's Overcoming Barriers project. This article was first published as a blog here:

[www.futureoflondon.org.uk/2018/07/17/connecting-croydon](http://www.futureoflondon.org.uk/2018/07/17/connecting-croydon)

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**Jon Slade**  
Director, Campbell Tickell

## Technical assurance - what should a board know?

CAMPBELL  
TICKELL

The tragedy at Grenfell Tower has motivated greater introspection among housing providers. Many boards are asking: How do we know our residents are safe? This is an excellent question, although in our view it takes too narrow a focus of the board's responsibilities. We think the better question is: How does the board gain assurance on technical matters?

A board and an executive team should each only have one member who is expert in the technical matters arising from owning and maintaining bricks and mortar. Too often boards deal with their lack of technical expertise by marginalising technical issues. The symptoms we see when this happens include:

- Technical issues are handled at Risk and Audit Committee (RAC) if at all;
- A belief that 'going through things in detail' provides assurance;
- Beyond the responsible officer saying: "It's safe", we get lost

in technical matters beyond our expertise.

Boards often think what they need is more technical expertise. This may or may not be true. But the wider issue is more often the bigger issue: improvement is needed in how non-technical board members interrogate on technical subjects to achieve assurance.

There are three facets to the board's role in assurance.

### Policy

Firstly, the approach taken to assurance should be explicit. This means a written policy that sets out the roles, competencies and capabilities required at board, senior and operational levels, together with a description of the attributes which determines how any task or project will interact with the policy.

By reading the policy and applying it to a task or project, it is straightforward to identify how assurance will be gained and

the role of each tier in achieving assurance.

### Skills audit

Secondly, with the board's role, competencies and capabilities explicit in the policy, the board can establish whether it has the requisite levels of competence and capability. This can be carried out via a skills audit and by making plans to bridge gaps through training and, if necessary, recruitment.

### Quality assurance

Thirdly, the board will want to quality-assure its work on assurance. This is of key importance because it is easy to mistake moving through the process as evidence of assurance, when in fact assurance is achieved through the quality of the work undertaken, rather than the quantity.

*"Improvement is needed in how non-technical board members interrogate on technical subjects to achieve assurance."*

To discuss the issues raised in this article, contact

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### Learn more at CT's risk and assurance workshops this November

We are going to explore these issues in more detail at upcoming workshops aimed at chairs, chief executives, non-technical board members and directors responsible for governance.

We will cover the key questions non-technical board members need to ask, the characteristics of a structured approach to assurance, and how to spot if your approach may be giving the appearance of assurance while masking the presence of unmitigated risks.

London – TBC, November | Manchester – 15 November 2018.

Cost: £249 per delegate.

Find out more: [events@campbelltickell.com](mailto:events@campbelltickell.com)

More details soon: [www.campbelltickell.com/events](http://www.campbelltickell.com/events)

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Sue Harvey  
Partner, Campbell Tickell

## Turbo-charging your audit committee

CAMPBELL  
TICKELL

When I first joined the social housing sector, audit committees were places where those with a penchant for the detail of obscure accounting standards were sent, along with tedious board members who needed to be kept well away from the exciting business of development and funding. Over the intervening years the role of the audit committee has risen up the agenda as assorted corporate collapses and scandals have fed into successive iterations of both the Financial Reporting Council's Corporate Code and our own National Housing Federation Code of Governance.

Then three years ago the social housing regulator announced its intention to interview chairs of audit committees as part of their new in-depth assessments (IDA), and the spotlight was turned full-on.

Through our work reviewing the effectiveness of audit committees and our IDA preparation assignments, Campbell Tickell has been privileged to meet more than 50 chairs of audit in recent years. It is clear to us that the top-performing audit committees have raised their game, facilitating the step-up in risk management that today's challenges demand. The nerd with a deep understanding of FRS 116 is still adding considerable value – not least when that clever structured finance deal threatens to come back on a balance sheet to haunt you, but other characteristics are also evident.

Exceptional audit committees engage in dynamic conversations

with their boards. Those conversations are built on terms of reference that are simple, understood by all and used as the basis for regular committee effectiveness reviews. The dialogue develops with the board determining a short, prioritised strategic risk register and asking the audit committee to provide assurance that the identified controls are reducing exposures to levels



consistent with the board's risk appetite. The committee deploys internal audit resource and rotating deep-dives to provide that assurance, and formally reports to the board following every meeting, highlighting any matters of growing concern.

Great audit committees bring the right skill mix to those conversations, reflecting their responsibilities to provide assurance on both internal controls and risk. Members with up-to-date accountancy skills are definitely present, alongside colleagues with risk management experience. Robust independence of thought, appropriate scepticism and curiosity are sought-after skills that are in evident in every discussion.

Top-class audit committees never forget. They are forensic about tracking all agreed actions from minuted matters arising, through internal audit recommendations,

to recommendations stemming from the external auditor's annual management letter. They insist on responsibilities and timescales being attached to all actions, and at each meeting they oversee decisions to delay, defer and remove completed or redundant actions from the trackers.

Like the best boards, the best audit committees plan their activities. They have rolling

12-month work plans which tie in the many strands of work required to give the assurance that the board needs to sign the financial

statements. That

work plan also schedules any required policy and procedure reviews and carves out space for the deep dives into the management of key strategic risks. In short, excellent audit committees exhibit a relentless focus on controls and assurance, and in doing so embed risk awareness, accountability and integrity throughout the organisation.

So please go ahead and turbocharge your audit committee. You will free your board and executive team to focus on the delivery of your strategic objectives, confident that there is a firm bedrock of controls on which to build.

An earlier version of this article appeared as a blog on the Social Housing website.

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**“Conversations are built on terms of reference that are simple, understood by all and used as the basis for regular committee effectiveness reviews.”**



## Delivering great governance

Great governance is proactive and aspirational. It is about realising your overall vision and ensuring the Board drives demonstrable change.

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different sectors, we bring currency of knowledge, professionalism and innovation to your challenges.

We have helped many organisations improve their governance arrangements.

Our support covers everything from document reviews, Code compliance assessment, strategy awayday facilitation, Board recruitment, to evaluations and effectiveness reviews.

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