



Julia Unwin  
Chair, Civil Society Futures

## The next decade of change? Here's a plan, here's a PACT

**Civil Society Futures.**  
The independent inquiry



**“T**he world feels a difficult and dangerous place... it is difficult not to feel ground down by an increasing number of seemingly intractable problems. We need to find another way.” – Alison Inman, former President of the Chartered Institute of Housing.

Truthfully, how do you feel about the next decade our country is facing? The quote above sums up some of the great fears many of us share. But it also points us to some seeds of hope.

We have just concluded Civil Society Futures – a two-year independent inquiry spanning England, where we've been in conversation with people from Sunderland to central London, Peckham to Penzance. We've heard from many different people at all levels in charities, housing organisations, funders and voluntary groups large and small.

Our aim was to try to understand

The Civil Society Futures inquiry heard from more than 3,000 people at events like this community workshop in Newcastle (right)



**“Our world is changing fast but there is a bravery and optimism to renew ourselves and shape the future”**

the future of ‘civil society’ – that big tapestry of all the things we do together, for good. It has been an incredible journey that has taken many of us outside our comfort zones and I'm so glad for that.

### Engaging with change

In our conversations with more than 3,000 people, we heard that our

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world is changing fast but there is a bravery and optimism to renew ourselves and shape the future. We have to engage with those changes and what they mean for us, even if it is uncomfortable, even if it means we need to “find another way” as Alison says.

In our digital age, people expect power at the tap of a finger – but feel increasingly frustrated by local and national government and corporations, which seem remote and do not hear their concerns.

In an age of division – remainers and leavers, old and young, white and black, poor and rich, country and town and city – many people have an increasing sense of disconnection from each other.

In an age of distrust of institutions, people are increasingly questioning the motives and authenticity of organisations in their lives, which appear more concerned about their brand and bottom line than standing up for values that matter. Networks and movements are everywhere, in every sector, challenging the incumbents and the institutions.

### Shaping the solutions

Civil society is affected by all these challenges too – and civil society can shape the solutions. We heard time and again that change in wider society begins, in fact, with our own attitudes, behaviours and practices. We need to rediscover our enduring purpose.

Responding to this, and bringing together the collective wisdom of thousands of people from around

## A PACT for the future

**POWER:** Let’s shift power and share more decision-making and control; being a model of inclusive participation, upending our hierarchical organisations when needed, openly tackling problems of power and gender, race and class that have persisted too long.

**ACCOUNTABILITY:** Being primarily accountable

to the people we serve instead of putting funders and government first; being collectively accountable, never standing by when we see wrongdoing elsewhere.

**CONNECTION:** Broadening and deepening connections with people and communities; bridging divides and

collaborating better through a new ‘people-power grid’ social infrastructure.

**TRUST:** Trusting communities to make the decisions that affect them, as they are the best experts on their own lives; and earning trust by speaking up to the powerful when it is the right thing to do.

To find out more and see what it means for you, click on the report (right) to visit the Civil Society Futures website



*“We heard time and again that change in wider society begins, in fact, with our own attitudes”*

the country, we have proposed a new PACT for all our shared futures (see box: A PACT for the future).

This is about deep, widespread, lasting culture shifts within civil society, in order to respond to our fast-changing world, stay relevant in the years ahead, and deliver on our social purpose each and every day of the coming decade.

To discuss this article, contact James Tickell

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## THE DIARY

### Women's Housing Forum inaugural meeting

18 January | London

Workshop topics for the first event are: women and homelessness; domestic abuse; older women; and design. [See page 5.](#)

### Chartered Institute of Housing South East England Conference

6-7 March | Brighton

This event focuses on the issues

relevant to the south east and London and a new format gives delegates more access to industry leaders. Dave Williams, Maggie Rafalowicz and Greg Campbell will be attending.

### Community Housing Cymru Governance Conference

7-8 March | South Glamorgan

CT senior consultant Ceri Victory-Rowe will be speaking at this event, which includes practical workshops.

### CT Risk & Assurance Masterclasses

May | Dublin and Belfast

Join CT partner Sue Harvey and director Jon Slade, along with great guest speakers, for Risk & Assurance Masterclasses in Ireland and Northern Ireland. Dates to be announced.

Find out more about all of these events by clicking here: [www.campbelltickell.com](http://www.campbelltickell.com)





Greg Campbell  
Partner, Campbell Tickell

## 2019: the year for plans A, B and C

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Remember the story about the tourist who asks a local for directions to [insert Dublin/Aberdeen/Newcastle/Cardiff/Belfast as you choose], and the local replies, "If I were you, I wouldn't start from here." If 2018 felt like that, 2019 may do even more so.

The reality is that we do start from here, and we need some idea of how we got here, before we can judge where we may be heading.

### Political narrative

In 2016, the narrative was about 'rejection of established elites'. That manifested itself most starkly in the Brexit referendum, in Donald Trump's election in the USA, and in other developments elsewhere: Rodrigo Duterte taking power in the Philippines, and the rise of parties like Syriza in Greece, Italy's Five Star Movement, Podemos in Spain, and Austria's Freedom Party.

In 2017, while a similar sense remained, the focus morphed into 'Nationalism', with leaders invoking 'patriotism' in defence of their mother/fatherlands: Trump again, Putin in Russia, Xi Jinping in China, Sisi in Egypt, Kim Jong-Un in North Korea, the AfD party in Germany.

Last year, the trend morphed again, into 'Nostalgia', as characterised by *The Economist*. The sense is that things used to be better – 'Make America Great Again'; Brexit Britain needs the

'spirit of the Blitz'; Bolsonaro in Brazil evokes the former regime of 'the Generals'; AMLO (new Mexican president Obrador) appears to seek a return to the 'golden age' of Mexico's twentieth century. And while the motivations may be different, in some countries it has clearly been about a return to a time when there were fewer immigrants.

It is impossible to predict accurately where this will head next. In Britain, for instance, only a couple of months (at the time of writing) before we are due to leave the EU, we still don't know whether we will have a Brexit this year, let alone what kind. Meanwhile, we can be sure that economic conditions will change too, sometimes in response to political developments, at other times in quite unrelated ways.

This may seem remote from individual organisations and their leaders, but these macro trends and developments impact governments and influence the thinking of ministers, civil servants and citizens alike. For instance, if there is a bad Brexit (however defined), what will be the legislative and economic impacts? How will funding for social care or new housing development be impacted?

Since 2016 the global political narrative has morphed from rejection of the established elites to nationalism and more recently nostalgia

**"Macro trends impact governments and influence the thinking of ministers, civil servants and citizens alike"**

What about funding for benefits and homelessness support? If the economy is adversely affected and sterling falls, what about the costs of imports? If inflation rises, social rents can rise, but will people be able to afford these? If unemployment rises, how will that affect demand for support services? Conversely, will immigration restrictions affect the supply of workers for construction, property maintenance and care services? And how will Brexit impact Ireland, given the interrelationship between its economy and the UK's?

### Prepare for change

The point is to be aware of broader trends and influences, and to recognise things will change, sometimes for the better, but often for the worse. We need not just Plan A, but Plans B and C too. This is no less true for councils, housing associations, care providers and charities, than it is for national governments and businesses.

Boards and executives must keep asking, "What could change? What could go wrong? What are the threats to our income and operations? Where could the opportunities lie? How can we turn them to our advantage? How can we and must we refocus?"

There is no mystery here – it is common sense. But in an uncertain and unpredictable world, simply trying to muddle through and hoping everything will turn out fine represents a failure of governance and a dereliction of duty.

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James Tickell  
Partner, Campbell Tickell

## Tales of folly and fallibility

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It is an unfortunate truth that we live in a world where things can, and sometimes do, go badly wrong. Trains crash, computers fail, large companies and banks go bust, major projects overrun and break budgets – every day that goes by brings new evidence of human folly and fallibility.

The reactions to each successive disaster follow a pattern: “We all knew it was dodgy.” “Mistakes were made, and lessons must be learned.” And often: “Well, it couldn’t have happened here.” Those actually responsible for the mistakes swiftly point the finger of blame at others.

### Human nature

The world of housing is no exception to this pattern of behaviour. Every year in the UK, a dozen or more housing associations fall foul of their respective regulator and come to grief of one kind or another. How can this be, when we are so good at learning the lessons from past failures? Why, they are even documented in the English regulator’s evergreen *Learning From Problem Cases* series, of which the 2019 volume is in the pipeline.

The answer comes down to a fundamental human trait. We are not logical beings as we like to suppose, but are rather ruled

**It is a basic human trait to love a good story – even when evidence appears to contradict the narrative**

by emotion, irrationality and entrenched beliefs. When our cave-dwelling ancestors gathered round the fire, they told each other fanciful stories to pass the long nights. And we love stories to this day.

In this new post-truth era, stories have assumed an even greater importance. The struggle is to ‘own the narrative’ rather than establish any kind of objective reality. Evidence-based policy making is not only out of fashion, but anathema to many of our decision-makers. When inconvenient facts or evidence appear to contradict a favoured narrative, those facts are reinterpreted to support the narrative, or those presenting the facts are attacked to undermine the validity of their position.

The human mind may be illogical, but it can show astonishing ingenuity in sustaining narratives which, objectively, may be almost laughable. At the time of writing, the front pages of every newspaper were dominated by a vicious set of political struggles to establish a dominant narrative about the UK’s future and relations with its closest neighbours. Any unwelcome contributions are easily dismissed as fake news, ‘Project Fear’ or the like.

### Board room psychology

Moving swiftly on to the psychology of the housing association board room, we see the same forces at work, albeit on a more familiar scale. Narratives are created, which may in some cases be so far from reality as to be delusional. Boards may convince themselves that setting up a commercial subsidiary will be the next best thing to printing money. An innovative way of developing new homes off-balance sheet, risk-free,

**“When things do go wrong, denial kicks in. The typical reaction, when in a hole, is to carry on digging, at least for a while”**

may not immediately seem too good to be true. Boards may collude with the personal fantasies of the long-standing and charismatic chief executive, who believes himself (yes, usually him!) gifted with superhuman if not divine talents, financial acumen and judgement.

And when things do go wrong, denial immediately kicks in. “We were badly advised”. “It’s just a blip in the market – we can ride it out for a couple of weeks.” The typical reaction, when in a hole, is to carry on digging, at least for a while.

### Recovery process

There are many contributory factors. Weak board and executive skills are often in evidence. Risk management may appear scientific and comprehensive, but in practice proves blinkered to real risks – most problem cases have what (at first glance) appear to be adequate risk maps. In some cases, corruption or the existence of truly hard-nosed, even unprincipled, counterparties may also be a factor. Lack of real challenge is a universal feature.

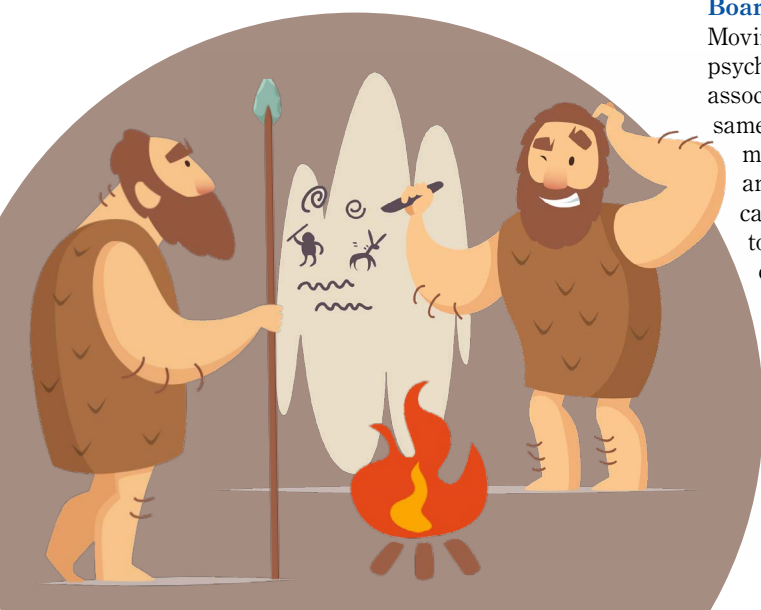
Sooner or later though, external reality intrudes, and the process of recovery must begin.

Invariably, and with the benefit of hindsight, had recovery begun sooner, things would never have gone so far as they did. Luckily, the sector has generally proved resilient at rescuing its own lame ducks, so far at least.

So, it all comes back to good governance in the end.

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Symone Clark-McGuire  
Communications officer, Women's Pioneer Housing

## Introducing the Women's Housing Forum



**H**ousing is without doubt a feminist issue. Women's lower average incomes, additional caring responsibilities and greater experience of domestic abuse and sexual violence have a significant impact on their ability to find and keep suitable housing.

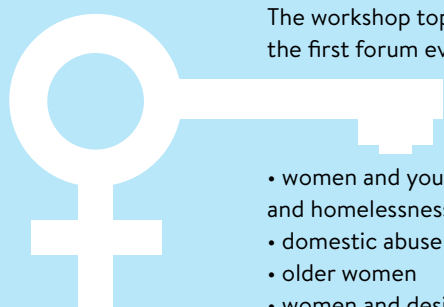
For women without a stable and secure home, accessing and succeeding in education and employment becomes all the more difficult. The Women's Housing Forum was set up to research and address the challenges that women face in accessing and keeping housing, raising awareness of the link between women's housing needs and gender inequality.

### Taking action

We began as a group of women working in the housing sector and, having seen the inequalities women faced when accessing suitable housing, we wanted to do something about it. So, what do we do?

The forum emerged as a means to address the structural inequality that women face, aiming to influence housing providers to address women's specific needs. The steering group of the forum

### Workshop topics



The workshop topics for the first forum event are:

- women and young girls and homelessness
- domestic abuse
- older women
- women and design

**The Women's Housing Forum's inaugural event will take place in London on 18 January**

comprises tenants and women working in different parts of the sector. Our vision for the forum is a place where everyone who cares about women's housing can have an equal voice and come together to tackle these issues.

### Inaugural event

We are delighted to announce and invite you to our inaugural event. We are meeting at the Institution of Structural Engineers in central London on Friday 18 January from 10.30am to 4pm.

The forum is collaborative by nature, we want to share ideas and suggestions on what the forum

**"Housing is without doubt a feminist issue"**

should cover, and how. For that reason, we are running the event in a workshop format, each led by someone with lived experience of the issues raised, and a housing professional (see box: Workshop topics).

Intersectionality, which considers the overlapping contexts that women face in relation to their race, sexuality, age, etc. alongside being a woman, is at the heart of the work and research the forum wants to deliver, and will be considered at every workshop.

The event is free and open to anyone interested in women's housing issues. Spaces will be limited though, so please drop us a message via twitter @Womens\_Housing to register your interest or click [here](#) for full details and tickets.

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Board members, huddled together for warmth around fires by their caves, need to embrace their underlying tendencies to irrationality and magical thinking; this is the simple price of the human condition.

Logical systems such as In-Depth Assessments, control assurance, committee cycles, succession planning, codes, audits, standards, and lines of defence are all vitally important of course. But there will still be times when they are eclipsed by a dazzling



- The next volume of *Learning From Problem Cases* will be published late in 2019. Working title "Why, oh why, did no one tell us?"
- Further reading for the curious: *Mistakes were made (But not by Me)*, Tavis and Aronson, Mariner Books, 2015.

but delusional narrative.

Three parting injunctions for board members and executives eager to avoid a starring role in the next volume of *Learning*

*From Problem Cases:*

1. never believe your own propaganda;
2. seek out the inconvenient truths; and
3. when it's your turn to be in a hole, stop digging and call for a ladder!

A version of this article first appeared in *Social Housing magazine*.

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**Nick Abbey**  
*Chair of the Boards at Tower Hamlets Community Housing and Hundred Houses Society*



## Board training – time for a different direction

In finishing full-time work in 2015, I decided to seek a position as a board member with a housing association. No surprises there – it's something many colleagues do. I put in for a couple of roles as chair, but didn't anticipate both being offered at the same time! Despite some warnings from friends about the dangers of over-committing, I decided I would accept them both – after all, I wanted to remain active.

Just how active I would be became abundantly clear when my arrival coincided with one organisation being ranked as a non-compliant G3 by the regulator (the Homes and Communities Agency in those days), followed not long after by the other.

The reasons for these downgrades were largely historical and are documented elsewhere – but of course the common factor for both associations was a failure of governance.

### Tough journey

So began long roads for both associations: establishing the problems and the causes; reviewing the association in depth to see what needed immediate and longer-term attention; agreeing a plan with the regulator to move forward; monitoring progress carefully; continual review and slow progress back towards a better way of governance. Both of these

organisations have now attained G2 status – Hundred Houses as of April 2017 and Tower Hamlets Community Housing as of December 2018.

### Governance standard

Number of registered providers at G2, G3 or G4\*

|           |          |          |
|-----------|----------|----------|
| <b>31</b> | <b>9</b> | <b>0</b> |
| G2        | G3       | G4       |

*\*Correct at 18 December 2018; G3 and G4 are non-compliant ratings with the Regulator of Social Housing's Governance standard.*

Accredited training for housing association board members could help prevent further governance

This has been a huge learning experience for me, so what lessons do I take from it?

I'm still thoroughly enjoying working with highly committed colleagues, both executive and non-executive as we continue on our paths towards what we hope will be a G1 grading for both landlords. I'm also very grateful for the way in which the regulator's teams have approached both associations and given us

the room to do what was necessary to improve – I have never felt that they had any agenda for us other than to help us to get ourselves back where we needed to be.

However, something that has nagged away at me over

the past couple of years is the way in which we train board members to do their job.

In other organisations – those regulated more directly by the

Financial Conduct Authority for example – it is usual for board members to need to demonstrate that they have acquired sufficient competence to do the job they have to do via some form of accredited training.

Of course, in housing, we are encouraged to identify the skills that a successful board needs to have available and to try to get all non-executive colleagues to a point where they have at least a working knowledge in all relevant subjects.

But it is currently left to each association to do what it feels is right in this area. Some do it really well, and others... well, if you look

*"If you look at the number of housing associations that slip down to G2 and G3, I think that tells a story"*

at the number of housing associations that slip down to G2 and G3, I think that tells a story (see box: Governance standard).

### Board member training

So, isn't it time that housing association board members were required to undergo some form of accredited learning? Perhaps with a qualification attached and devised in co-operation with other professional bodies that have already been down this road? Properly undertaken, I think that would give more of a structure for boards to work out what they need from their members and could in time avoid some of the examples of poor governance that we have seen in the sector.

Colleagues at the Chartered Institute of Housing and the National Housing Federation – there's a challenge for you!

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THE LONG ROAD BACK FROM A GOVERNANCE DOWNGRADE

BYPASS: VIA BOARD MEMBER TRAINING REQUIREMENT



**Siobhan Lanigan**  
*Chief executive, The Food Chain*

## The Food Chain: supporting people with HIV



It was on Christmas Day in 1988 that The Food Chain delivered its first meal for people living with HIV in London. It was a home-cooked Christmas dinner, with all the trimmings, prepared by volunteers in a borrowed kitchen and delivered to people's homes.

From that Christmas Day to this, The Food Chain has been providing food and nutrition support for people living with HIV in London, at times of crisis. Christmas Day 2018 marks our 30th anniversary.

The Food Chain is a small charity with a big impact. Our services are delivered by more than 200 volunteers, supported by a small staff team of just six posts.

So, the question is 'why is The Food Chain still needed in 2018?'

### Invisible minority

The answer is that we don't yet have a vaccination or a cure for HIV or Aids, and some people living with HIV are in health crisis because of their diagnosis. They are an invisible minority of people who are not living well with HIV and who need some help and support to get well and stay well for the longer term. People are still dying as a result of HIV-related illness.

Each year we receive referrals for approximately 350 people across London in acute need. Our service helps them and their family members whatever their situation and needs:

- they may be recently diagnosed and already be sick with a serious illness;
- they may have been recently discharged from hospital after an in-patient stay;
- they may be on a very low income, or no income at all and not able to afford to buy food for themselves or their families;
- they may be homeless or in unstable accommodation;
- they may be refugees or asylum



The Food Chain

Each year the Campbell Tickell team nominates several charities to donate to in place of sending Christmas cards by post. In 2018 we were pleased to be able to support the brilliant work of The Food Chain, Brixton Soup Kitchen and Women for Women International.

**The Food Chain has provided nutritional support for people living with HIV for 30 years**

empty cupboards, and a lunchtime meal service on Wednesdays and Saturdays, where people can meet others, share a hot, nutritious lunch and get information and support to help them get better both physically and mentally.

We also offer a nutrition and cookery course of four topics to help improve nutrition knowledge and build up practical cookery skills for the longer term.

### Generous support

The Food Chain depends entirely on charitable trusts and the generosity of individual donors and supporters who raise money to support our work.

As we mark our 30th anniversary we would like to say thank you to everyone who has supported us over the years. Our work is only possible because of the generosity of a very large community of people over many years. It is a tradition we are both proud of and grateful for.

To discuss this article, contact **Stephen Bull**

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seekers trying to make a life in a country where it is safe to be open about your HIV status.

Many are in poor mental health, feeling depressed and isolated. Nearly all have experienced stigma and prejudice because of their HIV status.

### Life-saving service

For many people our service makes all the difference in the world and they tell us it is a lifesaver. Sadly there are others who don't make it out of crisis. We continue to support people at the end of their lives.

We are able to provide emergency grocery deliveries to stock up



Jon Slade  
Director, Campbell Tickell

## Health-checking your risk assurance

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A couple of points went down particularly well when Sue Harvey and I delivered masterclasses in the north and south of England recently on the subject of those non-identical twins ‘risk’ and ‘assurance’.

The first is our point that when it comes to risk management, ‘good enough’ and ‘not good enough’ can look superficially similar. Too often organisations mistakenly regard copious detail as evidence of assurance and provide to us wide and long corporate risk registers assuming that the sheer quantity of risks, triggers, controls and mitigations is evidence of assurance.

When the full board consigns all risk management to an audit and risk committee who are down in the detail, it ends up assuming, wrongly, that reams of detail are evidence of assurance.

### Warning signs

Second, when we then look at the risk map, records and risk management practices there are a number of indicators of less than robust health. The greater the number of these that ring a bell, the more worried you should be (see box: Risk management: common mistakes).

The appropriate management of risks requires the right people (at full board, on the audit and risk committee, on the executive team, throughout the staff team), doing the right things (describing risks accurately, identifying triggers, controls and mitigations and testing their effectiveness), all the time.

The best approaches integrate risk management into daily work so it becomes part of the weave and weft of how you do business. For example, by identifying which golden financial rules are relevant to the approval of your development

### Risk management: common mistakes

|  |  |
|--|--|
| <b>Presenting an A3 risk map on a tablet</b>             | <i>If you are, no one is reading it</i>  |
| <b>Audit Committee has skills gaps</b>                   | <i>Strong on ‘doing detail’, less strong on critical evaluation of controls and assurance</i>                                  |
| <b>Audit Committee doesn’t track</b>                     | <i>Limited or no tracking of recommendations and actions points, including from internal and external audit</i>                |
| <b>Vague on accountabilities</b>                         | <i>Risk ownership unclear or shared across teams</i>   |
| <b>Mistaking detail for assurance</b>                    | <i>Very detailed reports and poring over detail in committee</i>   |
| <b>Mistaking monitoring for control</b>                  | <i>Watching a car crash in no way stops it from happening – monitoring alone does not reduce risk</i>                          |
| <b>Believing future controls reduce risk today</b>       | <i>The strategy that is going to board next May is not reducing risk today</i>   |
| <b>Overly complex, disproportionate and bureaucratic</b> | <i>The Big Brother of detail is complexity. All your board should be able to describe your top four risks</i>                  |
| <b>Imprecision in risk descriptions</b>                  | <i>Lots fall at the first hurdle: ‘Health and safety’ is not a risk, ‘Harming a resident, visitor or contractor’ is a risk</i> |
| <b>Cursory full board engagement</b>                     | <i>“The audit committee does risk...”</i>  |

Good risk management will not only protect your organisation’s health, it can also improve it

programme and mandating consideration of performance against those rules at scheme approval meetings, as well as when considering the financial plan and stress-testing. Risk management can not only stop you getting poorly, it can also make you healthier.

### Lead by example

Every business takes its lead from the people at the top. If the behaviours of your full board and/or executive team portray risk management as a necessary but mundane set of tasks, then you should expect your staff to mirror that in their work. You cannot rely on the fact that a bad thing has not happened yet as evidence that it never will. To do so is to sleepwalk towards a crisis.

**“You cannot rely on the fact that a bad thing has not happened yet as evidence that it never will”**

At CT we have an approach which can effectively manage risk and provide assurance, together with the expertise and experience to diagnose issues and risks arising from your existing approach.

Building on the success of our recent masterclasses, we will be taking our risk and assurance show to Dublin and Belfast in May.

To discuss this article, contact Jon Slade

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## Risk & Assurance

### Sleeping easy at night

How can leadership teams sleep easy at night with housing markets wobbling, Brexit looming, and health and safety anxieties intensifying? Your strategic risk competency must match your ambitions.

We can support you to refresh and challenge your risk management framework, strengthen controls, fill assurance gaps, build Audit Committee effectiveness, and facilitate Board debate on risk appetite.

FIND OUT HOW WE CAN HELP

contact Sue Harvey on +44 (0)20 8830 6777  
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Charli Bristow  
*Research and projects, Future of London*

## Workspace for all: affordability, support, inclusion



Co-working spaces, accelerators, incubators, makerspaces and artist studios are essential to London's start-up and creative communities. Demand for shared and affordable workspace is high and the industry is enjoying fast growth. Future of London is a longstanding champion of SME workspace. Its Workspace That Works programme reached 200-plus cross-sector organisations through field trips, networking events, and a major piece of best practice research.

On 14 November 2018, to coincide with Global Entrepreneurship Week 2018, Future of London and the London Borough of Hackney, with support from WSP and Potter Raper Partnership, brought together 100 public and private landlords, developers, workspace operators and planning/policy decision-makers in a half-day conference, Workspace for All. Panellists discussed ideas for fostering greater workplace inclusion and diversity – of providers, tenants, and types.

So what are the key factors highlighted at the event in delivering the workspaces our new and growing businesses need?

### Affordability

SMEs make up 99.8% of all businesses in London and sustain approximately 50% of all employment. These businesses have increased by almost one third in the last six years, but it's also true that 80% of start-ups fail within 18 months. A key factor is affordability, particularly in London.

John Spindler, CEO at Capital Enterprise, pointed to the impact of the 2016 Business Rates Revaluation. Capital Enterprise's research found that since the revaluation, open workspace providers' collective business rates



Juliet Can (above) and Simon Pitkeathley (left) speaking at Future of London's Workspace for All conference in November



liability has almost doubled (from £5.58 million to £10.59 million), and 30% of small providers have dropped off the map.

The combination of rising rates, formidable rents and rapid growth of larger, more commercial providers is squeezing smaller, community-focused workspaces. While the need to build housing has, in some boroughs, overshadowed the affordable workspace crisis, other local authorities are providing both.

Conor Cusack, inclusive economy team leader at the London Borough of Islington, explained that the council's Affordable Workspace Strategy requires developers to provide affordable workspace through the planning process. To date, 4,000 sqm of office and workshop space in commercial developments has been secured across a range of sites, including prime spots

in the Old Street technology cluster. This will be let to local entrepreneurs and start-ups at genuinely affordable rents.

Operators are innovating too. Juliet Can, director at Stour Space, a creative social enterprise in Fish Island, explained that the organisation uses a cross-subsidy model to square the circle by offering studio space that costs £50 per sqm to maintain, at a locally affordable price of £15 per sqm. In the face of rising land values and an ever-changing city, maintaining affordability needs constant attention.

Simon Pitkeathley, champion for small business at LEAP, sees value in 'getting creative at the margins'. Temporary spaces are governed by less rigid policies, offering opportunities to experiment.

### Changing demographic

For all spaces, at all price points, the question of who the space is for is crucial and changing fast. George Lee, founder of Age of No Retirement, observed that when the concept of retirement first emerged in the 1930s, people would live an average of three years after stopping work. Today, the typical 65-year-old will have another decade of healthy life – many are using this to volunteer or work part-time.

This is a significant opportunity. Research from Mercedes found intergenerational working groups to be more innovative and, simultaneously, working longer provides a sense of purpose – keeping people healthy. For the benefit of economies and people, workspaces must adapt.

BMW redesigned its assembly lines to facilitate older workers, but in doing so improved the user experience for all.

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**"SMEs make up 99.8% of all businesses in London and sustain approximately 50% of all employment"**



Jessie Powell  
Policy and communications manager, Commonweal

## Developing housing solutions to social injustice



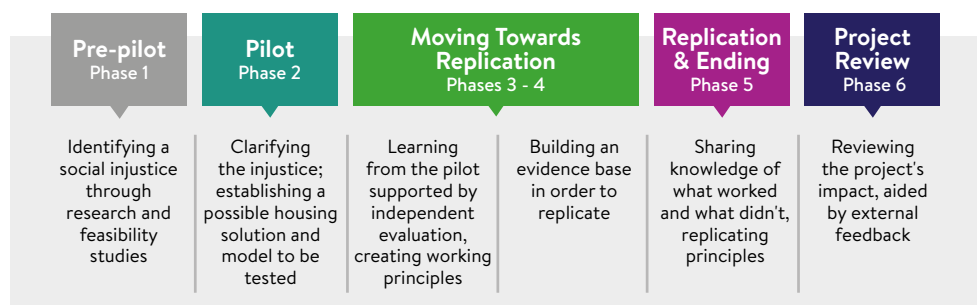
At Commonweal Housing, we have never claimed to be the experts when it comes to the spectrum of social injustices we work across. Instead, we pride ourselves on helping to find housing solutions to social injustices, alongside the experts who know the issues inside out.

We believe that without safe, comfortable and appropriate accommodation, it is very hard for people to overcome any other issues or challenges they face.

This is why we invite those who are closest to the issues to say, “I have an idea that just might work.” We then nurture that idea using our strategic project management and policy insight to see how far it can be taken, moving through our six-stage action learning process (see graphic).

In some cases, the pre-pilot phase might be the only one completed if the learning shows us that a housing-based solution isn't what is required.

For others, a long-term project might develop and evolve through the subsequent phases, producing



findings which can be shared to influence policy, practice and inspire change.

### Never too far-fetched

While not every idea moves through all six stages, what each one has in common is that it is never too far-fetched to be brought to the table, as long as it has a housing focus.

With this principle in place, we have already gained insight and had impact across a range of issues, including with women who have experienced domestic abuse, young carers, refugees and asylum seekers, migrant workers, and people exiting prison to name a few.

We're now on the lookout for our next project and inviting more experts to join forces with us. Our

**Commonweal uses a six-stage process to test and develop housing solutions to social injustices**

Housing Helps competition will award £10,000 to fund a research or feasibility study into a social injustice where housing could be part of the solution.

With a closing date of 31 January 2019, we are encouraging anyone interested to apply, even those with a glimmer of an idea, at [www.commonwealhousing.org.uk/HousingHelps](http://www.commonwealhousing.org.uk/HousingHelps).

If you're not the competitive kind and just want to talk to us about how we work or a potential project, get in touch at [info@commonweal.org.uk](mailto:info@commonweal.org.uk).

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Research from WHO shows designing places with older people in mind can bring health benefits for everyone.

Both Lee and Cany Ash, a founding partner at architecture practice Ash Sakula, advocate for creating inclusive workspaces based on commonality of interest rather than age or characteristics. The workspaces of the future should strive for accessibility, flexibility and features that bring people together based on skills and values.

**“Traditional workspace is only part of future provision – the whole city is the workspace of the future”**

Harry Knibb, principal consultant for sustainable places at WSP urged delegates to think beyond the office: traditional workspace is only part of future provision – the whole city is the workspace of the future.

### Inclusion

Across all commercial offers, inclusion is key. For Francesca Colloca, senior regeneration manager at LLDC, East London's local networks are the answer to sustaining a fast-growing ecosystem of enterprise in the long term and creating sustainable supply chains. Work to engage local people in coming ventures should

begin as early as possible and operate not as a one off, but as an ongoing process.

The issues are evolving and the importance of workspace for economic and social impact at local and regional scales is perhaps even greater today than ever before.

A challenging context makes the delivery of inclusive, future-ready spaces all the more vital – getting it right is the responsibility of all urban stakeholders.

To discuss this article, contact Maggie Rafalowicz

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David Williams  
Partner, Campbell Tickell

## Housing stock: multi-coloured swap shop

CAMPBELL  
TICKELL

The regal appearance of Noel Edmonds in *I'm a Celebrity Get Me Out of Here!* and his links to the late 1970s TV programme, *Swap Shop*, provided a tenuous reminder to write my latest CT Brief offering on stock purchase and disposal (I can hear the groaning from here!)

### Stock transfer

The market for the sale and purchase of housing association assets shows no sign of running out of steam. In the past 12 months there have been transactions involving nearly 4,000 homes, with varying motivations for engagement. Some housing associations are looking to release capital to fund other priorities; others want to rationalise the geographic spread of their homes to achieve greater efficiency; and others are seeking to offload assets which are deemed to be beyond the limitations of investment plans.

Most stock sales occur through open market competition but off-market deals can make sense if the price is right and there are overwhelming strategic factors. So-called 'stock swaps' form a small but important minority of transactions.

The regulation of transactions has become easier and the prior consent of the regulator no longer required. Also, there are no current requirements for tenants to be balloted prior to transfer – although appropriate consultation is expected. In the past two years, we have also seen a plethora of new players bolstering competition – including for-profit registered providers.

Transactions involving nearly 4,000 homes have taken place over the past 12 months

With access to funds they are seeking to dominate the market. Out-of-sector sales are increasing with more than 150 registered providers selling homes out of sector over the past three years. Such sales will inevitably attract regulatory interest.

### Golden rules

So, to be the jungle winner, what are the golden rules for organisations seeking to purchase stock?

**1 Quality of decision-making:** If you are seeking to purchase stock, this will reduce the finance available to spend on development. Make sure you decide how best to use your resources and that your growth strategy provides for stock purchase options. Quality of decision making at board level supported by an appropriate risk appetite analysis is vital to facilitate transactions.

**2 Understand pricing:** Most transactions are based on an estimation of EUV-SH, with a value addition driven by many factors including location, type, risk appetite, and future use. When you have decided on your approach, use a bespoke financial model (and not a development appraisal system) which can accurately appraise long-term value.

**3 Ensure funds are in place:** If you are bidding for stock, ensure you have funds in place to transact quickly. Some sellers will attach a premium to cash-backed bids which demonstrate they can complete within a tight timescale.

**4 Prepare for complexity:** The perfect portfolio may be hard to find, so you may

### "CT has advised on the two largest transactions in the sector to date"

need to work through exit strategies for elements which do not align with your ideal requirements. Most portfolios will have a variety of tenure and property types, and can also occasionally include commercial elements (such as offices, shops, garages, and even long leases on medical facilities).

**5 Due diligence:** This is important, especially if you have priced a bid based on a creative approach to the portfolio to drive value. Legal and financial due diligence are the norm, together with due diligence on the asset condition. Many portfolios come to market with incomplete or outdated stock condition data, encouraging the prudent bidder to commission separate full or sample surveys.

**6 Budget appropriately:** To transact, most will need support, especially those who are new to the market. The larger and more complex the portfolio, the larger the provision.

Campbell Tickell's experience in this market is growing. We have advised on several portfolios, including the two largest transactions completed in the sector to date. These were the acquisition by Karbon Homes of around 1,300 properties from Guinness Partnership and around 500 homes from Hyde Housing to Southern Housing.

To discuss how we might support your organisation through stock purchase or disposal, contact David Williams

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Matthew Gardiner  
Head of ideation, L&Q

## Reimagining housing in the digital age

L&Q

Every industry faces profound change from the interplay of three great forces. These are: the demographic challenge of an ageing population; the global challenges of populism, climate change and migration; and the force of technology, which offers some hope to address or at least mitigate those challenges.

The world of social housing is no different, but we are a little later than some in realising this. Perhaps our biggest barrier to change has been the housing shortage. The imbalance between supply and demand has meant our homes seem to be attractive come what may. That quasi-monopoly has insulated us from the consequences of a slowness to adapt which affects players in more balanced markets – Kodak, Blockbuster, the high street.

Despite this, we are waking up to the risk of irrelevance from the all-pervasive shift in power caused by the transparency, disintermediation and speed that 'digital' brings.

In the face of this shift, experts, policy makers, and even governments are undermined; paternalism gives way in the face of people power; hierarchies and structures are replaced with loose networks and fluid relationships. Institutions that fail to recognise this face an existential crisis. It is no longer what we provide that matters, it is what customers experience as a result of what we provide that drives their opinions of us. Social media allows them to express those opinions – pointedly

**Housing providers have been slow to adapt to demographic changes and technological advances**

and repeatedly.

So what might all this mean for social housing? Well for me it is certainly the case that if we were inventing our sector now, with today's tools, we wouldn't recreate the jumbled chaos of partial systems, fragmented and incomplete data, unintelligent buildings and 'that won't work around here' culture. Instead we would start with the outcomes we wanted to achieve. What if it were the case that:

**1** Customer needs were predicted and resolved without people needing to raise them with us? Just think what would happen to trust and confidence in landlords if reactive repairs were handled by an effectively automated system. If incoming calls about broken lifts or boilers were the exception not the rule, or if we knew the precise level of rain intensity that would be required to create a flood and whether any storm actually reached that level. Would it then seem to customers that we were more on their side?

**2** Data was owned by the citizen and shared with public and private service providers because people appreciated the benefits that would bring? Impossible? Think again. Estonia's X-Road data exchange software allows citizens to 'tell the system once' and then control how their data is shared. A thousand separate public and private organisations are registered to share data from thousands of databases. So, the delivery of a new baby in hospital automatically triggers changes to benefits, registration for a school place, change in household in tenancy records and even a transfer application – no effort

***"It is no longer what we provide that matters, it is what customers experience as a result of what we provide that drives their opinions of us"***

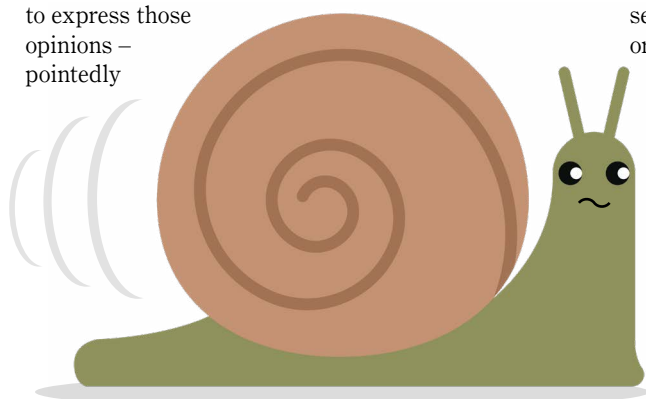
required by citizen or organisation. The X-Road team conservatively calculates that the saving each year is 820 person-years of effort.

**3** The homes we build and manage were smarter and greener? Let's not pretend, the vast majority of new-build homes are still pretty dumb. Factory production may speed up the process, produce fewer defects, even possibly be cheaper, but it doesn't produce smart homes. We still seem a long way from producing truly smart homes: using advanced, self-repairing materials, connected with gigabit fibre, able to micro-generate and store all the power the home requires, with sensor nodes throughout the building able to provide data for the landlord and cut running costs for the tenant.

If we can imagine these things, we can also create them. We just need the insight to recognise the benefit for us and our customers of implementing technologies that already exist; the courage to do things differently within a culture where failure is seen as the best source of learning; and partnerships with the creative edges of the technology community – who in many cases, share the passion of housing associations to make the world a better place for all.

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Mark Goldup  
Associate consultant, Campbell Tickell

## Homelessness Reduction Act: the role of housing providers

CAMPBELL  
TICKELL

Homelessness is on the rise. According to the most recent government statistics for England, in the year to June 2018 there was a 5% increase in the number of households placed in temporary accommodation. Since 31 December 2010 – the most recent low – the numbers have increased 71%. Now is a good time for housing associations to reconsider their role and strategy in relation to homelessness. The following factors should be taken into account.

### Profile of homelessness

Homelessness as a public priority currently has a raised profile. This is illustrated by the launch of the ambitious Rough Sleeping Strategy. This follows a significant extension in local authority duties to prevent and relieve homelessness through the Homelessness Reduction Act.

### Housing First

Increasingly Housing First is recognised as the best way to respond to enduring homelessness, as supported by a highly-impressive

international evidence base.

Housing First has helped some of the most chaotic people find a stable base for their life. But the principle that secure housing should be the first step for homeless people with support needs has far wider application. In my view, all supported housing providers should reconsider the role of traditional supported housing in this light.

### Supported housing

The government's decision to withdraw reform of supported housing funding has effectively reinforced the status quo. Housing-related support programmes have been decimated but cling on in some areas, and the exempt housing benefit system remains as idiosyncratically implemented and unstrategic as ever. Now is the time for innovative thinking to bring some sense and direction into this situation.

### Everything is broken

The housing market is acknowledged by many to be

**The Rough Sleeping Strategy is part of the government's efforts to tackle rising homelessness**



broken, as are many other public-service support systems – from schools and prisons, to adult and children's social care, and community mental health. The consequences of all this have to be addressed in any future strategy.

The need is there but so is the opportunity to do something about it. Housing associations have a key role because access to mainstream housing is essential to all emerging strategies (see box: Homelessness reduction: how housing associations can help).

There is no one solution to addressing the rise in homelessness, but by working together across a range of options housing associations can make a difference and help take a step towards the government target of halving rough sleeping by 2022 and eliminating it by 2027.

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## Homelessness reduction: how housing providers can help

- **Helping local authorities to use their increased ability to use Housing Revenue Accounts to supply the homes for a new housing-led approach.** This is partly about reviewing allocation policies but also about considering how to use new development opportunities.
- **Participating in a pool of contributing landlords to Housing First.** Research indicates that it works best where there is a flexibility to

offer people properties in different areas and to transfer quickly when necessary.

- **Minimising the risk to themselves when offering tenancies to high-risk customers.** This can be achieved by looking at mechanisms such as employing specialist intermediary managing agents for general needs stock and agreeing referral protocols with other statutory agencies.

- **Ensuring they can take early action to confront the risk of homelessness among their own tenants.** This should involve maximising the role of internal staff, but also ensuring that they bring in external resources in a targeted way when relevant.
- **Using their community presence** to support effective asset-based strategies to deliver wraparound support.
- **Reviewing the supported housing portfolio** in the

light of a more housing-led approach. This should target the resource at the right people and include the idea of the support moving on rather than the person

- **Working with local authorities to take a more strategic approach to exempt housing benefit.** Intensive housing management-only services have their part to play in a range of local provision. Housing associations could be well-positioned to make this work.





Tariq Kazi  
Associate consultant, Campbell Tickell

## Welcoming commercial skills into the social world

CAMPBELL  
TICKELL

**H**ousing associations face an interesting business challenge: doing more with less while also balancing social and commercial aims. Campbell Tickell has helped many organisations meet this challenge by recruiting skilled people from outside the sector to both executive and non-executive positions, and we know that testing understanding of and commitment to the social purpose is key to a successful appointment.

My top three tips for helping a commercial business person understand housing associations and make their transition into the sector are as follows:

**1** The financial return on a sub-market rent property is lower than commercial returns. That is what housing associations do. Although housing associations don't typically have profit-seeking shareholders, they still require a 'social dividend' measured in housing supply outputs and

social outcomes.

**2** Don't worry too much if the sector's transformational 'disruptive innovation' seems more like gradual 'continuous improvement' to you. All progress is good. Without pioneering new products and services that generate super-normal profits, housing associations will almost always adopt new ideas later than commercial businesses.

**3** It's a long-term business where success demands time and patience.

As the sector matures, it is also finding new ways of attracting risk capital into social housing. This brings with it new types of knowledge, skills and experience, for example:

- commercial risk-sharing arrangements with trade partners;
- equity and equity-like investment products; and

- for-profit capital structures.

Meanwhile, there is still the ongoing business transformation of the sector, driving efficiencies to deliver more output and better outcomes. These include:

- new delivery models, including modern methods of construction and strategic land sourcing;
- actively managing asset portfolios, increasing capital velocity to release equity and cash; and
- digitisation, lean operations, better customer services, agile workforces.

The charitable social housing sector's business model, financial acumen and sources of capital have evolved through the generations. It is clear these processes will continue: the more use housing associations make of skilled people from all backgrounds, the better.

*"The more use housing associations make of skilled people from all backgrounds, the better"*

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