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Patron: HRH The Prince of Wales KG KT GCB

### **Confidential discussion note:**

We welcome the chance to respond to the consultation. We have limited our response to Chapter 5 as this aspect holds the greatest impact on our members' ability to offer greater amounts of affordable housing.

### **Background:**

Almshouses are unique, legally defined charities that can only offer affordable housing to those in need. They are a 1,000-year-old form of accommodation for beneficiaries that have been established by charitable gift and hold a unique status. The Almshouse Association, which is the sole support, membership organisation for almshouse charities was established 75 years ago and represents over 1,600 almshouse charities (35,000 homes) in the UK. The Association's key role is to support members in delivering warm, secure and safe accommodation to those in their community. The Association sets a robust and detailed set of standards as to best practice in almshouse management (Standards of Almshouse Management) and produces template policies approved by the most robust experts in law and buildings management. Almshouse accommodation represents some of, if not the most, affordable housing in communities across the country. Our analysis suggests that on average the Weekly Maintenance Contribution (WMC) – the equivalent of rent – is at 80-90% of Local Housing Allowance. This is of great benefit, not only to almshouse residents, but to government both on a local and national level. Almshouse charities provide over £40 million in financial benefits to the state every year.\* This figure accounts for a lower likelihood of residents needing GP or A&E appointments as well as allowing people to remain independent and so lessening the need to access costly social care.\*

Despite the above, we are continually required to support our members when they are seeking to expand through new developments but the local authority planning teams, overwhelmingly, are not able to acknowledge almshouses as a form of affordable housing because they fail to meet the current definition of the National Planning Policy Framework (NPPF). This has been a frustration over the years to many of our members seeking to expand much-needed affordable housing in perpetuity. Almshouse charities must adhere to set criteria to meet their legal definition and the 1,600 charities mentioned provide, and can only provide, affordable housing in perpetuity. They are regulated by the Charity Commission and in a number of cases also by the Regulator of Social Housing.

We seek to amend the definition of "affordable housing" to include almshouses (as defined by the Charity Commission).

### **Response to Consultation: Chapter 5 – A planning system for communities.**

**Q.22:** Do you agree that the government should revise national planning policy to attach more weight to Social Rent in planning policies and decisions? If yes, do you have any specific

*suggestions on the best mechanisms for doing this?*

**A.22:** Yes – The Almshouse Association supports the policy to add more weight to genuinely affordable rents. **Almshouses have affordability built into most governing documents requiring (WMC) rents to be at a level that does not create greater hardship for the resident. We believe that this level of genuine affordability is needed.**

**Q.23:** Do you agree that we should amend existing paragraph 62 of the Framework to support the supply of specialist older people’s housing?

**A.23:** Yes: The Almshouse Association supports a change to paragraph 62 of the Framework to recognise **small scale independent living** accommodation for older people within **their communities on a variety of tenures to include licences**. Research shows that **small-scale** housing can make a significant positive difference to both the wellbeing and longevity of residents. In 2021 independent research carried out by Housing Lin recognised the impact of the small scale almshouse model, where local leadership (trustees) consistently encourage communication and reduce isolation, contributing significantly to the wellbeing of residents and leading to reduced calls on GP and other state services. See: <https://www.almshouses.org/wp-content/uploads/2021/11/The-Almshouse-Association-Financial-Benefits-of-Almshouses-Assessment-Report-Nov2021-Researchers-Housing-LIN.pdf>

**Q.24** Do you have views on the effectiveness of the existing small sites policy in the National Planning Policy Framework (set out in paragraph 69 of the existing Framework)?

**A.24.** Although the current NPPF guides planners to small sites, there is a tendency for the local authority to revert opportunities to Housing Associations instead of small charitable housing organisations which may be best placed to develop small sites. This is likely to be through a lack of understanding of the almshouse model and the standards set in The Standards of Almshouse Management, a guide, with a recommendation and foreword by The Charity Commission, to all almshouse charities which sets out a rigorous programme of management, compliance, and resident and building care.

**Q.25** How, if at all, do you think the policy could be strengthened to encourage greater use of small sites, especially those that will deliver high levels of affordable housing?

**A.25:** Often almshouse member charities are not able to access the chance to develop small sites under the current NPPF guidance which, through its definition of affordable housing, excludes many “unregulated” (unregistered) almshouses. We believe that a great opportunity is missed for more affordable housing to become available.

We would recommend the following form of words be included within the definition of affordable housing:

- (ii) **“THE LANDLORD IS A CHARITY REGISTERED WITH THE CHARITY COMMISSION FOR ENGLAND AND WALES OFFERING HOUSING SUCH AS ALMSHOUSES TO PERSONS IN**

NEED IN RETURN FOR A WEEKLY MAINTENANCE CONTRIBUTION OR LICENCE FEE EQUIVALENT TO A SOCIAL RENT OR AN AFFORDABLE RENT.”

Many almshouse charities hold land that is suitable for development, however, without having access to funding, say, from Homes England, this restricts significantly the speed and scale of

development. Some Almshouses have developed new homes without grant but in many instances, this is a smaller scheme than they could.

We would also like to see a level playing field. From our network of Almshouses we are aware some Almshouses located in combined authority areas have been able to obtain grant from the combined authority, even though they are not registered, to be able to develop new homes. This does not apply across the country and is not equitable when different rules apply to accessing government funding. We would like to see parity so all Almshouses in urban and rural settlements can receive grant funding to support their development proposals.

Funding from Homes England is predicated on small almshouse charities becoming Regulated

Social Housing providers. This is burdensome and inconsistent. Almshouses that are not registered with the Regulator of social housing are able to secure grant funding from Homes England only when it is a remodelling scheme that will reduce or retain the same number of homes. For remodelling projects, Almshouses need to evidence that before they draw down grant on completion of the scheme there is a restriction placed on the title that registers the grant contribution from Homes England

We would seek that non-registered Almshouses could apply to secure grant funding from Homes England for new development or refurbishment of existing homes, or conversion of former non-residential accommodation.

**Q.26:** Should the definition of “affordable housing for rent” in the Framework glossary be amended to make it easier for organisations that are not Registered Providers – in particular, community-led developers and almshouses – to develop new affordable homes?

**A.26:** The current wording of the NPPF does not recognise almshouse charities which are regulated by the Charity Commission but not the Regulator of Social Housing. As such, local councils interpret the guidance to exclude almshouse charities (despite the fact that they are defined as affordable housing in the Charity Commission definition) meaning that our members are unable to take advantage of opportunities to develop on small sites. Furthermore, in some cases local authorities have required almshouse charities to contribute towards the section 106 obligations when seeking to develop which is clearly unnecessary given that almshouses are by definition affordable housing in perpetuity.

We propose a change to the NPPF which would rightly recognise the affordability of almshouse charities. We are, therefore, proposing the following addition:

## **Affordable housing**

Housing for sale or rent (INCLUDING HOUSING MADE AVAILABE TO RESIDENTS WHO ARE LICENCEES RATHER THAN TENANTS), for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which falls within with one or other of the following definitions:

**a. Affordable housing for rent:**

EITHER

(i) meets all of the following conditions:

(a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable);

(b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and

(c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as "Affordable Private Rent").

OR

(ii) THE LANDLORD IS A CHARITY REGISTERED WITH THE CHARITY COMMISSION FOR ENGLAND AND WALES OFFERING HOUSING SUCH AS ALMSHOUSES TO PERSONS IN NEED IN RETURN FOR A WEEKLY MAINTENANCE CONTRIBUTION OR LICENCE FEE EQUIVALENT TO A SOCIAL RENT OR AN AFFORDABLE RENT."

**Q.27:** Are there any changes that could be made to exception site policy that would make it easier for community groups to bring forward affordable housing?

**A. 27:** Community groups and almshouse charities, seeking to develop small affordable housing projects are locally led charities and the burden of registering as a Regulated Housing Provider is not consistent with small, locally run charities. We are aware of many almshouse charities that were seeking to expand their provision and develop further have been deterred because of the necessity to become Regulated Housing Providers. By amending the definition and encouraging local councils to recognise charities where their purpose is to provide affordable housing in perpetuity as above, would open opportunities for other providers. Almshouses are not only regulated by The Charity Commission but also work to an agreed Standards guidance (Standards of Almshouse Management) that is focused on guiding to the provision of safe, secure and well- run almshouses. The Standards

of Almshouse Management guidance manual is well regarded by The Charity Commission, the primary regulator for almshouses.

Almshouses have the support of a structured membership and guidance organisation, The Almshouse Association, having been in existence for 76 years and represents all the 1,600 almshouse charities in the country. The Almshouse Association sets The Standards of Almshouse Management with the approval of leading legal advisors, enables events to share best practice and supports members through responding to 2,600 enquiries every year, developed and runs CPD accredited training on the management of almshouses, runs seminars and regional events based on sharing best practice. The Almshouse Association, is a member of the National Housing Federation.

**Q.28:** Is there anything else that you think would help community groups in delivering affordable housing on exception sites?

**A. 28:** The Almshouse Association recognises that almshouses and charity housing will always be only part of the affordable housing solution. It is, however, recognised that small scale, locally led charities can offer affordable housing with significant benefits to the state.

The purpose of an almshouse is to provide affordable housing in perpetuity (there is no Right to Buy as the almshouse is held in trust) supporting affordable housing provision for the very long term.

**Q.29:** Is there anything else national planning policy could do to support community-led developments?

**A: 29:** There is a clear distinction between almshouse charities (recognised as specific and unique in law, and community groups. Almshouses offer a long-standing, well-formed track record of providing affordable housing over centuries. There is a clear definition of Almshouse, a clear governing structure, a comprehensive set of Management Procedures / guidance / policies which underpin the actions of Trustees and individual charities.

Almshouses are registered charities and therefore already comprehensively regulated on a financial and management basis by the Charity Commission.

Not all of this can be said about Community Groups – so whilst we fully support community groups and would welcome their expansion in delivering new homes, for the benefit of this consultation we feel that each category of housing should be assessed on its merits.

Further, through amendments to the NPPF that widen the definition to include almshouse charities (trusts regulated by The Charity Commission) as defined by The Charity Commission, this will allow for a varied provision of affordable housing and, through high quality design in line with the aesthetic widely identified as almshouses, a more beautiful streetscape.

Thank you for considering this really important issue for our members and we look forward to changes in the NPPF that will lead to more affordable housing in the community.

I look forward to discussing further when you are able.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Nick Phillips".

Nick Phillips CEO  
The Almshouse Association