

Briefing Paper

Seeking Government approval for almshouses to be recognised as affordable housing under the NPPF

Objective:

- Almshouse charities to be recognised as “affordable housing” in the National Planning Policy Framework (NPPF).
- Provide almshouse charities with the opportunity to build more almshouses in small communities where they are most needed.
- Safeguard our charity status by developing a fair and practical Code of Practice or accreditation that is widely accepted, thus mitigating any negative effects on almshouse charities that may occur due to the upcoming renter’s bill.

Brief Overview:

Small almshouse charities, not registered under the Regulator of Social Housing, cannot access affordable homes programme funding. This restricts their ability and desire to undertake small developments and utilise local Section 106 opportunities. Although these charities achieve similar goals, almshouse charities excel in resident welfare, the Regulator’s model was not designed for and is not appropriate for small scale almshouse charities.

Almshouse Charities:

- Almshouses are charities that offer homes to people in local housing need. They create micro-communities of good neighbours.
- They charge a Maintenance Charge not rent based on a measure of proper affordability, usually the Local Housing Allowance.
- Nearly all residents receive some form of welfare benefit support.
- Almshouse charities are led by approximately 10,000 trustees who follow a code of practice - The Standards of Almshouse Management – a complete management, best practice and legislative compliance-based manual (Endorsed by The Charity Commission).
- Evidence shows that those living in almshouses live longer and better lives than their counterparts, finding reduced isolation, loneliness, and a greater sense of wellbeing.
- There are 1,600 almshouse charities and 37,000 residents living in almshouses.
- Today, newly built almshouses are some of the lowest carbon and most advanced forms of housing available, such as Appleby Blue Almshouses in Southwark and Dover Court in Girton, Cambridge.
- Almshouses are exempt from the Right to Buy so remain in the community in perpetuity – in most cases for centuries.

Proposal:

- Charities meet a minimum standard of appropriate Code of Practice or accreditation, or **Code of Practice** based on **Standards of Almshouse Management** that covers:
 - joining an **Ombudsman Scheme** allowing residents a clear process for making a complaint.
 - residents being engaged in a meaningful way to ensure their voices are fully heard and noted for future reference.

- **repairs, safety, and any adaptations are carried out in a timely period.**
- ensuring residents are safe and secure in their homes following best practices for risk assessments and Health and Safety measures.
- ensuring the charity model is financially prudent.

This proposal would offer confidence to the Government that almshouses meet an agreed minimum standard of safety and security, that residents' welfare is protected, and the quality of accommodation is maintained to the highest standards.

Context:

- In a survey carried out in 2024 members are poised to build over 1,000 new affordable homes. Access to Affordable Housing Programme bidding and Section 106 funds will substantially increase the speed and quantity of almshouses being built, supporting more people in housing need and creating more genuinely affordable homes.
- Local Government does not yet recognise forms of affordable housing that are not identified in the NPPF.
- The NPPF does not yet recognise non-registered housing as "affordable housing".
- Almshouses have an average of 8 units per charity. The Registered Social Landlord scheme was established for Housing Associations within excess of 1,000 units.
- Becoming registered takes two years and is detailed and complicated.
- Most almshouse charities that try to become registered fail as they are too small.
- Registration requirements are unsuitable and, in some cases, contradict the role of trustees under charity law (e.g., allocations policy) without amendments and exemptions.
- Registration was established for large housing associations with a minimum of one thousand dwellings and many staff. Nearly all almshouses have fewer than twenty dwellings and only have part time staff or volunteer trustees who support the running of the almshouses.
- Almshouses operate under a manual, Standards of Almshouse Management (SAM) which is a sound and robust guide to providing warm, safe, secure homes and could be used as a formal guide to a Code of Practice or accreditation. SAM is written by leading lawyers and approved by The Charity Commission.

Why don't all almshouse charities become Registered Housing Providers?

- Registration as a Registered Housing Provider (RHP) was introduced for large organisations with over a thousand units with significant staff resource and adheres to many aspects of regulation.
- The terms of becoming an RHP oblige charities to comply with aspects outside their charitable objectives – such as Value for Money records, Resident Management, neighbourhood responsibility, tenancy model and resident selection.
- Smaller almshouse charities struggle to meet RHP requirements due to their small scale.

When almshouses become Regulated Housing Providers:

- The Regulator of Social Housing established under the Housing and Regeneration Act 2008 was established to regulate Housing Associations with a minimum of 1,000 units. It is important to recognise that 80% of almshouse charities have fewer than 20 units and 50% have fewer than 10 units. They are small scale. The obligations of being an RHP or Regulated Social Landlord can be extensive and inappropriate for many almshouses. There are 264 out of 1,600 almshouse charities that have opted to become RHPs in order to access Homes

England funding and many are in the process of de-registering.

- Not only is regulation an additional burden on trustees but new policies and obligations for RHPs can challenge the charity status of almshouse charities leading to, we believe, a homogenisation of almshouses in order to fit into the social housing model. This can:
 - significantly restrict the ability of trustees to fulfil their objectives
 - inadvertently widen the objectives of the charity to mirror small housing associations
 - dilute the charity model which is locally led and defined by a set of objectives from the benefactor.
- There is a significant risk that this century's old, effective charity housing model could disappear.
- Many almshouse charities fail to become regulated landlords. The process does not fit well with small charity models led by trustees. This means many charities that could become regulated are dissuaded either by the process or the need to change their model.

Code of Practice or Accreditation and Ombudsman:

- For many years almshouse charities have operated to a code of practice called the Standards of Almshouse Management (SAM). The guide and standards offer all the technical guidance to members as well as guidance on resident welfare, health and safety, risk assessment, law and trustee good practice. The current edition of the guide was reviewed in 2023 by Stone King solicitors and the introduction was written by The Charity Commission.
- A minimum standard Check List has been created from SAM. This is used as a framework for our team to assess if an almshouse charity is operating with the appropriate level of governance, risk assessment and welfare requirements. It is proposed that a similar model of Check List and guidance are used to form the new almshouse Code of Practice or accreditation. This could be externally reviewed if appropriate. (See Appendix 1)
- The CEO of the Housing Ombudsman Scheme has welcomed The Almshouse Association's approach and would work with the Association to enable the Ombudsman Scheme to operate with almshouse charities.

The Almshouse Association is seeking:

- For almshouses to be recognised in the NPPF definition as "affordable housing" with a phrase such as:

Affordable housing

Housing for sale or rent (INCLUDING HOUSING MADE AVAILABLE TO RESIDENTS WHO ARE Charity Beneficiaries as LICENCEES or 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 one or other of the following definitions:

a. Affordable housing for rent:

EITHER

(i) meets all 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 OPERATING UNDER AN AGREED CODE OF PRACTICE 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."**

- The reference to community-led housing within the NPPF guidance to include almshouses and the word "charity" reflecting the community and local nature of almshouses.
- To be exempt from being charged an "affordable housing levy" under S106 to enable members to build more affordable houses (as currently exists under the Levelling up and Regeneration Act. Appendix 1).
- To exempt very small charities from requiring trustees from qualifying.
- To see every almshouse charity operating as "good" or better by 2030 – securing the almshouse brand and reputation for the future.

To enable this to happen:

- The Almshouse Association will offer a new form of approved Code of Practice or accreditation that will be established to give confidence to parties of the model.

Licence to Occupy:

Almshouse residents occupy under a Licence or Letter of Appointment. They are beneficiaries of the charity and unless their circumstances change (they rarely do) residents have a home for as long as they can live independently. Most usually for life.

The licence to Occupy is a robust and secure form of contract offering residents assurance of a home. The Licence or Letter of Appointment can be "Set Aside" under very specific circumstances and the resident has the right to appeal to the courts if they feel it is unjustly set aside. Research in 2024 shows that "set aside" are 5 per 1,000 residents that is far lower than the 8.3 per 1,000 households in Social Housing sector and 13 per 1,000 in the private sector – 70% of "set asides" occur when a resident can no longer live independently, and the local authority require a "set aside" notice in order to find the resident suitable care accommodation.