

# Annual Report

2018



world  
habitat






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# Our Mission and Objectives

World Habitat is a catalyst for change. We work to bring the best housing to the people who need it most. We do this by:

- identifying great housing ideas and best practice from around the world;
  - transferring ideas and practices to places where they are needed most; and
  - developing new ideas, so they benefit the people who need them most.
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# Achievements

2018 was a successful year for World Habitat. We made significant progress with our programmes and some important improvements to the organisation itself.

Our European End Street Homelessness Campaign developed bespoke plans for each of our partner cities to chart a route towards ending street homelessness in each city. We worked intensively with two outstanding housing programmes to help them develop and grow. The programmes – both winners of our World Habitat Awards – provided new and innovative approaches to tackle major housing challenges. One is a pioneering system of self-recovery that helped tens of thousands of people rebuild their homes after the most destructive typhoon ever recorded wreaked havoc across the Philippines. The other project is a green, affordable housing programme that provides seasonal agricultural workers in California with year-round, zero-net energy homes.

We published important research on the LGBTQ+ community's access to the housing system in the UK. And we began an important programme developing a community-led housing programme in Central and Eastern Europe. We also made internal improvements re-organising our management structure and making several significant appointments to our Board of Trustees.



# Promoting Innovative Housing

## - The World Habitat Awards

The World Habitat Awards is a global housing competition run in partnership with UN-Habitat. It identifies and rewards the very best housing projects around the world. We set the competition up in 1985 as our contribution to the UN International Year of Shelter for the Homeless and have run it every year since. Each year we present two awards to projects that provide practical, innovative solutions to current housing needs. The 2017 World Habitat Award Winners were: Post-Haiyan Self-Recovery Housing Programme in the Philippines and Mutual Housing at Spring Lake in the United States of America. They were presented in February 2018 at the World Urban Forum in Kuala Lumpur by Raf Tuts, the Director of the Programme Division of UN-Habitat.

**Mutual Housing** offers permanent year-round housing to agricultural workers in California. It is also the first 100% zero-net energy-ready rental housing development in the USA. Agricultural workers have traditionally endured some of the worst housing conditions and most dangerous jobs in the country. Seasonal employment means accommodation is usually only available at government-funded migrant centres during the farming season. Living in appalling conditions in privately rented housing is often the only other alternative for workers.

Mutual Housing's work with residents goes well beyond providing energy-efficient homes. Through a range of opportunities - including leadership development schemes, peer-lending circles and digital literacy classes - residents gain skills and confidence. For many this has opened up new opportunities in

education and community life. New leaders have emerged from the community who now work to advocate for the rights of agricultural workers.

**Post-Haiyan Self-Recovery Housing Programme** was a response by CARE Philippines to the devastation caused by the most destructive typhoon ever recorded. Typhoon Haiyan hit central Philippines in 2013 killing over 10,000 people and making over 4 million people homeless. The scale of the destruction created unprecedented levels of need. This programme provided kits to help people renovate and rebuild their homes themselves along with advice on simple techniques to make sure houses were rebuilt to be more typhoon resistant. This approach meant they helped more people, more quickly, than traditional emergency responses. The programme also provided emergency food in the early days after the typhoon and a livelihood programme to help people rebuild economically. In total over 15,500 families rebuilt their homes.







The purpose of the World Habitat Awards is to inspire innovation and best housing practice across the world. There are many examples of this happening. In 2008 a World Habitat Award was won by a Community Land Trust - Champlain Housing Trust in Vermont, United States. Our work following the Awards helped transfer the principles of this project and inspired the development of the first Community Land Trust in Europe, in Brussels. Brussels Community Land Trust has since expanded and has inspired the creation of several other new Community Land Trusts around Europe. Our work with our 2012 winner FUCVAM - the federation of housing co-operatives in Uruguay - led to the model being adopted across Latin America.

We have invested in both the 2017 Award winners to help them develop and transfer their model.

In late 2018 we ran a strategy workshop in California to help Mutual Housing develop their plans for growth.

The event brought together international and national participants with experience of housing and community development providing a sounding board for Mutual Housing's future strategy.

In early 2019 we will be running an event in Manila with CARE Philippines. This event will bring together participants from CARE International and other international aid agencies to learn the lessons of the self-recovery housing programme that was so successful following Typhoon Haiyan. The aim is that elements of the programme will be transferred and used elsewhere in response to future natural disasters.

# Ending Chronic Homelessness in Europe – The European End Street Homelessness Campaign

Chronic homelessness (or rough sleeping) continues to rise in most cities across Europe. A problem that once felt as if it was resolved has returned. We believe that housing is a human right – chronic street homelessness is the most extreme and manifest failure of this right. A lack of affordable housing, cuts in public services and, in some countries, a dramatic increase in poverty have manifested themselves in this most extreme expression of housing need.

We believe that it does not have to be like this. Whilst one organisation cannot end homelessness by itself, a movement of many organisations just might. In 2016 we brought together partners from cities across Europe with the aim of creating such a movement. The partner cities share a goal of ending street homelessness and have signed up to two key organising principles – Housing First and community involvement. Both are deliberately disruptive of the status quo.

**Our campaign partner RAIS is working in a number of Spanish cities focusing on influencing policy through advocacy at a national level. This includes working with the Spanish President, Pedro Sánchez, to influence a national homelessness initiative.**

The movement was inspired by the successful 100,000 Homes Campaign in the United States (winner of the 2013 World Habitat Award) and the work of Y-Foundation in Finland (winner of the 2014 World Habitat Award).

We believe it is possible for cities to end chronic homelessness, not just manage it. Both of these inspiring programmes demonstrated that it is possible to do this within existing homelessness budgets.

**In Barcelona our campaign partner Arrels has begun offering repairs to owners of empty properties in exchange for six-years low rent to house homeless people. They have 100 flats across the city housing over 200 people.**

The campaign helps cities implement programmes for ending homelessness. This includes providing a toolkit, training, materials, and bespoke help and assistance from specialists. It also brings people from the cities together to learn from and support each other. Most cities have undertaken Connections Weeks in which large numbers of volunteers from the local community have met and interviewed people living on the streets in order to understand their needs and design solutions to meet them.

**Shekinah Mission, our campaign partner in Torbay, commissioned Crisis to carry out a Housing First Feasibility Study, funded by the Nationwide Foundation. The report has now been adopted by Torbay Council, which has committed £500,000 over two years. The first Housing First units will be opened in early 2019.**

We are currently working with thirteen cities from large metropolises like Glasgow, Athens and Barcelona, to smaller cities and towns such as Alicante and Torbay. The majority of our partner organisations in each of these cities have no additional funding to carry out work. In order to create system-change they are involved in a wide range of activities including: having to set up new partnerships; overcoming historic distrust of partnership working; engaging and mobilising their local communities; gaining local municipality or government support; finding secure, affordable housing; and creating - or significantly developing - local systems to map housing and the street homeless population. Some, like Athens and Bratislava, are operating in extremely difficult circumstances with little social care infrastructure, high levels of need and political uncertainty.

**Glasgow are adopting a city-wide Housing First model. They are beginning to close hostels and are replacing them with self-contained apartments for homeless people.**

The cities are at different stages in their development, with very distinct resources and operating in often diverse contexts.

This means that the campaign's outcomes are less predictable, and the risks of failure are greater. However, the strength of this approach is its diversity and its ability to support

and learn from cities who are tackling very different issues and having a wide range of impacts.

Arrels, our partner in Barcelona, organised a Day of Action - 'We Are Not Invisible' - based on Spanish community action, to raise awareness of homelessness issues. They also established their first Housing First homes.

We helped Evolve - our partner in Croydon - to become the first European city to use the 'By-Name List' approach. This provides a real-time, up-to-date list of all the people experiencing homelessness in a local community. This approach has proven highly effective in reducing homelessness in cities across America. Evolve worked with Community Solutions - our 2013 World Habitat Award Winner.

**Brussels has begun developing modular housing to house homeless people. They have leased land and are currently building their first three modular houses.**

We worked with our partners to run Connections Weeks in Barcelona, Brighton, Bratislava, Torbay and Athens. Connections Weeks involve hundreds of volunteers from the local community going on to the streets to meet and interview homeless people. The information gathered provides vital evidence about people's needs so that services can be adapted and provided to get people properly housed.



# Scaling-up Community-led Housing



World Habitat has always believed that housing is better when it is created by the communities who live in them. By doing so they create more sustainable, more affordable and longer-lasting homes than the traditional ways of developing housing. It helps people build resilient and confident local communities, and it helps people to develop skills they never knew they had.

We have always supported the growth of community-led housing. In the 1970s and 1980s we supported the global housing co-operative movement. In the 2000s we helped transfer the Community Land Trust model around the world and in recent years we helped build a community-led housing coalition in the UK.

In 2018 we began exploring how we could help develop a community-led housing movement in Central and Eastern Europe. Many countries in this region saw a dramatic change in the housing markets during the transition from communism to

market economies. Prior to the transition, most urban housing was state-owned, but the transition led to a dramatic period of privatisation, so that by the mid-1990s most housing was in private-owner occupation. The long-term impact of this change has created an inflexible and unaffordable housing system that has reduced the opportunities for younger generations to find a home.

Community-led housing is virtually unknown in this region. We helped bring together a coalition of communities from Serbia, Croatia, Hungary and Slovenia to learn from successful community-led housing programmes elsewhere around the world. We will be supporting these groups as they begin developing homes in their own communities.



# Tackling Inequalities in Housing

We published a new report, 'Left Out', that detailed the discrimination LGBTQ+ people face accessing housing in England. The report presents research, evidence and case studies that highlight the disproportionate number of housing issues faced by LGBTQ+ people. These cause high-levels of hardship and discrimination but are mostly ignored. Our research examined the impact of this with a specific focus on older people; those experiencing domestic violence; asylum seekers and refugees; and those who are homeless.

**We called upon all UK housing associations to address discrimination by implementing a programme of training for their staff. David Montague, Chief Executive of L&Q Housing Association, wrote a blog supporting the report and calling on organisations to start addressing this discrimination.**

## Governance

During 2018 World Habitat signed up to the Charity Code of Governance. This code is a practical tool to help charities and their trustees develop high standards of governance. The principles are based on, but go beyond, legal requirements. The code says that it is deliberately aspirational. It is produced by a large group of charities including NCVO and ACEVO. The Charity Commission has observer status.

There are two versions of this code. World Habitat has adopted the version for larger charities. World Habitat will review all its activities to ensure they meet the code's recommendations. It will make changes and improvements where necessary and report any areas where it does not meet the code's recommendations in the annual report.



# Our Land



World Habitat owns a small portfolio of land local to our office in Leicestershire in the UK. The land was bequeathed to the organisation when it was established. It is largely rented to local farmers and used for agricultural purposes. In the past some land has been sold and the proceeds invested to provide income for the charity.

**We laid new paths, improved gates and fences and worked with a local volunteer group to rebuild an ancient dry-stone wall.**

During 2018 we made significant improvements to the Peter Elderfield Memorial Wood - a 27-acre area of woodland planted in memory of our founder. We have consulted with the local community about encouraging greater public access to the land for relaxation and leisure.

We have laid new paths and improved gates and fences. We worked with a local volunteer group to rebuild an ancient dry-stone wall which separates the Wood from the road. We will be improving signage and public information about the site. We have planted over 37,000 trees on our land to improve sustainability and contribute to the National Forest (an environmental project in the East Midlands, UK that aims to create a new forest). During the year we approved a management plan for the trees to ensure that they are managed effectively and biodiversity is maintained.



# Carbon Management

Since 2016, World Habitat has committed to reducing and offsetting its carbon emissions. We have set a target of reducing our 2016 emissions by 15 per cent by 2026. (We subsequently adopted a more challenging target of reducing our 2016 emissions by 50% by 2030). Our carbon emissions are offset through an informal, as yet unregistered, scheme. The scheme is a contract with Nubian Vault Association to build vaulted earth buildings avoiding the need to build an equivalent number of concrete buildings.

**World Habitat invested £6,050 in Nubian Vault Association to enable them to construct an additional six buildings. This offset World Habitat's 2016 carbon emissions.**

The Nubian Vault Association's programme, 'A Roof, a Skill, a Market', won a 2016 World Habitat Award. It promotes, manages and trains people to build vaulted earth roof buildings. This approach uses sun-dried mud bricks to create a vaulted roof that supports itself and so does not need supporting beams or joists. The design borrows building techniques and materials used in ancient Egypt. A house built using this technique is more comfortable, healthy and robust than one with concrete walls and a sheet-metal roof. It is also cheaper and can be made from freely available local materials with virtually no embodied carbon. The project started in Burkina Faso but has spread to other parts of West Africa including Mali, Senegal, Benin,

and Ghana. Since its inception, the Association has constructed 2,000 buildings, and housed 24,000 people in five countries, trained 440 masons and 400 apprentices, contributed over £2 million to local economies and saved an estimated 65,000 tons of CO<sub>2</sub> equivalent (calculated over a 30-year lifespan of the building). For a single 25m<sup>2</sup> building over a 30-year life cycle, the carbon saved in construction and using earth over concrete is estimated at 20.5 tons.

**World Habitat's Carbon Footprint for 2018 was 108 tonnes CO<sub>2</sub>e. This was a decrease of 13 tonnes on the baseline year of 2016.**



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# FINANCIAL REVIEW

## Overview of the year

In 2015, the Trustees carried out a detailed review of World Habitat's activities and produced a strategic plan for our direction and activity for the following four years (until December 2018). Implementation of the plan started during 2015.

The total income for 2018 was £1,288,876. This represents an 8.495 per cent increase on the income in 2017 of £1,187,954. The increase was primarily due to an increase in investment income received. The principal funding source was income received from financial investments (£1,240,690, i.e. 96.3 per cent) with the remaining 3.7 per cent coming from grants, rental income, interest and sales. Expenditure in the year was £980,666.

Funds were applied for research costs (92 per cent) and for governance and administration (8 per cent) of World Habitat.

## Investment powers, policy and performance

Under the Memorandum and Articles of Association, World Habitat has the authority to make any investment that the Board of Trustees see fit. Investments are held to provide an income to further World Habitat's objectives - both now and in the future - and the investment policy has been amended to reflect the shift in emphasis towards income rather than capital growth.

Capital appreciation of the investments continues to ensure that the value of the original gift is maintained in real terms in the longer term, recognising that there will be

short-term fluctuations due to changes in stock market values. World Habitat seeks to ensure that a sufficient income stream is generated to cover its current activities without incurring undue financial risk for the charity. The income from the charity's investments increased by 8.199 per cent from £1,148,460 in 2017 to £1,242,625 in 2018. There was a decrease of £2,651,341 in the valuation of the World Habitat total investment portfolio at the year end from £32,621,627 in 2017 to £29,970,286 in 2018. This decrease was due to uncertainty in the markets due to Brexit. The biggest fall happened in December 2018 and has been reflected in the accounts.

## Key management personnel remuneration

The Trustees consider the Director - and key management personnel of the charity - to be in charge of directing and controlling World Habitat and running and operating the charity on a day-to-day basis. All Trustees provide their time freely and no Trustee remuneration was paid in the year.

Trustees are required to disclose all relevant interests and register them with the Director and - in accordance with the charity's policy - withdraw from decisions where a conflict of interest arises. The pay of all staff is reviewed annually and normally increased in accordance with average earnings and set at market rates. The remuneration is also bench-marked with charities of a similar size and activity, to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.



## Reserves policy

World Habitat operates within a comparatively low-risk funding environment. It does not rely on any external financial support in delivering its charitable objectives and funds virtually all of its activities from the revenue generated from the financial investments, land and property that it received as a gift in 1976. As at the 31 December 2018 the World Habitat investment portfolio is currently managed by four investment managers: M & G (31.6%); Newton Investment Management (NIM) (35.8%); CCLA (6.3%); and Schrodgers (26.3%). World Habitat is committed to maintaining the value of the original gift in real terms.

This reserves policy has been developed as part of an on-going integrated financial governance process which includes development of a strategic plan, a risk management policy and an investment policy.

In 2018, the Trustees carried out a detailed review of World Habitat's activities and produced a strategic plan for the direction and activity of the charity for the following three years (until December 2021).

In the event of a collapse of the international financial markets, the organisation retains sufficient resources in readily-accessible funds to meet its current operating obligations.

The value of reserves held by World Habitat as at 31 December 2018 was £31,419,065.

• Designated Funds	£23,123,494
• Revaluation Reserve	£7,027,164
• General Unrestricted Funds	£1,268,407
• Restricted Funds	£0

### Designated Funds

Designated Funds are made up of the income maintenance fund and gift maintenance. An income maintenance fund has been created to provide the charity with a portfolio of investment assets that are managed to provide a

sufficient level of income to finance the expenditure of the organisation in carrying out its objectives. Transfers are made to this reserve of surpluses which is generated from activities after providing for a level of unrestricted reserves reflecting six months of planned activity. The gift maintenance fund has been created to maintain the original gift from East Midlands Housing Association in real terms value.

### Revaluation Reserve

A Revaluation Reserve is maintained in respect of those amounts by which investments and other assets exceed their historical cost.

### General Unrestricted Funds

General Unrestricted Funds should represent approximately six months planned activity.

### Restricted Funds

Restricted Funds represent funds provided by an external body to be used for specific expenditure.

The reserves of World Habitat are held as a form of endowment in order to generate income for the organisation. The income provided should be sufficient to cover the charitable activities of the organisation so the capital is not diminished. World Habitat requires a minimum level of reserves of £25m to allow the charity to fund its core activities. Any additional income generated above the required level will increase the money spent on the charitable aims of the organisation.

The Business Plan is reviewed on an annual basis, with both income and expenditure projected forward on an on-going basis. This reserves policy is also subject to review on an annual basis and the World Habitat Trustees carry out this review after giving due consideration to its planned programme of activity and the advice of its financial advisers as to likely income levels, any associated risks and the broader investment climate.

# Future Plans



We believe that 2019 is set to be a significant year for World Habitat. During the year we will implement a new strategy to guide our work through the next three years. The strategy will focus on achieving greater impact for our work and greater visibility for its outcomes.

We will invest in housing projects identified through the World Habitat Awards to help them grow and transfer to places where they are needed. We look forward to working with the 2018 winners - the Heritage Foundation of Pakistan to promote the growth of Pakistan Chulahs, and with Little Ones in Tokyo to combat the discrimination against single mothers in Japan.

We will further develop the European End Street Homelessness Campaign to help cities campaign for and implement Housing First programmes to provide homes for homeless people.

We will develop the informal carbon offsetting programme to regulate and formalise it with a long-term aim of making it available for wider investment.

We will review our investments to ensure that they are in line with our values. This will include working with the local community to provide greater public access and undertake environmental improvements to our land assets. We will continue to review our financial investments to ensure that they are consistent with our values.









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This annual report is issued on behalf  
of the World Habitat Board of Trustees:

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