

## Housing & Residential Property Journalist of the Year – Heather Spurr

<http://www.insidehousing.co.uk/policy/health-and-care/homelessness/east-london-moves-fuel-out-of-london-placement-surge/7011469.article>

Homelessness is the most obvious symptom of housing market failure. Heather's story, which she broke after obtaining leaked figures from a key contact, revealed the destructive impact of dwindling social housing stock combined with government benefit cuts.

The secret document uncovered the increasing trend by hamstrung councils to house their homeless households in private housing disproportionately in east London. The pattern is fuelling a rise of vulnerable people being housed outside of the capital by increasingly pressurised east London boroughs. This is was the first time conclusive evidence had proved this trend.

Heather's story made the first bulletin on BBC London TV News at 6pm and 10pm. It was also followed up by the Daily Mirror, the Independent and the Evening Standard (in print and online). The story prompted Sir Rob Wales, mayor of Newham, to declare that 'Kosovo-style social cleansing' was taking place across London.

<http://www.insidehousing.co.uk/business/finance/funding/betts-pushes-to-lead-parliamentary-inquiry-into-surpluses/7010361.article>

Heather set the agenda just before the sector's biggest housing conference this year exclusively revealing that social landlords' surpluses were to come under the magnifying glass of a new parliamentary inquiry led by Clive Betts.

Government policies this year have put housing associations under pressure like never before and the news of additional scrutiny was enough to make housing bosses sweat. At the CIH annual conference in Manchester, Matthew Bailes, then head of the social housing regulator, raised to Heather's story and pleaded with Mr Betts to understand that large surpluses were needed in a precarious market.

The story had a big impact on the social housing sector, which has been consequently hard at work submitting evidence to the inquiry, ahead of being grilled on television by a committee of MPs. Heather broke news of the inquiry one month before it was officially announced.

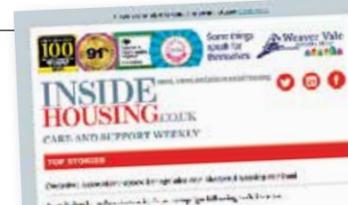
<http://www.insidehousing.co.uk/home/analysis/howards-way/7005960.article>

Heather was at the forefront of reporting a high-profile fallout between staff and senior management at one of Britain's largest hostel providers St Mungo's Broadway.

As staff were getting ready to strike over pay amid Heather's revelation of a golden handshake for the former chief executive, she interviewed the organisation's high profile chief executive Howard Sinclair. Her interview artfully drilled to the heart of Mr Sinclair's character, while also exploring the current precarious state of the homelessness sector.

The agenda-setting interview was widely shared on social media during the dispute, and Unite the union used the article as propaganda material in their press releases to darken the reputation of a man facing one of the biggest battles of his career.

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# Howard's way

Howard Sinclair has suffered a vote of no confidence by trade union Unite and now faces the prospect of industrial action. The chief executive of St Mungo's Broadway tells *Heather Spurr* about his plans for the recently merged homelessness charity

Positioned beside the chief executive's desk at St Mungo's Broadway headquarters is a hat stand bearing a curious object: a brown, rubber wolf mask that glares aggressively out of the window.

"That's for my union meetings," the mask's owner, Howard Sinclair, explains.

He is clearly joking. But the mask is an apt momento, given the notoriously affable former Broadway chief executive is being forced to bare his teeth and make unpopular cuts just six months after taking over the newly merged organisation.

Last month, he and his management team were dealt a vote of no confidence by the trade union that represents nearly half his staff.

It has been a tense summer for St Mungo's Broadway, which was created by the merger of London-based homelessness charities St Mungo's and Broadway, in April.

Unite, which has historically represented St Mungo's staff, claims Mr Sinclair's appointment amounted to a takeover by Broadway, whose £15m turnover is one-third the size of St Mungo's.

Unite is now preparing to ballot its 500-plus members at St Mungo's Broadway on industrial action, citing

'swingeing cuts to pay' for new members of staff.

The problem with Mr Sinclair for union leaders is that he is hard to dislike. Speaking with *Inside Housing* at his drab office in Hammersmith, west London, Mr Sinclair warbles enthusiastically about his first job, aged 17, in the late 1970s at Friern Hospital (formerly known as Colney Hatch Lunatic Asylum), which he took because he 'couldn't get a job at Woolworths'.

**"I don't believe everyone who works in care works with the best of motives."**

"On my first day I turned up at 7 o'clock and was told to get 45 people up and dressed, washed and cleaned and at the table for breakfast by 7.45," he recalls. "It was bizarre but that's how it was, and that was care back then."

He describes having to rouse the men, some of whom were shell-shocked from the war, some who had first-stage syphilis ("if anything teaches you about sex education, that does") and some who were from Poland - in the institution because no

one could understand them.

So did Mr Sinclair always want to work in the homelessness sector?

Mr Sinclair responds with a characteristic grin and a self-deprecating joke, rather than giving away too much.

"No," he replies. "I wanted to either open the batting for England or play centre midfield but somehow that hasn't come my way."

## Funny business

Paul Doe, chair of St Mungo's Broadway (and previously chair of St Mungo's), believes this sense of humour belies a 'serious' side.

"He can't be separated from his iPad and at times I think he's even sending me emails when he's on his motorbike. He will think about something for too long when he's on holiday."

More than this, Mr Sinclair has recently proven himself to have a steely side, and is willing to take up some controversial stances - both within his own organisation, and the rest of the sector. For instance, he openly calls for greater regulation of homelessness hostels in England.

Last month, *Inside Housing* research showed that more than half (57%) of councils have dropped the nationally recognised Quality

Assessment Framework (QAF) for regulating hostels and supported housing since 2009.

Mr Sinclair says the 2,500 people living in St Mungo's Broadway accommodation 'are just as vulnerable as elderly people, children in care and people with mental health problems'.

"Yet the bulk of services in our sector are not registered or inspected. What QAF brought in was some accountability. That is going and I think it is wrong."

Mr Sinclair worked as a learning disabilities training manager and development manager at Clwyd County Council between 1989 and 1992, just as the horrific stories of those who had historically been abused in children's homes in north Wales began to emerge.

In 2013, a previously suppressed report commissioned by Clwyd Council revealed 'extensive' physical and sexual abuse of young people over a substantial period throughout the 1970s and 1980s in the authority's children's homes.

"I have seen what happens when there isn't an independent check on service quality," he says quietly. "I don't believe everyone who works in care works with the best of motives."

Mr Sinclair believes his big job is to try to inform the public about ►



homelessness, and lobby for the government to 'prioritise spend' on homeless people. He says that local authorities slashed what they would pay for Broadway's services from £26/hour to £16/hour over four years.

With council contracts squeezing adult social care services, charities such as St Mungo's Broadway have to do more with less. How will providers survive the next five years?

'I don't think that matters,' he says. 'I don't think that is the first question. The question is: will there be organisations that can best use the resources they have got in order to meet the needs of the people presenting to them?'

'If that means there are more organisations or less organisations, that doesn't matter.'

## Urge to merge

But Mr Sinclair does have some ideas about how charities can keep their heads above the water during a climate of funding cuts.

For instance, he is open to working with the private sector and big contractors such as Serco: 'I think the private sector can bring skills experience, resources that we don't have.'

And St Mungo's Broadway is leading on the £36m Real Letting's fund. Over the past 18 months, the fund, backed by Croydon Council and Big Society Capital, has used £36m of private investment to buy 181 homes on the open market.

The other way charities will survive, he predicts, is through mergers.

'Broadway is gone,' he says wistfully. 'Twelve years of my life gone.'

One of the key reasons for the merger, he explains, was the anxiety that tighter public funds for running services would lead to poor-quality provision.

'Basically, we would have not been able to run services in the way and with the safeguards we believed in.'

Accounts dating back to 2009 show Broadway was running a deficit for at least the five years to 2013, when the charity posted a shortfall of £25,000.

St Mungo's was in a stronger financial position, but its surplus more than halved between 2012 and 2013 to £1.3m.

Mr Sinclair says the savings from the merger will be 'over a million', which seems small, given that St Mungo's turnover was £49m in 2013. Some of these savings will have come from the loss of 20 senior staff positions in both organisations in the merger.



Mr Doe describes a different motivation for the merger: the desire to expand the regional reach of the organisation, beyond London and the south of England. He sees it as a chance to 'talk to different cities and keep an eye on contracting opportunities outside our core area'.

Liverpool is one potential venture. 'We are aware that there are opportunities there but we have not made any bids yet.'

Daniel Currie, an independent consultant, believes St Mungo's Broadway has laid down the gauntlet to

**"We have so many common concerns [with Unite]. I don't know why they are choosing to squabble with us."**

other homelessness providers by becoming a 'gigantic' competitor.

'It sends out a challenge to some of the other organisations in the sector, the Thames Reaches, the Single Homeless Projects, because [St Mungo's Broadway's] size is so great. It might make them think about either a merger or a high degree of specialisation.'

For now, though, Mr Sinclair has some internal problems to sort out, namely his dispute with the organisation's main trade union, Unite.

St Mungo's Broadway proposes to change the pay structure for new staff, from one set by the National Joint Council - which is negotiated with unions - to market rate salaries.

## Rat's tale

Unite argues that, because salaries have been depressed in the housing sector, this represents a substantial pay cut. At the time of the interview, it is unclear whether pay and conditions will also be changed for staff involved in any restructuring.

An anonymous employee emailed *Inside Housing* to say they are 'appalled' by the pay cuts. 'Many people were enthused at the merger. That is no longer the case,' it says.

Unite is balloting for industrial action and the week after our interview, the union protests outside a board meeting, along with a 9 foot inflatable rat.

Mr Sinclair remains adamant that funding cuts for homelessness services means the charity can no longer afford to maintain previous salary levels for new joiners.

'We need to manage our money and cut our cloth accordingly,' he says. 'We can afford to maintain [current staff] pay, and terms and conditions, but for new staff coming in, we cannot continue at those rates.'

'We have so many common concerns [with Unite]. I don't know why they are choosing to squabble with us.'

Mr Sinclair suddenly looks sad when asked if the atmosphere at the charity is 'fraught'. After all, given his history as a 17-year-old employed in a care setting and having previously been involved in strikes himself, it must be difficult to be on the other side of the picket line?

He shifts and looks up abruptly. 'I have to justify [the changes] to myself and look at myself in the mirror. I hope I can get that over [to staff]. If I don't do that, so be it. It doesn't mean I am wrong.'

## A career carer: Howard Sinclair's CV

**1978** Temporary nursing assistant, Friern Barnet Psychiatric Hospital

**1984** Teaching English as a foreign language teacher in Turkey

**April 1985** Care assistant in an older peoples' home in Lewisham, south east London

**November 1985** Project worker with people with learning disabilities at

Camberwell Health Authority, south London  
**November 1986** Project manager at Camberwell Health Authority

**May 1988** Resettlement co-ordinator, Darent Park Hospital

**November 1989** Training manager, people with learning disabilities, Clwyd County Council

**June 1992** Development

manager, Clwyd council

**April 1996** Head of planning and strategy, housing and social services, Wrexham County Borough Council

**April 1999** Director of Mencap Cymru, Mencap

**July 2002** Chief executive, Broadway  
**1 April 2014** Chief executive, St Mungo's Broadway

# INSIDIE HOUSING

## Obstacle race

Can landlords continue to bring down void times with more cuts on the way?  
*Analysis, page 12*



## Oranje housing boom

The Dutch bring down retrofitting costs with their 'Energiesprong' approach  
*Feature, page 22*



# Out-of-London placements surge

**Homelessness** East London moves fuel increase in temporary accommodation placements outside city

**Heather Spurr**

A trend by councils to house more of their homeless families in cheaper parts of the capital is fuelling a surge in out-of-London placements, new figures reveal.

Figures released by London Councils last month show there were 1,653 placements outside the capital in 2014/15 compared to 1,292 in 2013/14 and 637 in 2012/13. Further figures obtained by *Inside Housing* this week showed this trend is being deepened by boroughs in more expensive parts of the capital increasingly moving families to other areas of London with cheaper private accommodation.

The statistics show east London boroughs received 5,017 households from other councils in 2014/15, a rise of 65% in two years. West London boroughs reported a 25% increase in placements from other councils over the same period. The increase is creating more competition for private temporary accommodation among east London boroughs, driving up prices and leading to them in turn placing more people outside the capital.

Charity Z2K said planned policies, such as lowering the benefit cap and extending the Right to Buy, risk making the problem worse.

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→ Best non grant-funded projects. See page 30

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## And 3 pages of jobs

## Finance

# Date extension for evidence

## CLG Committee says it will accept late submissions

Corin Williams

A high-profile committee of MPs investigating the financial viability of housing associations will be flexible over its deadline for evidence, after complaints over timing and "complex" terms of reference.

A number of housing associations were unable to meet the Communities and Local Government Committee deadline of 28 August, prompting Clive Betts, the committee's chair, to confirm late submissions will be accepted.

The inquiry was launched by Labour MP Mr Betts on 29 July to examine the impact of government policies including the Right to Buy, reduced social rents and welfare reform.

The Northern Housing Consortium (NHC) said it was not making a submission after a call to more than 100 of its housing association members yielded interest from just one respondent. However, some NHC members - including Riverside Group

and South Yorkshire Housing Association - have submitted their own evidence directly.

Callum Smith, policy and public affairs officer at the NHC, said many associations were unable to respond because of the complexity of the inquiry's terms of reference and that many staff were unavailable over the summer holidays.

Around 20 associations have contributed to a submission from Placeshapers, roughly a fifth of its membership.

However, Lucy Ferman, project manager at Placeshapers, said she wouldn't be surprised if associations felt unable to contribute because of the "very short timescale" and that the Housing Bill has yet to be published.

"Our submission said upfront that there are questions that can't be answered yet. We hope the committee will consider further evidence once more is known," she added.

Mr Betts said the inquiry's deadline was driven by the desire to influence government policy.

"If an association is struggling and wants an extra week to finalise their submission, I'm sure we'll be reasonable with those requests," he said.

## Homelessness

# Surge in out-of-London moves

## → Continued from front

In a further warning that government policy may restrict the availability of affordable accommodation, charity Shelter published research showing Starter Homes will be unaffordable to households on average wages in 58% of council areas by 2020.

Between January and March this year, Westminster Council placed nearly 100 households in Hackney, Newham, Redbridge and Waltham Forest. Westminster said the capital faced "unprecedented demands" for housing and called for "cross-London approaches". Sir Robin Wales, Labour mayor of Newham, said welfare reforms had "resulted in people from wealthier west London boroughs being moved to areas with lower rents". Sir Robin called for extra funding to "ensure outer boroughs are not left to deal with this pressure".

Tom Copley, Labour chair of the Greater London Assembly's housing committee, also warned that future government policies such as the forced sale of council homes to fund the Right to Buy extension would exacerbate the problem.

A Department for Communities and Local Government spokesperson said the government has made £500m of Discretionary Housing Payments available and changed the rules to allow councils to house families in the private rented sector.

## From the web

[www.insidehousing.co.uk](http://www.insidehousing.co.uk)

### ● Five most read

1. Local areas to decide on replacement RTB homes
2. Revealed: 40% of ex-council flats now rented privately
3. NHF to draw up merger guidance
4. Re-let times fall in face of bedroom tax
5. Council home sell-off impact revealed

### ● Five most commented

1. Local areas to decide on replacement RTB homes
2. What crisis?
3. NHF targets politicians in push to promote sector
4. Osborne outlines plan for

village homes

5. Council home sell-off impact revealed

### ● Blog

An Edinburgh Festival play about the E15 mothers leaves Jules Birch concerned about the future



### ● Feature



Paul Wilson finds out why a tangle of terraced streets is shortlisted for the Turner Prize

# INSIDE HOUSING

## Assaults survey

The facts and figures of physical and verbal abuse suffered by housing professionals  
*Feature, page 24*



## Tower block portrait

We step inside and meet the residents of an iconic east London tower block  
*Feature, page 46*



# Betts pushes to lead inquiry into surpluses

**Exclusive** Communities and Local Government chair Clive Betts wants landlords to explain how they use their surpluses

**Heather Spurr**

The chair of an influential select committee of MPs will push to lead a parliamentary inquiry that will examine how housing associations use their surpluses.

Clive Betts, who was re-appointed as chair of the Communities and Local Government (CLG) committee last week, told *Inside Housing* he would like his committee to explore why surpluses are not 'being used as much as some people might like to see', as part of an inquiry into housing association development.

The CLG committee, which has not yet been appointed, would need to approve Mr Betts' plans. But if Mr Betts gets his way, housing

association chief executives would be invited before parliament to answer questions about surpluses and whether they are stretching their capacity to build.

Housing associations responded by saying an inquiry would give them a chance to explain publicly why surpluses are vital.

David Montague, chief executive of L&Q, which made a £174m post-tax surplus in 2013/14, said: 'There's a lot of misunderstanding about why housing associations make surpluses. If greater public scrutiny can help everybody to understand the way that housing associations are financed, it's going to be a huge benefit.'

→ **Continued on page 2**



**"It's a concern that housing associations aren't developing to the extent we would like to see them."**

**Clive Betts**

PHOTOGRAPHY: BELINDA LAWLEY

→ **The case for capital investment. See page 12**

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**70 Community champion** Preston Community Gateway Association's Diane Bellinger is making a splash

## And 6 pages of jobs

## Finance

# Council body sets out stall

## Housing and Finance Institute looks at councils' 'business readiness'

**Pete Apps**

A new Treasury-supported body to help accelerate council house building will focus on the 'business readiness' of local authorities when it launches in the next few weeks.

Brandon Lewis, the housing minister, on Tuesday held the first summit with the key players in the new Housing and Finance Institute (HFI), ahead of its official launch.

The body - which was a key recommendation of January's *House/Elphicke Review* into council house building - was given the backing of chancellor George Osborne in the March budget.

It will provide wide-ranging advice and practical assistance to local authorities and businesses through promoting new finance models and development opportunities.

The body will not receive government funding and will have a membership structure for councils and businesses to access its advice. Natalie Elphicke, co-author of the

review, is leading the implementation of the body.

She told *Inside Housing* it will launch its website within the next few weeks and will 'come out of the blocks' with a focus on helping councils with their 'housing business readiness'.

This will involve assistance in developing business plans to increase or begin development of new homes.

Mr Lewis and Ms Elphicke were pictured on Tuesday with other key advisors to the HFI.

These included Ms Elphicke's co-author Keith House, the leader of Eastleigh Borough Council; Andy Rose and Robert Napier, chief executive and chair of the Homes and Communities Agency respectively; Barbara Spicer, chief executive of housing association Plus Dane and Ian Doolittle and Robert Beiley, partners at law firm Trowers & Hamlin.

During the review, Ms Elphicke found new housing projects were taking between three and five years to get going, with investors having between 300 and 400 meetings with councils to complete a single transaction.

The key role of the HFI is to accelerate this process.

## Government

# Betts pushes to lead inquiry

→ Continued from front page

Keith Exford, chief executive of Affinity Sutton, which made a £75m post-tax surplus in 2013/14, said an inquiry could help 'explode the myths' around surpluses.

According to the latest Homes and Communities Agency (HCA) global accounts, the housing sector's annual surplus rose by 22% in one year to £2.4bn in 2013/14.

Associations use their surpluses to give banks assurances that they will pay back debt and to cushion against unexpected events. They are becoming increasingly important to ensure development in a lower-grant environment. The proposed inquiry would also focus on the wider issue of housing association development.

Mr Betts is concerned that associations are apprehensive about new development 'in light of the lower grant per unit they are getting, compounded by concerns over welfare reform'.

Mr Betts said: 'I think it's a concern that housing associations aren't developing to the extent we would like to see them.'

The 2015/20 Affordable Homes Programme received a lower level of bids compared to previous years - 62,000 homes in initial bids compared to 84,000 in 2011/15 - with many larger providers choosing to shun government grant.

## From the web

[www.insidehousing.co.uk](http://www.insidehousing.co.uk)

### ● Five most read

1. Landlords reveal cap threat to larger homes
2. VAT ruling 'could cost landlords tens of millions'
3. Right to Buy cash ringfencing 'won't work'
4. Reduction of 31 ALMOs in five years
5. 40,000-home merger talks called off

### ● Five most commented

1. Government proceeds with benefit change against committee's advice
2. Westminster Council considers building homes outside London
3. Resident engagement models 'should be binned'

4. United front
5. DCLG 'doesn't know' Right to Buy sell-off numbers

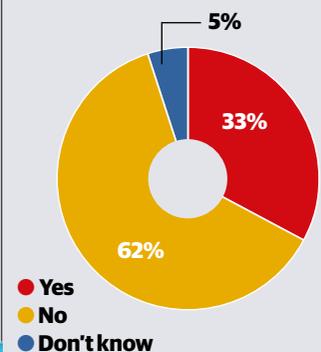
### ● Blog

Jemma Moulard asks if resident involvement works - and if there is a better way of doing it at [www.insidehousing.co.uk/debate/expert-opinion](http://www.insidehousing.co.uk/debate/expert-opinion)



### ● Web poll

With numbers falling by 31 in five years, have ALMOs had their day?



Poll respondents: 157