

CHARITY NEWS

## Anchor's way...

**CHARITABLE housing association Anchor Hanover boasts of being England's biggest specialist in "quality and affordable" accommodation for people in later life.**

Now in its seventh decade, it manages 54,000 units and 120 care homes and has, until recently, had a sound reputation with the highest possible ratings from the Regulator of Social Housing (RSH). But recent events have laid bare years of neglect, leaving tenants at risk as it chased income from lucrative retirement villages and high-end care homes.

Last month, chief executive officer Sarah Jones departed suddenly after the charity was found to need big improvements in safety, transparency, influence and accountability. The RSH gave it the second lowest consumer grade of C3.

A third of its homes had no "current satisfactory" electrical safety inspection report and it had allowed a large backlog of electrical repairs to accumulate, which it says it is now addressing. Weaknesses were also found in fire safety and water hygiene; it had unreliable information on damp and mould and did not respond well to affected tenants.

Mairi MacRae, director of campaigns and policy at Shelter, said: "Social landlords have had years to get ready for new regulations and get their house in order, but too many tenants are still living in homes that are putting their lives at risk. After the devastating Grenfell Tower fire and tragic death of Awaab Ishak in his social home due to damp and mould, tenants should expect their homes to be safe and professionally managed."

In June, the regulator also downgraded Anchor's governance rating from a G1 to a non-compliant G3 for poor risk management and health and safety reporting compliance. Amanda Holgate, Anchor's interim chief executive, said: "We apologise for the shortcomings identified and recognise the concern and distress they may have caused residents and their families... We fully accept the judgement and are committed to delivering the improvements required to restore confidence in our services and governance processes."

To maintain its charitable status – bringing tax breaks, grants, donations and preferential relationships with government and council agencies – Anchor must work towards its charitable objectives, which its governing documents say are "the relief of elderly persons" and others who are frail by providing "housing, amenities and services for their accommodation, support, relief and treatment".

Like many housing associations, Anchor has had to try to balance the books after government

subsidies were slashed, moving into high end property. Last year it was sitting on £1.6bn worth of assets, exceptionally low debt as a proportion of its equity at 28.9 percent, and £144.6m of undrawn facilities at the last year end. Its turnover was up 13 percent to £628.7m, which it put down to higher rents and service charges and more care homes. Much of this will have come from housing benefit.

However, despite a housing shortage that is particularly acute in the social sector, it has barely added to the lowest cost social rented housing stock. Its "affordable housing" sells as shared ownership on the open market for upwards of £400,000. It has invested in care homes costing up to £1,900 per week and moved into the retirement village market more usually backed by venture capital.

Its development at Bishopstoke Park, Hampshire (*pictured*), for example, offers "the best of luxury retirement living... around our stunning 19th-century Mount building" with a "state-of-the-art wellness centre and spa" within extensive grounds. In 2021, it was offering two-bedroom flats starting at £600,000 plus "further weekly charges and exit fees".

Losses incurred by such commercial enterprises included an impairment charge of £9.6m on a development where the contractor went bust and a £15.5m write-down passed on to the parent company from an investment subsidiary. So it appears income from social



housing rent and service charges is propping up the commercial arm – very much the wrong way around.

Meanwhile, every director earns more than the prime minister and more than 200 staff earn above £60,000.

Suzanne Muna, co-founder of the Social Housing Action Campaign, said: "Housing associations like Anchor appear to have ditched their social purpose in favour of higher paying business streams. It is a pattern of commercialisation that has been encouraged by successive governments through the funding and regulatory systems, and left to flourish in a vacuum of unaccountability. Excessive operating surpluses and highly paid executives and board members make the larger housing associations indistinguishable from the big corporate private developers and landlords."

Anchor told the *Eye*: "Having a range of price points and services makes us more resilient and means we can offer homes to a wider group of older people." However, it added, it is refocusing on social and affordable housing and repurposing some of its unsold luxury apartments for that end of the market.