



Annual Report
2019



Our mission and objectives

World Habitat is a catalyst for change. We aim to help 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.
- Helping new ideas develop, so they benefit the people who need them most.

Safe and secure housing is a human right; without it, people cannot fulfil their true life-potential. For a large proportion of the world's population, poverty, conflict, natural disasters, and the growing impacts of the climate emergency deny people that fundamental right.

UN-Habitat estimates that a billion people currently live in unsafe and unhealthy homes and millions more have no home at all. It does not have to be like this. The world has made huge

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progress in social development. In recent decades billions have been lifted out of poverty. Life expectancy has soared, and more people than ever are safely housed. A world where everyone has a safe and secure home is a goal that is firmly within reach.

However, there are new dangers that threaten this progress. Old political and economic certainties are retreating, weakening people's rights and increasing the risk of conflict. A rising global population is straining the world's resources and the climate is becoming increasingly unstable and unpredictable. These tensions are felt first by the poorest people who can least afford to insulate themselves from the effects.

However, the poorest are often the most resourceful, and their communities are often the strongest. In our experience, with the right support, most communities have the potential to solve their own housing struggles and find a path out of poverty. Indeed, housing is always better, and the impacts on communities more significant, if they are shaped by those who are directly affected.

Solutions to most of the world's housing problems already exist, but most communities do not have access to the knowledge, support, expertise and experience to make full use of them. World Habitat is a catalyst, seeking out solutions to the world's housing problems helping them to grow and develop, and then transfer them to communities in new places where they are needed most.

In 2019 we sought to have a greater positive impact on more communities than ever before. Trustees approved a new strategy that will guide our work from 2019 to 2021.

The strategy sets our objectives to:

- Seek out and develop new and effective solutions to the world's greatest housing challenges.
- Support emerging innovative ideas and projects to develop and grow, so they help more people.
- Invest in housing projects to help them reach more people.
- Promote proven housing solutions and helping to transfer them to places where they are needed most.
- Work around the world to develop what works and to discover new solutions to making housing safe and secure.

Over
300% 

Increase of global media coverage compared with 2018

Over
450% 

Increase in Twitter reach compared to 2017

6



Community-led housing organisations funded across the world

The World Habitat Awards

Seeking out and developing new and effective solutions to the world's greatest housing challenges



The World Habitat Awards are a global housing competition run in partnership with UN-Habitat. The Awards identify, reward and showcase the very best housing projects around the world.

We established the competition in 1985 as our contribution to the UN International Year of Shelter for the Homeless and have operated it every year since. Each year we present two awards to projects that provide practical, innovative solutions to current housing needs.

In 2018 the two winners were:

- Pakistan Chulahs: The smokeless stoves empowering women and changing lives.
- Affordable housing for single mothers in Japan.

Both projects were presented with their World Habitat Awards at special events during 2019.

Pakistan Chulahs

Pakistan Chulahs is a programme to build low-cost smokeless stoves to help improve women's health and alleviate poverty in rural Pakistan, where four in every five households lack access to a clean, safe cooking resource.

Smoke from traditional open-flame wood-burning stoves can cause serious respiratory infections and eye problems, while food cooked on these floor-mounted stoves is easily contaminated leading to diarrhoea, especially in children.

The Chulah programme teaches marginalised women to build a hygienic, sustainable, smokeless earthen stove, which not only improves their health, but also empowers them to earn a living by marketing and building stoves in other villages.



The programme is run by the Heritage Foundation of Pakistan, which has trained 35 'Barefoot Village Entrepreneurs' (BVEs) in Chulah construction. BVEs act as master trainers, charging USD\$2 to teach other women to build their own Chulahs out of mud bricks and lime. Materials cost an additional USD\$6, bringing the total cost to USD\$8.

Chulah stoves use 50-70% less firewood than traditional stoves, reducing deforestation and saving valuable time for women, whose job it is to collect fuel.

Since 2014, more than 40,000 stoves have been built, improving the health of 300,000 people. The Heritage Foundation aims to expand the programme to build 100,000 Chulahs per year, bringing the health and economic benefits of the stoves to millions more disadvantaged women and their families.

The World Habitat Award was presented to Yasmeen Lari, Chief Executive of The Heritage Foundation of Pakistan, by Dr Arif Alvi, the President of Pakistan, during a conference held at the World Heritage site of Makli in Sindh province, Pakistan in November 2019.

“I cannot thank World Habitat enough for the Award and even more so for arranging for the trophy to be presented in Pakistan in the midst of hundreds of rural women representing 60,000 women chulah-makers of Pakistan. In a male dominated society, witnessing a trophy dedicated to women for their initiative and creativity, has elevated women’s status in society.”

Yasmeen Lari, Co-Founder and CEO, Heritage Foundation of Pakistan and 2018 World Habitat Awards winner

Affordable housing for single mothers in Japan

Affordable housing for single mothers in Japan makes use of some of the millions of empty homes in Japan to provide safe and stable homes for single mothers to live in.

Single mothers experience hardship and discrimination in Japan. Traditional views of single mothers are that they are financially unstable. This creates barriers to them in the workplace after having children. Social stigma, lack of economic opportunities and sky-high living costs in cities like Tokyo mean the majority of single mothers and their children live below the poverty line.

Little Ones – a non-profit organisation established in 2008 to support the rising number of single parent families – works with property owners, estate agents and local government to acquire empty or abandoned homes. These account for 14% of Japan’s total housing stock and are considered a huge problem. The properties are renovated using government subsidies and rented out to single mothers at discounted rates.

Since 2013, Little Ones has housed more than 200 single mothers using this approach, turning problematic abandoned houses into much-needed homes for a vulnerable group of women and children.

The World Habitat Award was presented to Kuni Koyama, Director of Little Ones, by Victor Kisob, Assistant Secretary-General, Deputy Executive Director for UN-Habitat, at the first session of the UN-Habitat Assembly in Nairobi, Kenya in May 2019.

“The two World Habitat Awards winners are an inspiration for many. They illustrate how housing innovations, inclusion and empowerment can change lives, and contribute to families and communities, well-being in cities, and human settlements.”

Mr Victor Kisob, the Deputy Executive Director at UN-Habitat

“After receiving the World Habitat Award, my organisation, Little Ones, has had many great experiences. It is so great to have been able to share our ideas and to know that single mothers across the world are getting more and more support as a result. We ... really appreciate what the World Habitat Award has done for us.”

Kuni Koyama from World Habitat Award Winner 2018 Little Ones



Our transfer programmes

Investing in evidenced housing projects, to help them reach more people

One of our principal aims is to transfer great ideas and practices to places where they are needed most. Every year we invest in projects and programmes that we have evidenced and previously awarded through the World Habitat Awards.

Self-recovery from natural disasters

In 2017 the Post-Haiyan Self-Recovery Housing Programme was one of our World Habitat Award winners.

This 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

took an innovative approach to aid – enabling communities to recover themselves. They 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. It also enabled people to stay and rebuild their communities, rather than be relocated.

CARE Philippines and their network of local partner organisations responded with extensive shelter and livelihoods programmes, based on supporting self-recovery. They reached almost 16,000 families in geographically isolated and disadvantaged areas across the islands of Leyte and Panay with cash, materials and tools, combined with technical assistance. This helped them rebuild their homes so that they were stronger and better than before.

Many of the barangays (local administrative units) that received shelter support were also recipients of livelihood support through two cash grants, which families spent on projects as varied as piggeries and rice-mills. Evaluations found that the new homes were a significant improvement on the pre-Haiyan houses: better built, stronger, often bigger, and families expressing an evident sense of pride, satisfaction and ‘ownership’ of their achievements.

This programme was considered better than the contractor-built ‘whole-house’ approach (sometimes utilised by agencies) because it reduced costs, allowed for flexibility and choice, as well as potentially leaving a legacy of education in safer building. Despite having to invest their own time and resources into the houses, families recognised that their homes, once finished, were tailored to their needs and resources.



During 2019 we ran an event in Manila in partnership with CARE Philippines. This event brought together participants from CARE International and other international aid agencies to learn the lessons of the self-recovery housing programme that were successfully deployed following Typhoon Haiyan.

Following the event World Habitat jointly published two reports and a film with CARE International aimed at sharing the knowledge

gained from the programme: ‘Soaring High: Self-Recovery through the eyes of local actors’ is a technical guidance booklet aimed at the international shelter community. It was supported by a short film produced by CARE International and ‘Through the eyes of local actors. How self-recovery was supported after Typhoon Haiyan in the Philippines’ is a briefing note for a non-technical audience.

Scaling up self-reliance in Pakistan

The Pakistan Chulah programme operates in 150 villages in Southern Sindh province. These villages all lack basic amenities. There is no power, piped water supply, or toilets. Most houses are extremely basic and not resistant to flooding. The population have no access to schools, or health care.

The Chulah (clay ovens) project – which won a World Habitat Award in 2018 are the first intervention in these villages by the Heritage Foundation of Pakistan. They have an ambition to make further improvements so that the villages meet the standards set out in the United Nation’s Sustainable Development Goals.

The model that Heritage Foundation so successfully used with Pakistan Chulahs is the ‘barefoot entrepreneur’ model, where local people are trained so that they acquire the skills and knowledge to build chulahs. They impart that knowledge and provide project management to help other people for a small fee.

The ‘barefoot entrepreneur’ model has been extraordinarily successful creating an exponential growth of knowledge as trainers cascade the training to more trainers. Some of the most successful trainers have transformed their lives creating an income that has lifted them out of poverty.



Champa is one of the ‘barefoot entrepreneurs’ working on the Pakistan Chulah programme:

“So far, my husband and I have helped to make 14,000 stoves. We work together and have been able to purchase a motorcycle and jewellery from the money we have made. Now we are happy as we are able to live in comfort.

“The ladies always ask about the benefit of the stoves. Since it is placed at a certain height, it does not cause harm to the children, not even toddlers. It’s also safe for women. It prevents the smoke entering their eyes. It also avoids the heat reaching your face.

“I teach them how to build the stove themselves. It makes us happy that they are also learning to build it and then teaching others.

“People from Heritage Foundation of Pakistan came to our village and taught us how to make stoves. We made one of our own and then went on to make stoves in other villages. We charge

Rs. 200 (USD\$2) to build a stove. Whenever we visit a village, we first make a platform at a certain altitude. This platform is beneficial in case of damage caused by rain and floods.

“The stove helps in saving timber and it has a chimney alongside which guides the smoke upward. This stove also keeps the women safe. There is a separate storage space for utensils. Usually utensils are kept on the ground, uncovered, resulting in getting infected with insects and germs. That is why we urge people to make such elevated stoves.

“We have developed teams in every city. Approximately there are three to four teams in every village. They teach others how to make stoves and people learn from them.”



To help develop the 'barefoot entrepreneur' model even further, World Habitat has invested in the construction of training centres in thirty villages. These buildings will be traditionally-built from bamboo and mud and will provide locations where more 'barefoot entrepreneurs' can be trained, but also where people from the villages will be able to learn the skills to not just build stoves but also rebuild houses and install toilets. The training centre buildings will also be used as a school classroom.

World Habitat are paying the capital costs of building the centres. The running costs of the training centres are being met by Heritage Foundation of Pakistan with the assistance of funding provided by the British Council. Flooding in late 2019 and the lockdown required by the Pakistan government in response to the COVID-19 pandemic has temporarily disrupted the programme, but it is expected to resume in 2021.

Ending street homelessness in Europe

Promoting proven housing solutions and helping to transfer them to places where they are needed most

The European End Street Homelessness Campaign is a network of local city campaigns, all working with the same set of principles to end street homelessness in their communities. It is a movement of people, including support workers, directors of charities, local government officials, community volunteers and people with lived experience of street homelessness.

Since 2015 our campaign has brought these individuals and their organisations together to help them learn from each other and show how communities everywhere can develop solutions to street homelessness.



The origins of the campaign lie in adapting learning from our World Habitat Awards, by combining the community mobilisation and focus on data of the 100,000 Homes Campaign in the USA, with Finland's Y-Foundation and their national Housing First approach.

The campaign provides a space for individuals and organisations to learn from each other and share experiences as a community. We host Peer Exchanges and Annual Gatherings for representatives of city campaigns, while also bringing in expertise from across Europe as we promote the sharing of knowledge and good practice.

The campaign has always been a testing ground for new ideas and approaches. In 2019 our Innovation Grant and bespoke Support Programmes were a huge success - we worked in partnership with organisations to define what they needed to make the most meaningful change to the lives of those they work with.

Through delivering the campaign we continue to build our own body of evidence on what is working - and how others might learn from it. In 2019 we launched an online campaign toolkit detailing - step-by-step - how the same techniques and processes can be used by other interested organisations to bring their community together to campaign for change.

2019 saw exciting progress with new Housing First projects developing in Croydon and Torbay, Connections Weeks in Bratislava and Brighton, and the upscaling of Housing First across five cities in Scotland - including our campaign city Glasgow. We facilitated Peer Exchange visits for municipality commissioners, Housing First workers and campaign co-ordinators. And also facilitated training for people with lived experience to take more active roles in the way homelessness services are run.

Paul is a 'Lived-Experience Champion' as part of Leicester's Homelessness Charter

"Before I worked with Action Homeless in Leicester, I had been in and out of hostels and night shelters in the city and doing my own thing during the day. By working closely with the organisation, I was found bed and breakfast accommodation in the interim and then placed into my own tenancy.

"With support from both Action Homeless and Leicester City Council I've been housed now for over a year and am so grateful to those that helped.

"At the end of 2019 I took part in a training course for people with lived experience of homelessness by Expert Link called 'Being the Difference'. The aim is to help people become meaningfully involved in the way homeless services are run. This course - funded by an Innovation Grant from World Habitat - has been so motivating and inspirational. No one

else has been able to motivate me like this, I just want to be involved and helpful. I wanted to do peer mentoring and the project has pushed me forward to do this. I know where homeless people are coming from because I have been there. I know how they are feeling and they'll listen to me more.

"People tell me they know how I feel but you have to be in a situation to know what it's like. I'm learning a lot about myself and homeless charities. Action Homeless have been brilliant, I am so grateful for all the support I've been given. Recently I've been to some more strategic meetings with Leicester's Homelessness Charter.

"With everything I am involved in it is motivating to be part of something good. In my heart and mind, it's time for me to repay the favour."

The real strength of the campaign is the individuals within organisations who have the passion, drive, commitment and tenacity to help deliver real change in their communities.

Our Support Programme helps these key people from across Europe to learn and adapt what has worked elsewhere, to identify the opportunities and challenges in their cities, to create a clear plan, and to work with other committed people who are equally determined to end street homelessness. The campaign cities demonstrate how communities themselves can take the necessary steps towards addressing some of the

most pressing homelessness challenges of our time and the strength of being part of a wider campaign for change.

Campaign City – Bratislava

Conditions for people who are street homeless in Slovakia are some of the most challenging in Europe. Bratislava, like many other Eastern European capitals, can be deadly for those who sleep on the streets, especially in winter months when temperatures plummet. With no legal definition of homelessness and no accurate data on how many people are street homeless, the system relies on a limited number of basic – yet life-saving – emergency shelters.

World Habitat has been working with partners in the city to address these challenges. There is a growing movement of civil society organisations working to develop life-saving social outreach programmes, alongside stimulating debate in how to adapt evidence-based interventions like Housing First and Rapid Rehousing.

In June 2019 we hosted the Annual Gathering of Cities in the central Old Town District, which brought together professionals – from across Europe – for three days of learning, knowledge transfer and



action planning. It highlighted the limitations of service provision in the city. World Habitat staff and city campaign partners met with senior officials in the local municipality to highlight the work of lead organisation OZ STOPA Slovensko, whilst advocating for the increased supply of social flats and encouraging more partnerships between the city’s homelessness agencies.

In September we supported OZ STOPA Slovensko to co-ordinate their second Connections Week in the historic Old Town District. Over 40 local volunteers and trained outreach staff met and surveyed 169 people in just one afternoon. More than two-in-

three (69%) were chronically homeless, with over one-in-five (21%) revealing they have been sleeping on the streets for 10 to 15 years.

With the support of World Habitat, the campaign in Bratislava will continue to change public perceptions and challenge the status quo that perpetuates widespread attitudes of street homelessness as an inevitable part of society.

The world will face an unprecedented challenge throughout 2020 due to the COVID-19 pandemic. It brings into sharp focus the even more urgent need for effective action to provide homes and support for people who are street homeless. Even in these most difficult of times we see extraordinary efforts, inspiring action, communities mobilising and a strong commitment to supporting each other.

World Habitat is committed to building on the initial impact of our campaign – and in spite of the enormous challenge of COVID-19 – we will continue to provide resources and bring together like-minded people – to learn, share and, above all, act to end street homelessness.

the european
end street
homelessness
campaign

world
habitat

755 

**Community
volunteers**

(campaign total to date: 3,136)

654 

**Surveys
completed**

(campaign total to date: 2,954)

428 

**People moved
into permanent
accommodation**

(campaign total to date: 644)

137 

**Housing First
units developed**

(campaign total to date: 300)

4 

**Connections
Weeks**

(campaign total to date: 20)



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.

Our current programme aims to help community-led housing grow in areas of the world where there is a need for it, but it is currently underdeveloped. In 2019 our work was targeted in three areas: Eastern Europe, Brazil and Bangladesh. The programmes we are supporting in these areas also represent different contexts where community-led housing can help solve wider challenges faced by the communities who live there.

In 2019 we began helping to 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, Slovenia and Czechia 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.

Zsuzsi Pósfai is a member of the Rákóczi Collective (RC) in Budapest, Hungary

“At the end of January 2019, we moved into the first co-operative house set up by members of Rákóczi Collective – which will hopefully become a precedent for many similar houses in the future.

“It was the result of many years of effort and organisation. Seven of us now live here, with much more space and better living conditions than we had before. The housing situation has become increasingly difficult in Budapest, with house prices and rents rising sharply – some have nearly doubled in the last five years. Renting is also risky as it is under-regulated and tenants are not protected from landlords – you can be evicted at short notice or subjected to any rise in rent.

“We encountered a number of difficulties [including securing loans and renovations] along the way – many because this kind of housing doesn’t exist in Hungary. Collectively-owned

housing is practically unknown here, so municipalities, financial institutions or any other external party believe it’s too risky.

“We’re planning a systematic, reliable financial resource that other groups will also be able to use in the future. This is essential for creating a model that’s truly accessible to a wide segment of Hungarian society, who have difficulties paying for their housing.

“All of the challenges we’ve faced are similar for all pioneering housing co-operative groups in Eastern Europe, which is why we collaborate as part of MOBA. Besides building a supportive network, we also help each other in very tangible ways to overcome these challenges.

“In the meantime, we are busy creating a home and a community, and not merely a pilot project out of this house, that has huge and lasting potential.”



We also began supporting a programme piloting the introduction of a community land trust in Rio de Janeiro in Brazil. The community land trust model was first used to regularise an informal settlement in Caño Martín Peña in Puerto Rico, a project that won a World Habitat Award in 2015. Part of the transfer work from that project led us to Rio de Janeiro where ideas were exchanged and reciprocal visits undertaken. Residents of the Trapicheiros Favela are now developing the first community land trust in Brazil with support from Catalytic Communities and World Habitat. This new

Favela Community Land Trust will ensure residents have control over all developments, including collective ownership of the land, which ensures they can stay living in their communities, without displacement by either the authorities or real estate markets.

The third project we are supporting is in the Bihari camps in Bangladesh. Approximately 300,000 people of the Urdu-speaking linguistic minority have been living in 116 internal displacement camps (Bihari Camps) since partition with Pakistan in 1971. In 2008,

the long-standing question of the Urdu-speaking community’s national identity status was resolved, when the Dhaka High Court confirmed their Bangladeshi citizenship. Now that they are no longer considered ‘internally displaced’ their right to stay on the camps’ land is in question. The project we are supporting seeks to explore the potential of the community land trust model to protect and rehabilitate the camps’ land. Our work is at the very early stages of galvanising the community through community-based mapping, information gathering and building consensus about a way forward.

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.

During 2019 we held an open day at the Peter Elderfield Memorial Wood – a 27-acre area of woodland planted in memory of our founder. The open day took place on Monday 29 April. On the day we were joined by local schoolchildren from St John the Baptist C of E Primary School, members of the local community, The National Forest, Leicestershire and Rutland Wildlife Trust, The Conservation volunteers, staff and trustees from World Habitat and Alex and Ruth Elderfield – son and daughter of our founder.

The event started with a welcome by World Habitat CEO David Ireland, followed by a speech from the Deputy Lieutenant, Mrs Janie Martin. Mrs Martin then unveiled a sleeper bench dedicated to Peter Elderfield.

Following this, schoolchildren planted fruit trees along with members of the local community. Fifteen fruit trees were planted, including pear, crab apple, cider apple and plum.

After planting the fruit trees, the children had a look at the dedicated forest school area. This includes a seating circle and spare wood for the children to use in their activities. The children then had a willow weaving demonstration from Jam of The Gardener's Boothy. After Jam had demonstrated how to make an obelisk, the children made a snail. An afternoon tea was also provided in the marquee.

Reducing our carbon emissions

Our Trustees acknowledge the climate emergency and want to ensure World Habitat is socially responsible and reduces and manages its own impact.

Like all organisations our activities consume energy and generate carbon dioxide and other greenhouse gas emissions. Our international travel means we consume more than most organisations of our size. We take our responsibilities seriously and have developed a carbon management plan that seeks to reduce our carbon emissions and offset all that we emit. Trustees have approved targets to reduce our carbon emissions by 50% of 2016 levels by 2030 and reduce them to zero by 2050.

We do this through carefully measuring our emissions, setting annual targets, an annual carbon budget for each programme, and introducing improvements. To offset our emissions, we invest in housing-related programmes that reduce carbon emissions and also help provide safe and secure housing for low-income people. We are currently planning to develop our carbon offsetting programme to enable others to invest in these same programmes.

In 2019, our carbon emissions were 68 tonnes. This was a significant reduction on our peak year of 2017 when we emitted 143 tonnes. This was due to a large reduction in the number of flights taken during the year. We expect our emissions to be slightly lower in 2020, as a result of us undertaking very little travel and staff are working from home due to the COVID-19 pandemic. We do not want this to be a blip. We aim to proactively adjust our approaches and policies so that we can continue to have a growing impact as an organisation whilst reducing our carbon emissions to at least meet our targets.

Governance



Charity Code of Governance

In 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.

During 2019 World Habitat reviewed all its activities to ensure they meet the code's recommendations. We made 33 changes to our policies and internal processes to ensure we meet the Code's recommendations. Trustees decided that any areas where we do not meet the standard we will publish in the annual report.

One area which remains outstanding is trustee induction. Trustees concluded that our process needs to be reviewed and until the review we cannot say that it meets the Charity Code of Governance standards. A new trustee induction policy is due to be considered by trustees for approval in June 2020.

Recruitment, appointment and training of trustees

As set out in the Articles of Association, trustees are appointed for a fixed-term of three years, unless the Board of Trustees sets a shorter period prior to appointment. Trustees shall cease to be members of the Board of Trustees at the end of the fixed-term but may be reappointed at the Annual General Meeting held in June. Trustees may serve as a member of the Board of Trustees for a continuous or aggregate period of nine years without the support of a special resolution at a general meeting of the association. The Articles state that the number of trustees should not exceed nine. The members of the organisation are co-terminus with the trustees. All members of the organisation are circulated with invitations to nominate trustees prior to the AGM, advising them of the retiring trustees and requesting nominations for the AGM.

All members of the board of trustees give their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 in the accounts.

Stuart Macdonald and Alan Pearson reached the end of their term of office and were re-elected for a further three-year term at the AGM. Adam Challis, Ian McCormack and Nick Murphy were appointed at the AGM to serve a three-year term.

During the year, the board decided to appoint a vice-chair to assist and deputise for the chair in his absence. A



recruitment process was carried out and Stuart MacDonald was appointed as Vice-Chair for a period of three years.

There is a process in place for trustee appraisals to take place every 12 to 18 months. Appraisals are carried out by the Chair and feedback provided for trustees. General themes that emerge from trustee appraisals are reported back to the board.

In 2019 Trustees approved a process for appraising the Chair. The process involves a self-appraisal and an interview carried out by trustees led by the Vice-Chair.

A revised trustee induction policy is to be considered for approval by trustees in June 2020. New trustees are provided with full information to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. Opportunities are provided for new trustees to meet all employees and other trustees. Trustees are encouraged to attend appropriate external training events to facilitate the undertaking of their role and to meet regularly with the World Habitat staff team.

Organisation

The board of trustees, which can have up to nine members, administers the charity. The board meets quarterly and there is one standing sub-committee covering investment and other financial matters. Working groups are established to address particular issues if needed. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective

operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and all activity relating to meeting the organisation's objectives. During the year, our Chief Executive was Mr David Ireland, who joined the organisation in June 2014.

Diversity and equality

Each year trustees review reports on staff and recruitment equalities and diversity. In 2019 Trustees reviewed the charity's equalities and diversity policy and made a number of improvements. Trustees acknowledge that minority groups are underrepresented in the staff team and the board; and have made a commitment to make further improvements with the aim of addressing this. Trustees undertook diversity training in June 2019.

Trustees agreed through board succession and recruitment to at least maintain and ideally enhance the diversity of the board. They will ensure that when a trustee retires, the board seeks a successor that at least maintains – and ideally increases – board diversity.

Trustees agreed that in addition to recruitment information they would regularly monitor board and staff diversity. Trustees updated the criteria used to measure diversity so that the categories match the current census categories.

Financial review

Overview of the year

In 2018, our trustees carried out a detailed review of the charity's activities and produced a strategic plan for the direction and activity of the charity for the following three years (until December 2021). Implementation of the plan started during 2019.

The total income for the year was £1,379,706. This represents a 7.047% increase on the income in 2018 of £1,288,876. The increase was primarily due to an increase in investment income received. The principal funding source is income received from financial investments (£1,340,058 i.e. 97.1%), with the remaining 2.9% received from grants, rental income, interest and sales. Expenditure in the year was £1,016,535. This was lower than income by £363,171. This was partly due to higher than anticipated investment income of £126k during the year and lower expenditure in the following areas.

Staff costs were £93k lower than budget due to an employee being on sabbatical leave, a delay in appointing a replacement on the World Habitat Award team and changes to the staffing structure. Carbon Offsetting was £30k lower than budget due to a delay in setting up the accredited carbon offsetting scheme. This cost has been carried forward to the next year's account. Knowledge transfer activities were £60k lower than budget due to a reduction in the costs for the exchange activities and the knowledge development activities being delayed until 2020. This has been included in the budget for the following year.

Funds have been applied in respect of research costs and in the governance and administration of the organisation, with 92% of funds expended relating to research and 8% to governance and administration.

Investment powers, policy and performance

Under the Memorandum and Articles of Association, the charity has the power to make any investment that the trustees see fit. Investments are held to provide an income to further the objectives of the Foundation, both now and in the future and the investment policy has been amended to reflect the slight 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 the 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 7.19% from £1,281,410 in 2018 to £1,373,590 in 2019. There was an increase of £4,699,520 in the valuation of the World Habitat total investment portfolio at the year end from £29,970,286 in 2018 to £34,669,806 in 2019. This

increase was partly due to a recovery in the markets after the fall in December 2018 and investing £984,108 in the Responsible Multi Asset Fund.

Key management personnel remuneration

Key management personnel are defined in the Charity SORP as "those persons having authority and responsibility for planning, directing and controlling the activities of the charity, directly or indirectly, including any Directors of the charity". World Habitat trustees consider that key management personnel of the charity are the trustees, the Chief Executive and all other members of the senior executive team.

All trustees give up their time freely and no trustee remuneration was paid in the year. Details of trustee expenses are disclosed in note 8 to the accounts. One employee received remuneration above £60,000.

Trustees are required to disclose all relevant interests and register them with the Chief Executive and – in accordance with the charity's policy – withdraw from decisions where a conflict of interest arises.

The pay of the senior management personnel 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, as 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 2019 the World Habitat investment portfolio is currently managed by four investment managers, M & G (31.8%), Newton Investment Management (NIM) (35.6%), CCLA (5.2%) and Schrodgers (27.4%). 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 ongoing 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 the charity's activities and produced a strategic plan for the direction and activity of the charity for the following three years (until December 2021). Implementation of the plan started during 2019. As a result of this review, business plans are developed which identify specific levels of anticipated income and expenditure in each year, together with details of the expected outputs and outcomes of the activities.

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 2019 was £35,650,132. This was made up of the following:

Designated Funds	£23,350,091
Revaluation Reserve	£10,742,576
General Unrestricted Funds	£1,557,465
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 will be 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 generated from activities after providing for a level of unrestricted reserves reflecting six-months 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. The balance of the funds at the 31 December 2019 is £1,557,465. This currently represents 13 months planned activity. This is acceptable in the current time due to the uncertainty around the impact on our investments from COVID-19. 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.

If the reserves of the organisation go below £25m then we would need to adjust our spending. If this was a short-term dip, then we would review the dividends we receive. If the dip was long-term we would look to review our future budget and strategy. 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 will 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 2020 is set to be an important year for World Habitat. Like every other organisation our plans have been significantly affected by the pandemic. Nevertheless, we aim to make a number of important improvements to the organisation which will have a long-term impact on our operations.

After 44 years based in Coalville, we plan to relocate our main workplace to a city centre location in Leicester so that we are better connected to our partners. We are also planning to reorganise our staffing structure to help us better deliver the objectives in our strategy. Whilst the pandemic may delay these plans, we are committed to achieving them this year.

We are also planning to develop the European End Street Homelessness Campaign. The pandemic has dramatically changed the environment in which the campaign operates. In some countries most street homeless people have been temporarily housed in shelters. Whilst the objectives of the campaign are unchanged, how we achieve them might need to. We aim to be broadminded and agile in how the campaign can add most value and help cities achieve their aims of permanently housing street homeless people.

Trustees have agreed to extend the campaign until 2025. We plan to develop the campaign so that as cities graduate from the campaign they are replaced with more diverse cities in the early stages of their journey towards zero street homelessness. We are particularly interested in expanding the campaign in central and Eastern Europe.

We plan to operate the World Habitat Awards through the pandemic. We have been heartened by the extraordinary response to the competition with a record number of submissions. We believe that sharing and

helping the uptake of good practice has never been more important. We will develop and improve our transfer programme to increase our impact. We will seek out evidence that seemingly impossible and insoluble housing problems can be solved and, where we can, demonstrate solutions that can be scaled up and transferred so that they become world leading.

We will continue to develop our community-led housing work into parts of the world where the concept is less developed. We are enthusiastically working with some of the poorest communities around the world to develop and improve their homes and communities through adapting and adopting community-led approaches.

We will vigorously pursue efforts to reduce our own carbon emissions and encourage our partners to do the same. Whilst we aim to achieve zero emissions in the long term, we recognise that we will need to off-set our existing emissions in the meantime. We will develop our own housing-based carbon offsetting programme that invests in the construction of net-zero carbon homes in Africa, so that it can be verified and enable others to invest.

We will continue to review and monitor our financial investments to ensure that they are in line with our values. We aim to ensure our investments are free from arms sales to military regimes, unethical lending practices, human rights violations, environmental degradation and activities that are incompatible with the 2015 Paris Agreement to limit the increase in global average temperature to 2°C and pursue efforts to limit the increase to 1.5°C.

We will continue to work with the local community to provide greater public access and undertake environmental improvements to our land assets.



How our activities deliver public benefit

When planning activities for the year World Habitat trustees had due regard to guidance on public benefit produced by the Charity Commission. Our charitable activities focus on the prevention or relief of poverty, and the advancement of education for the public benefit.

In particular our programmes aim to increase the provision of adequate housing for people with few housing choices. Our work in operating and promoting the World Habitat Awards aims to fuel innovation and inspire others to adopt the best housing practice and enable the best housing projects to scale up, expand and be replicated where they are needed most. This we believe will enable more people in housing need to be better housed.

Our Community-Led Housing programme aims to create the conditions in which community led-housing can scale up and expand.



This will provide a greater provision and greater choice of low-cost housing benefiting people on low incomes.

Our European End Street Homelessness Campaign aims to help end street homelessness in participating cities in Europe. Street homelessness is the most extreme form of social exclusion. People living on the streets have dramatically worse health, lower life expectancy and lower life chances than others in society. Our programme aims to create the conditions in which people living on the streets are quickly and permanently housed.

Trustees believe undertaking our main activities described above fully meets the requirements of section 17 of The Charities Act 2011 to deliver public benefit.



**Our vision is a world
where everyone has
a safe and secure
home in a successful
community.**

We are:

- an agent for change
- globally minded
- independent
- innovative
- caring
- well connected.

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