

nationalhomelessness propertyfund

Social Impact Report
First Year (2016/17)

Scaling up solutions to homelessness
through social impact investment



St Mungo's
Ending homelessness
Rebuilding lives

resonance



Using this report

This report tries to balance being comprehensive with being accessible. Given that the Fund will change year on year, we have sought to make it easier to see where something is a consistent feature that is unlikely to change much over time. We use explanation boxes for these, typically to describe particular areas or processes. If they do change, future reports will make it clear that this has happened. For readers already familiar with the Real Lettings Property Fund (RLPF) in London, they can choose whether to refer to these boxes or not. Although the Funds are at very different stages of development – year one for this National Homelessness Property Fund (NHPF) compared to year four for RLPF – they use the same systems and are part of one team. Knowing this, readers can, if they wish, focus more on the main analysis and commentary.

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Summary

The National Homelessness Property Fund (NHPF or the Fund) is a property investment fund designed for a social purpose: to help people at risk of homelessness to become more independent, linking stable housing to positive development in other parts of their life. Run by social investment company Resonance in partnership with homelessness charity St Mungo's, NHPF is now reporting on the social impact of its first year of operations in 2016/2017.

During the year NHPF has provided housing for 102 households, of whom two have since moved on. Of the remaining hundred, forty-six are in Bristol, twenty-four in Milton Keynes and thirty in Oxford. The overall growth is reflected in the graph below.

A year of significant tenancy growth



100% **49%**

TENANTS SUSTAIN
THEIR TENANCIES
FOR MORE THAN
SIX MONTHS

TENANTS IN
EMPLOYMENT,
WITH 29%
UNEMPLOYED BUT
MAKING PROGRESS
TOWARDS WORK

100% **56%**

HOMES KEPT
IN ADEQUATE
OR BETTER
CONDITION

TENANTS SAY THE
PROPERTY HAS HAD A
POSITIVE IMPACT ON
THEIR SUPPORT NETWORKS
AND RELATIONSHIPS
(AND 30% NEUTRAL)



Whitney

Whitney is a single mum with an 18-month-old son. Whitney arrived in the UK from Nigeria and was living in London before falling pregnant by a married man from Africa. The man refused to support Whitney and returned to Africa so Whitney went to stay with friends in Bristol. They then moved and Whitney stayed in Bristol being placed into a hostel paid for by social services before moving into NHPF accommodation. Whitney found life in the hostel difficult and feels that since moving into her new home, herself and her son can "live a decent life like normal people do. It changed my life big time".



Nazia

Nazia is a single parent living in Real Lettings accommodation in Oxford since March this year. Before encountering NHPF, Nazia and her 10-month-old daughter were living in local authority emergency accommodation after her mother's home, where they had been living, became overcrowded. Nazia and her daughter were living in one room with a shared bathroom and kitchen. Nazia was bidding for properties but as she was not priority, she knew that she would have a long wait to find a home and so took the NHPF accommodation offered to her, which is a clean and modern two-bedroom flat.



Danah

Danah is originally from Iran and arrived in the UK via Canada. She is now a British citizen. Danah was living in her family home in Milton Keynes until the breakdown of her marriage. After a short stay with friends in London, she was able to get custody of her children and returned to Milton Keynes where she accessed NHPF accommodation. Danah says that, "it feels like someone gave me a new life, a second chance".

Key achievements during the year are:

- Offering stable and suitable accommodation to over one hundred households, most of whom are single mothers with young children moving from unsuitable conditions, typically in temporary accommodation.
- Helping the new tenants to settle in well and sustain their tenancies. 100% of tenants have either continued to stay in the property or moved on positively in the first year of the Fund.
- Intensive support given to tenants to help them settle in, with 1700 actions recorded on tenant monitoring systems by the Real Lettings team last year.

Some areas are proving challenging and are being actively addressed by St Mungo's:

- Around a quarter of tenants report being in rent arrears, rising to 47% in Milton Keynes. This is due to a range of factors including tenants in work not making personal payments, rent arrears from previous accommodation and delays in Universal Credit or housing benefit. Real Lettings staff work closely with tenants regarding their arrears and new administrative processes are now being implemented.
- Childcare and employment – support is being tailored to this, discussed later in this report
- Some tenants have problems with neighbours, especially when they live in close proximity in a block. Around 11% of tenants surveyed said they had issues with neighbours and the same number have had neighbour complaints, with most of these in the last six months. These could be teething troubles that will settle down. These problems are being monitored.

Overall, NHPF is already showing positive social impact for its tenants that is appropriate for its early stage. The achievement by Real Lettings of successfully settling over a hundred households in the first year of operations, and seeing 100% tenancy sustainment is to be celebrated.

It is clear that significant learning from the predecessor fund in London, the Real Lettings Property Fund, has been used to ensure that NHPF has been able to start strongly in its initial geographies of Bristol, Oxford and Milton Keynes. It is now intended that NHPF continues to grow its portfolio and impact in these cities, whilst looking to expand the model to other cities around the country which have similar need.

Sustainable Development Goals (SDGs)



The Fund's social impact also helps to address a number of the Sustainable Development Goals (SDGs). See appendix F for more details.



What is the National Homelessness Property Fund?

The National Homelessness Property Fund (NHPF or the Fund) is a social impact investment fund, designed to provide both a commercial return to investors as well as achieving significant social impact in the area of homelessness. This first annual Social Impact Report provides an assessment for investors and other interested parties of NHPF's social impact on the lives of those it seeks to help.

NHPF is based on the successful model of the Real Lettings Property Fund (RLPF) in London, which purchased over 250 homes providing move-on accommodation for those in danger of homelessness, and has recently re-launched in London through Real Lettings Property Fund 2. RLPF was developed by social impact investment company Resonance and homelessness charity St Mungo's in response to a growing failure in the housing rental market resulting in more people being at risk of homelessness in London. NHPF expands the same model as RLPF but intentionally focusing on cities around the UK other than London. It is a residential property fund which acquires homes, mostly two bedroom flats, and leases them to St Mungo's to make available (through its social lettings agency, Real Lettings¹) to homeless families and individuals who are ready for independent living but struggle to access private rented accommodation. It has also been designed to partner with other homelessness charities in cities where St Mungo's does not have an operational presence.

The Fund has started buying homes in three cities, initially Oxford, Bristol and Milton Keynes, and the

first tenants moved into their new homes in June 2016. Resonance worked with local authorities in these areas to see how the Fund could help ease their housing shortage as well as working with charities and social enterprises in those areas that are able to offer support to those needing housing. St Mungo's is active in all three areas. They support tenants who are ready for independent living but who struggle to access the private rented market and are often therefore stuck in hostels or expensive bed and breakfast accommodation. The support includes assistance to get into work, set down roots in the community and to save for a deposit so that tenants can eventually move into the private rented sector with a track record of maintaining a tenancy.

This is designed to break down a major barrier for many who are on the journey from homelessness to rebuilding their lives. As a social enterprise within a homelessness charity, Real Lettings has the information and experience to assess which tenants are ready for this step, and to provide transitional help and ongoing advice and guidance, light touch support and monitoring, giving tenants a sense of responsibility for their home and leading to extremely high success rates for tenancies.

The benefits to tenants are measured in terms of improving their housing options (including eventually moving on to other stable accommodation), achieving progress towards work, and developing greater resilience against (reverting to) homelessness. Each of these impact areas is explored further in this report.

In addition to these direct impacts, the work of Real Lettings, supported by properties from the NHPF, is reducing the number and length of stay of families placed into expensive and often unsuitable temporary and emergency accommodation. Across the country, 75,740 households were in temporary accommodation in December 2016 at a cost of £3.5 billion over the last five years.

The NHPF achieved a first investment close of £30m in December 2015 and will be raising further investment and expanding to additional cities in 2017. Investors receive both rental yield on the properties, where the charity guarantees rents, and the potential for capital appreciation over the life of the Fund. In this way, investors receive a commercial risk-adjusted return on their investment and a clear social impact, whilst the charity manages the risks that it is best placed to take.

By the end of March 2017 the Fund had purchased or instructed with solicitors £28m out of the total investment commitments from its first two closes of £32.6m. It now has a portfolio of 133 properties, rapid growth in the first year of operation. 107 homes have been handed over to Real Lettings, with the remainder being refurbished. A further 32 are in conveyancing.

This social impact report uses social impact measurement and analysis to demonstrate what is happening and enable the partners in NHPF to make improvements.

¹ Real Lettings has now been operating for over a decade - an important part of the rationale for the first Real Lettings Property Fund in London, and now the National Homelessness Property Fund, has been to scale up and strengthen these successful operations as a profitable social enterprise within a homelessness charity, increasing its sustainability and social impact.

LOCATION OF NHPF PROPERTIES

AS OF END MARCH 2017

FROM PROPERTIES
TO PEOPLE

CHERWELL



24



MILTON KEYNES

4

26



46

BRISTOL



OXFORD

133

PURCHASED

107

HANDED OVER

100

OCCUPIED

£28m

HOMELESSNESS IS A GROWING PROBLEM



People sleeping rough in England on any one night

Source:
Homeless Link Analysis of Rough Sleeping Statistics for England, autumn 2015

This was up 30% from 2,744 in 2014

TEMPORARY ACCOMMODATION NEED IS INCREASING...

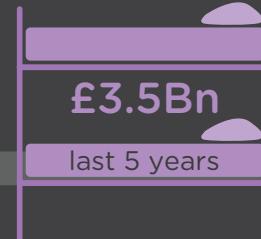


Households in temporary accommodation

Source: House of Commons Briefing Paper, December 2016

Temporary accommodation, including in bed and breakfasts, is often unsuitable.

AND EXPENSIVE



Cost of temporary accommodation

Source: BBC Report

WAITING LISTS FOR LOCAL AUTHORITY HOUSING ARE LONG



Households on council housing waiting lists

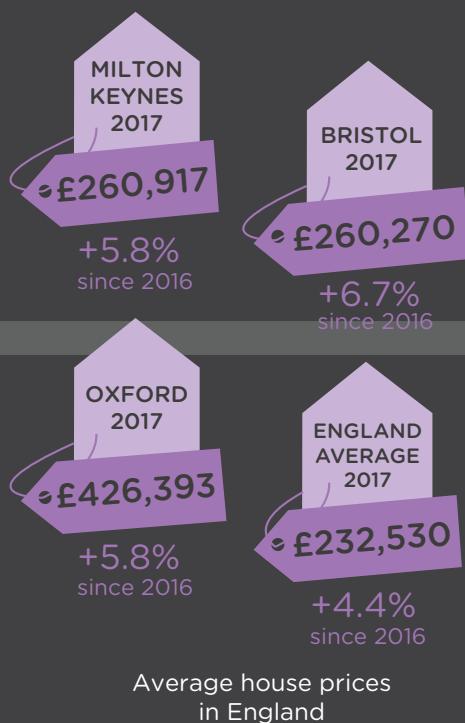
Source: Households on Local Authority Waiting List, DCLG, February 2017

Demand for social housing far exceeds its availability; some Real Lettings tenants are not eligible, whilst others would have to wait many years to gain a home.

RENT IN UK?



BUYING IN ENGLAND?



NATIONAL HOMELESSNESS PROPERTY FUND



How is it making a difference?

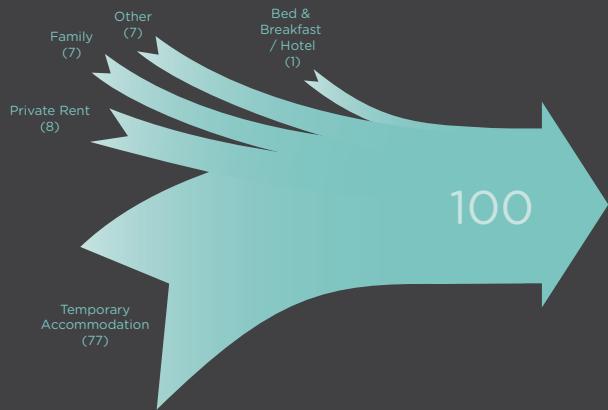
Real Lettings achieves impact by moving homeless people into properties, supporting them as they make the transition and then, in due course, enabling them to move-on to other stable homes. NHPF seeks to have a positive impact on the lives of individuals in three key areas:

- Improving housing opportunities
- Progressing towards work
- Improving resilience against homelessness

Measures for assessing progress in each of these areas were developed jointly by Resonance and St Mungo's/Real Lettings before RLPF launched, based on the underlying motivations of the project, and have been the subject of ongoing discussions between the partners since then. NHPF uses the same framework. These three areas are therefore considered below, following the section on who NHPF houses, which sets the context. Understanding who is supported by NHPF is important to understanding its impact, because it demonstrates why residents needed access and support.

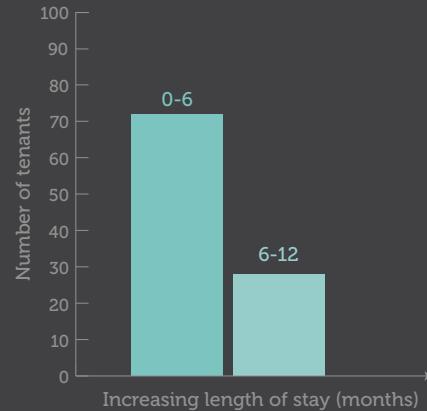


Who is housed



WHERE ARE PEOPLE FROM?

Based on the origins of current tenants



HOW LONG HAVE THEY BEEN IN AN NHPF PROPERTY?

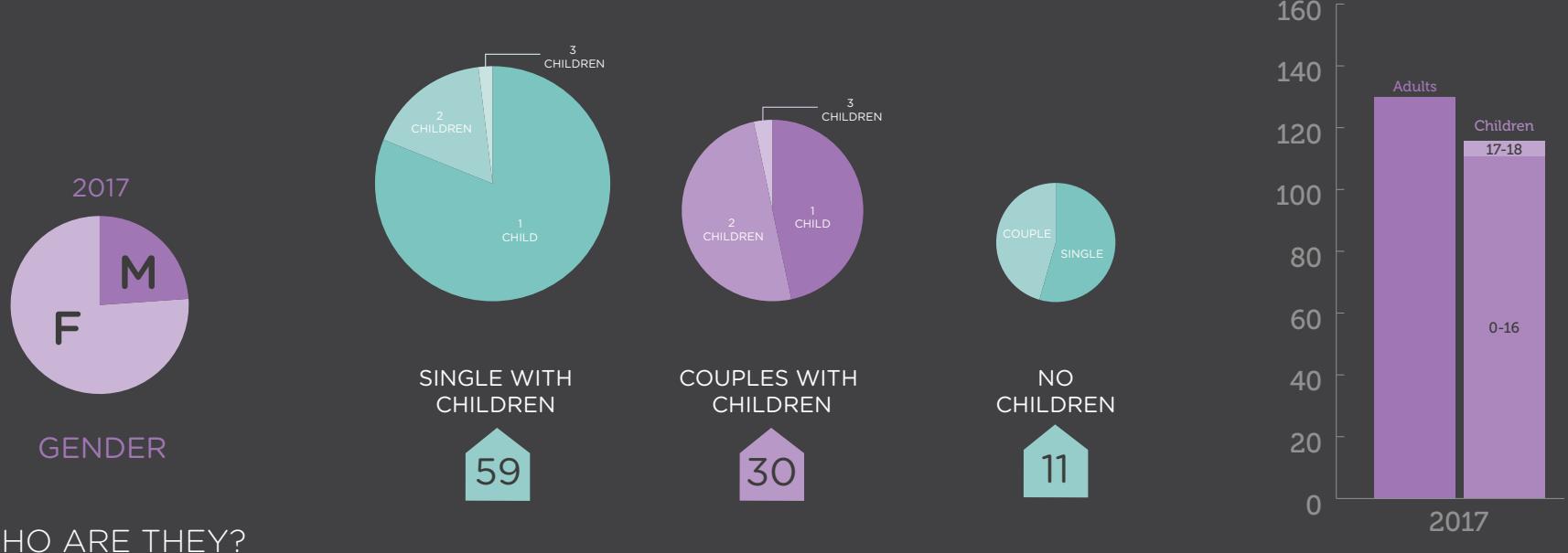
Based on the origins of current tenants

Description and explanation

The typical NHPF tenant is a single female with young children who was previously in temporary accommodation. This may be due to the referral preferences of local authorities, who give this group higher priority.

Key points

- One hundred households and 207 people moved in by the end of March 2017. Fifty-eight of these households moved in during 2016, with another forty-two in early 2017.
- Over 90% of households include children. Based on the tenancy analysis, it appears that over half of all children in the properties are aged two or under.
- Lead tenants are 77% female and 23% male, with an average age of thirty-one.
- Eighteen nationalities are represented, including sixty-eight who are British, five Polish and five Portuguese.
- 77% of tenants were previously in temporary accommodation.



WHO ARE THEY?

Trends

One hundred households moved in by the end of March 2017. Fifty-eight of these moved in from June to December 2016, with another forty-two in early 2017.

Over 90% of households include children. Over half of all children are aged two or under. Most lead tenants are female.

77% of tenants were previously in temporary accommodation.

Many households in Oxford have been relocated outside of the city.

Analysis

At this point in the Fund, much of the activity from Real Lettings staff is in helping tenants to settle in. Trends in this report should be seen in this light; much of the social impact so far will have come from giving tenants a stable home and a foundation for changing their circumstances, a major improvement on temporary accommodation or other arrangements.

For the sixty-three households who have completed the tenancy review, there are seventy children, of whom thirty-eight are two years old or younger. A greater proportion (63%) of lead tenants report being single in Milton Keynes (often single mothers), compared to Bristol (54%) and especially Oxford (37%), where more report either being married or in a couple. The high proportion of single mothers with young children is likely to be due to the referral preferences of local authorities.

One-bed properties can either be used as a pathway for single homeless people or mother and baby. Where these are used for mother and baby, which in some cases has been required to meet the needs of those referred, they will be outgrown at some date in the future.

This is a higher rate than in RLIF in London, for which 53% of tenants were previously in temporary accommodation. This figure is lower in Oxford (63%), compared to 83% in the other two areas. It may be that higher property prices in Oxford mean that the private sector is more challenging, temporary accommodation is dearer and that referral routes into NHPF are more direct.

Out of a total of thirty-three properties that have been purchased and occupied, only five of the properties are within Oxford City Council borough. The rest have all been in locations in the areas of Oxfordshire immediately around the city. Price is the main factor here. Similarly, some households from Bristol have also been placed outside of the city, albeit in areas immediately around the city. This has implications for tenants that are explored in other sections of this report.

Outcomes for NHPF tenants

All data is drawn from the regular tenancy reviews that were conducted during the 2016/17 financial year, unless otherwise stated in the comments section. Real Lettings staff contacted sixty-three out of a hundred lead tenants between June 2016 and March 2017. Many tenants had only recently moved in so were not yet due a tenancy review; the first one is targeted at three months. The sample size ensures a medium level of confidence in the results but the precise figures should be treated with some caution. In order to achieve a 99% confidence level with a 5% margin of error, there would need to be a sample size of eighty-eight. Instead the sample size is 63, giving a larger margin of error (9.9%), and thus a less robust sample. Most measures either (a) show a clear majority in one category, so a 10% shift would change the proportions but not the overall picture or (b) are much more finely balanced, for instance in confidence in looking for a private sector property. A 10% shift could change the picture markedly, although this would require most or all of that 10% to fall on one or two responses. It is probably more likely to be spread across all of them, meaning its impact on the picture would not be so significant because the pattern would be similar. However, this is only one possibility. Whilst a larger sample would be desirable in terms of statistics, there is nonetheless helpful data that tells the partners and readers more than they knew before and can usefully inform an assessment of the Fund's progress.

More information on the tenancy review tool can be found in the appendix "A framework for measuring social impact".

Tenants
sustain their
tenancies
for more than
six months

Tenants save for
a deposit so they
can move from
Real Lettings
into the
private market

This measure is for
tenants who have been in
their property for more
than six months



NO
TENANT IN
RENT
ARREARS

YES
SOMETIMES
LATE BUT
UP-TO-DATE

Tenants
are paying
their rent

25%
16/63

8%- 5/63

NO
TENANT IN
ARREARS

SOMETIMES
LATE BUT
MORE OR LESS
UP-TO-DATE

Tenants
are paying
their bills

25%
16/63

8%- 5/63

STRONGLY
DISAGREE

26%
16/63

DISAGREE

21%
13/63

NEUTRAL

26%
16/63

AGREE

27%
17/63

STRONGLY
AGREE

1.6% - 1/63

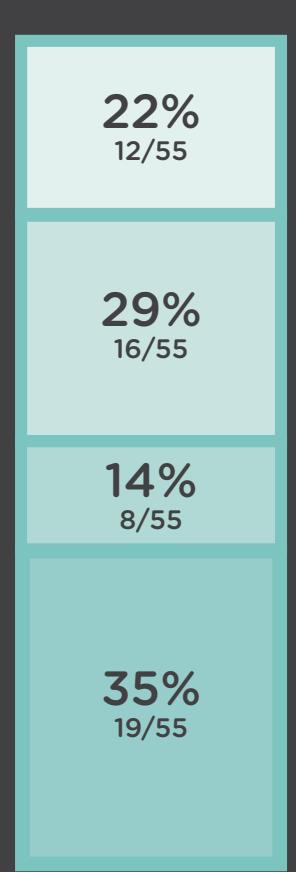
Tenants move on from Real Lettings

Move-ons are still at an early stage relative to the total numbers in the Fund. The small sample means that percentages should be treated with caution

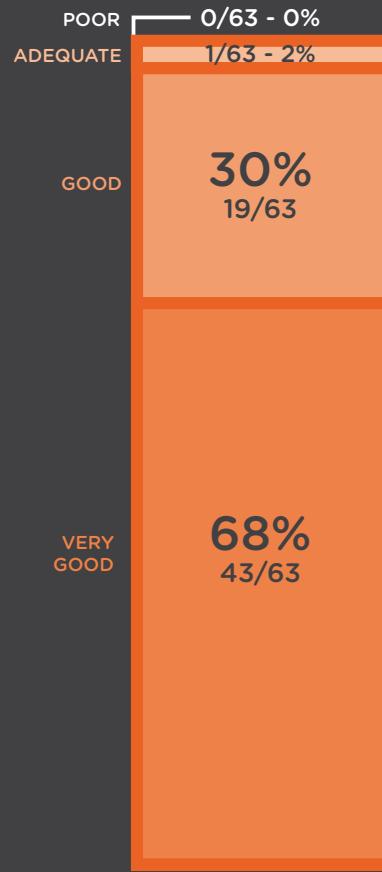


100
TOTAL HOUSEHOLDS
63
SAMPLE SIZE
BASED ON RESPONSES TO THE TENANCY REVIEW
27
SAMPLE SIZE
TENANTS IN PROPERTY FOR 6 MONTHS OR MORE
WHO ALSO RESPONDED TO THE TENANCY REVIEW

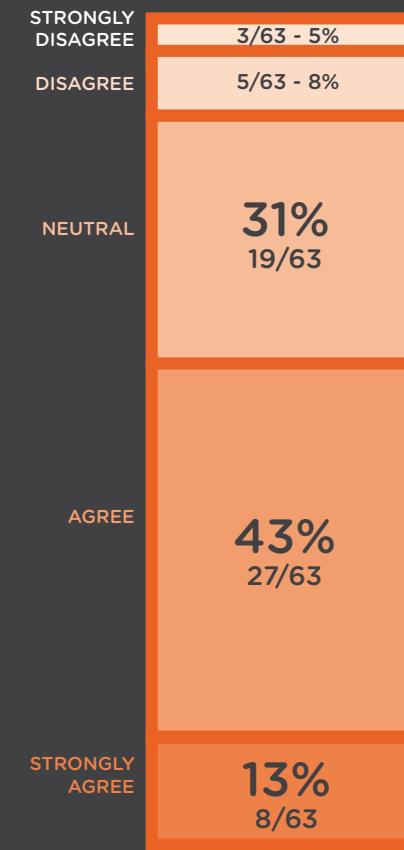
Tenant progress towards work



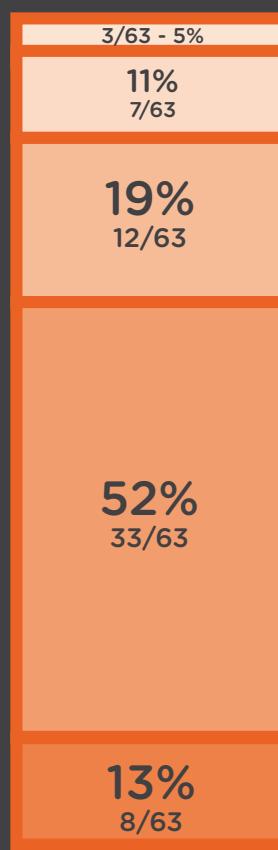
Home is kept in good condition



Tenants say the property has had a positive impact on their support networks and relationships



Tenants feel confident in meeting new people in the local area



Improving housing opportunities

100%

OF RESIDENTS
SUSTAINED THEIR
TENANCY FOR MORE
THAN 6 MONTHS

4%

ARE SAVING
FOR A DEPOSIT

54%

ARE NEUTRAL OR
CONFIDENT IN LOOKING
FOR A PROPERTY

75%

ARE NOT IN
RENT ARREARS

2

TENANTS HAVE MOVED
ON, BOTH POSITIVELY

What is this impact area about?

Whilst an NHPF home directly improves the housing circumstances of all the people who access them compared to their previous accommodation, Real Lettings seeks to improve their housing opportunities further so that they can eventually move on from NHPF. This is practical in nature, particularly in terms of paying rent on time, saving for a deposit, and understanding what housing choices are available to them, including how the private rented sector works. Real Lettings also wants to see that residents have long-term goals, are planning ahead, and increasingly feel and show readiness to move on. This is embedded in Real Lettings' approach. From the outset, Real Lettings is clear and consistent in its message about the property being a two- to three-year tenancy, rather than a longer term one. There are clauses in the tenancy contracts that require residents to engage with Real Lettings, although this is not something that has needed to be enforced to date. At each quarterly tenancy review, Real Lettings discusses the tenant's plans for the future, including moving on and saving for a deposit, as well as employment.



Key Messages

- 100% tenancy sustainment: All tenants who have been in place for six months, or more, are either still in the property or have had a positive move on. Two households have had positive move-ons, one each into private rented and housing association homes.
- 96% of tenants who have been in place for six months or more are not yet saving for a deposit but this makes sense in the context of households having only just moved in and having other calls on their money. Work done to link tenants with a community bank in Milton Keynes could be replicated elsewhere.
- Around a quarter of all tenants report being in rent arrears, rising to 47% in Milton Keynes. This is mainly due to transition arrangements related to housing benefit. However, the number of tenants Real Lettings are concerned about is far lower, and they are receiving intensive support to resolve these issues.

Area	Trends	Analysis
All	No tenants have moved on negatively within the first year of the Fund.	This is a statistic to celebrate. It indicates that the Real Lettings team have been successful in helping tenants settle in and been proactive in resolving any issues.
All	Two households have moved on positively, one from Milton Keynes into a housing association flat and one from Oxford into a private rented property.	Move-ons are not expected in any volume at this stage of the Fund, but are seen as a good thing when they are positive like this. Real Lettings expect tenancies to last around three years. If NHPF has given tenants a stable platform to move onto something they prefer, this is a positive social impact.
All	In general, saving for a deposit is not a priority for tenants at the beginning of their time in the property, with only 4% of tenants currently saving.	Most tenants are prioritising paying for bills and rent. Additionally, many are moving into their own home for the first time and are spending money on moving and relocation costs. As such, it is not surprising that very few are saving. Furthermore, as many tenants are relocating, they have to do brand new housing benefit claims. These take time and especially if the tenant is working can be hard to put in place. Tenants may be spending more on rent until housing benefit is in place. Real Lettings plan to start developing more budgeting plans with tenants to show them what they could save and how this would affect their move on. In addition, Real Lettings have made referrals to an advice service to resolve more complicated benefit problems.
Bristol	Fewer tenants have set up utilities in Bristol and more are behind in paying bills.	Tenants are advised on which utilities to set up and a Real Lettings staff member has also visited some tenants who have additional needs to support them with this. It seems water is a bill which some tenants have not understood, forgotten or not prioritised. In future, this will be emphasised more at the start of tenancies to ensure this is set up along with gas and electric.
Milton Keynes	A higher proportion in Milton Keynes self-report that they are in rent arrears (47.4%). However, the actual figure of those with a concerning level of arrears is 28%.	The Real Lettings officer is working closely with all tenants regarding their arrears. This intense contact may make tenants more aware of their status than other areas. It may also be that the statistic represents an early "teething stage" that is being addressed locally. Many of those who have accrued large arrears are working. Working tenants don't tend to get full housing benefit, so need to make a personal payment towards rent. This is sometimes not paid, leading to arrears. New administrative processes are now being implemented in response to the arrears. Real Lettings closely monitor rent accounts and establish direct debits or standing orders set up to try and safeguard against this non-payment. A number of tenants referred had previous rent arrears, so have greater support needs. There are others with low level arrears due to payment cycles, Universal Credit or housing benefit delays, though this applies to each area within NHPF to some extent, not just Milton Keynes. Some work could be done with the Council to manage transitions in future.
Milton Keynes	Savings rates are relatively high in Milton Keynes, probably due to focused work with the local credit union providing brochures and information.	There has been a focus on linking tenants with MK Community Bank (Swan Credit Union) to set up accounts as a deposit saving option. Related leaflets are given to tenants at sign up stage to encourage savings when they are settled at the property. There is potential to share this good practice across the Fund and thus improve the rates of saving.
Oxford	Oxford tenants feel much less positive about the future, but more of them have plans post Real Lettings.	This is probably due to the relocation factor, where most tenants are housed outside of Oxford itself. Many tenants are keen to return to the city centre but find it a very hard task to achieve due to an expensive private rental sector and landlords being reluctant to take tenants on benefits. It's reasonable to infer that they therefore feel less positive about the future, but are determined to get back as an aspirational plan post-Real Lettings.

Progress towards employment

49%
TENANTS EMPLOYED

64%
(SOME EMPLOYED AND
SOME NOT) ARE MAKING
PROGRESS TOWARDS
WORK, INCLUDING
THROUGH EDUCATION,
TRAINING, VOLUNTEERING,
JOB INTERVIEWS
AND HAVING
CHILDCARE IN PLACE

43%
OF THOSE NOT
EMPLOYED ARE
ACTIVELY LOOKING
FOR WORK



What is this impact area about?

A key outcome for the Fund is progress towards employment. In measuring 'progress towards' employment, rather than a binary choice of 'employed/not employed', NHPF emphasises the significance of activities related to future employment, such as education, training and volunteering. Having childcare in place as well as seeking work are also seen as positive. This is summarised in the table below, which also matches with the categories on the main infographic:

Employed?	Other Progress?	Progress towards employment
✓	✓	Positive
✓	✗	Positive
✗	✓	Positive
✗	✗	Negative

Key messages

- Due to many tenants having young children, they may not be in a position to work enough hours to improve their circumstance after paying for childcare, especially if they do not have support from friends or family.
- Unemployment is lower in Bristol (37.5%) and Oxford (40%) compared to Milton Keynes (57.9%).
- More are in training in Bristol, while more are in education in Oxford. Some are volunteering in Bristol and Oxford. There is currently low engagement with Work and Learning, St Mungo's employment support service, as well as similar services – from 0% in Bristol to 10% in Oxford. Again, this could be partly explained at this stage by tenants having only recently moved in.
- Many tenants are looking for work in Bristol (33.3%) and Milton Keynes (31.6%). Those in Milton Keynes are most confident in doing this.

Whilst Real Lettings is not an employment agency, one of the hypotheses behind NHPF is that stable and secure housing increases the likelihood of employment. The Real Lettings team therefore signposts tenants towards relevant agencies and support services.

The markers or building blocks for progress towards employment are as follows:

- Childcare in place (if relevant)
- Education, training, volunteering
- Actively seeking work
- Working less than sixteen hours
- Working more than sixteen hours
- Working more than twenty-four hours

This is an approximate continuum representing progress for Real Lettings tenants (although education and training could reappear at any stage, including when people are in work). This might involve increasing the amount of time worked, or simply having childcare in place where there was previously none. The aspiration is to have as many tenants as possible move towards full time employment, with the sensitivity to recognise cases where this is not feasible.

Area	Trends	Analysis
All	Overall, 58% of tenants have childcare in place where necessary, falling to 42% in Bristol.	This is an issue which is likely to have an impact on improving employment options. There are several tenants who have just given birth or have very young children and do not have childcare. It is not expected that parents of babies or very young children would have childcare in place. Eligibility for part time free childcare is available for three and four year olds, some two year olds, but not for younger children. Childcare is thus difficult (as well as potentially undesirable) particularly for those without extended family support. Many of these tenants do not plan to look for work in the immediate future as a result of this.
Bristol	Engagement in Work and Learning and similar services is particularly low so far in Bristol.	Eligible tenants have been referred to the Bridge the Gap work programme, which is run by St Mungo's. Unfortunately, none of those referred have fully completed the course yet for a variety of reasons, including childcare problems, work commitments and lack of engagement from tenants. Real Lettings are currently looking at working more closely with the Recovery College, another St Mungo's initiative, and Bridge the Gap to see how they can better work together.
Milton Keynes	Those in Milton Keynes are more confident in looking for work.	It is positive that some single parents are settled enough and willing to work despite the challenges of doing so with children. Unemployed tenants are referred to Milton Keynes Council's Neighbourhood Employment Programme for support. However, the challenge is with childcare for mothers with children under two years.
Oxford	Relocation of tenants with children outside the city means employment is less accessible to them.	Because tenants in Oxford have generally been relocated further, childcare is a recurring and important issue. Out of thirty-three tenanted properties that have children, nineteen are single parent families who may have generally relied on family and friends to support them with childcare, perhaps in addition to any statutory entitlement. Since proximity to these networks is reduced more here than in the other areas, time and cost will tend to escalate for the household and anyone supporting them. There is evidence for this in the case study from Oxford and feedback from Real Lettings staff. In these cases, employment is likely to be more challenging.

Improving resilience against homelessness

100%

OF HOMES ARE
KEPT IN ADEQUATE
OR BETTER CONDITION

56%

OF TENANTS SAY THE
PROPERTY HAS HAD A
POSITIVE IMPACT ON
THEIR SUPPORT NETWORK
AND RELATIONSHIPS

65%

FEEL CONFIDENT IN
MEETING NEW PEOPLE
IN THE LOCAL AREA

What is this impact area about?

Whilst managing finances and employment are key characteristics of reducing the risk of homelessness that lend themselves to quantitative analysis, another important aspect is increasing resilience against homelessness, which tends to be primarily relational. This captures the importance of support networks, of friends and families, and making connections in the neighbourhood. This section also looks at whether people are looking after their home.



Key messages

- All tenants say their homes are kept in adequate or better condition. A high rate of repairs reflects post-handover issues, where some additional work is required
- Far fewer tenants in Milton Keynes report knowing who to contact regarding rent issues, maintenance issues, benefit issues and issues with neighbours
- More in Bristol report that they keep to themselves or have issues with neighbours, while those in Oxford say they are most friendly with neighbours.

Area	Trends	Analysis
Bristol	More tenants in Bristol report that they keep to themselves (21%) or have issues with neighbours (21%).	13% of tenants in Bristol require English language support compared to 2% elsewhere, meaning they may feel less confident in speaking to their neighbours. In addition, some families have been relocated outside of central Bristol to parts of South Gloucestershire so may feel nervous about speaking to people in their new area at first. According to Real Lettings staff, tenants often report that they prefer not to speak to people in the block as they prefer to just get on with their own affairs. However, since a high percentage of NHPF properties in Bristol are in a block or have neighbours very close by, some contact is almost inevitable. Whilst there have been some instances of anti-social behaviour in both directions, these are generally at a low level and Real Lettings and block management companies resolve these proactively. It is hoped that as people settle in they will find a suitable balance of engagement with neighbours, whether more warm or more separate.
Bristol	In Bristol, 79% of tenants say their property has had repairs in the last month, about double the rate in the other areas.	This is probably due to the Fund purchasing more freehold properties which require more repairs after handover. Freehold properties are likely to be older homes that have been split into flats. The fabric of the building has often historically not been as well looked after as larger, newer potentially better-managed blocks. Where there are repairs issues, these are currently being resolved by Real Lettings. It is likely that this initial higher rate will settle down over time.
Milton Keynes	Fewer tenants in Milton Keynes report knowing who to contact regarding rent issues, maintenance issues, benefit issues and issues with neighbours.	For earlier tenancy reviews (during 2016), it appears most tenants refer to the senior housing officer for all issues. Whilst they are an important contact as people move in and during the tenancy, they are not the only person to call on and are not always best placed to resolve issues efficiently. During the course of the tenancy review, tenants are reminded of the contact links on information sheets provided at tenancy sign up. This is part of informing and advising tenants of their responsibilities and who is responsible for what. The rate has improved considerably in the recent tenancy reviews, with more tenants saying they know who to contact. Since this is being addressed and showing improvement, it is not deemed a significant cause for concern.
Oxford	The positive impact on tenants' support network is most felt in Oxford.	At first examination, this seems unusual: The Real Lettings staff member in Oxford sometimes hears informal negative comments to the effect that the distance of properties from the city makes relationships harder. However, it seems that the move has had an overall positive effect on tenants' support network. Many tenants have come from temporary accommodation where they aren't allowed family or friends to visit and the property is often just a bedsit. In addition, overcrowding at home is a common cause of people moving into temporary accommodation. Tenants seem to like their new properties in part because they allow them to entertain and have people to stay; it's just the location and distance from their former home that they don't always like. This suggests that depth of relationships may be strengthened by the improved housing circumstances the Fund offers, even though proximity has suffered.

Changes during the reporting year

Real Lettings have already made some changes to service delivery in the last year. This is positive evidence of an organisation that is prepared to learn from feedback and change accordingly. Changes include:

- More robust new starter checks: settling in calls to ensure tenants are okay with the property, and have also submitted the relevant supporting documentation for housing benefit claims;
- Closer rent arrears monitoring by the team;
- Recruitment of a part time social impact worker, shared across NHPF and RLPF;
- Coffee and information mornings where tenants can meet one another and the Real Lettings staff member;
- Increased access to St Mungo's services including recovery college, welfare rights, and Peer Advice Link (PAL);
- Developed information for tenants including a tenant handbook and resources for signposting to services; and
- A schedule for annual property inspections and tenant visits.

Whilst some of these are closely related to the management and functioning of the Fund, these also support its social impact by helping tenants better understand their roles, Real Lettings' offer and related services, as well as reducing the adverse effects of benefits delays and rent arrears.

Case studies

Whitney



Whitney has moved area, but she likes where she lives now and has settled in well finding bus routes and local parks to take her son to. Living in a hostel was a difficult time for Whitney and not having friends and family around has been hard, but to avoid feeling isolated Whitney takes her son out each day to parks where she meets other parents. Whitney's family are not in the UK but she has been supported by the new friends that she's met and by the NHPF officer in her region. Whitney had been working as a hairdresser before falling pregnant. However, she does not have a qualification recognised in the UK so she would like to gain her BTEC in hairdressing from college and find part time work once her son begins nursery.

Nazia



Without the stability of NHPF accommodation Nazia believes that she and her daughter would still be living in Local Authority accommodation. She says that in Oxford Landlords were asking for tenants who earned £30,000 per year and were not claiming housing benefit so finding accommodation was very difficult. Nazia was working as a manager for a cosmetics concession but was unable to return to work part time and as her job required her to work until 8pm two nights during the week, she was unable to find childcare to cover the hours of her work. She is still in contact with her employer and a part time opportunity may be available for her in the summer. She says that, "The scheme is really good, but I wish it was more permanent".

Danah



Danah finds it difficult to speak about the past, being separated from her children and not having a home, but says that "having my own home with my children is my starting point" and she feels able to deal with challenges as they arise. Danah believes that without NHPF accommodation, things would have been very bad for her and her children.

Lessons learned and next steps

While the Fund is at an early stage, there are lessons to be learnt from the first year, and corresponding actions to be taken.

Lessons Learned	Next Steps
<p>The smaller – but still useful – sample of tenants reduces the understanding of some tenants' circumstances as well as potentially affecting the view of the whole Fund.</p>	<p>A personalised service and the development of local partnerships is helpful at this early stage of the Fund where tenant numbers are smaller. However, as the number of properties and households grow, there will necessarily be a shift to more consistent systems and processes.</p> <p>Besides providing more data, the tenancy review can be a stimulus for conversation with tenants, opening up areas that they might not have thought about or making them aware of additional services. More consistent use of the tenancy review is an area Real Lettings is seeking to improve. The data can also help reveal certain groups where a particular approach might be appropriate.</p>
<p>Many tenants need support with money management. Around a quarter of tenants report being in rent arrears, some have not set up utilities, particularly water, and few are yet saving towards a deposit. Real Lettings staff are working closely with tenants to resolve these teething issues.</p>	<p>The explanations are closely related to new tenancies and new partner relationships. As such, it is to be hoped that they reduce over the next year or so.</p> <p>Real Lettings is working proactively with local authorities where delayed payments to tenants result in rent arrears. Rent payment monitoring and budgeting support should be in place from the beginning of tenancies, a change that has been made during the year. In particular, tenants need to understand that they are responsible for setting up and paying water bills. These measures should help tenants get off to a better start, rather than developing financial problems early on.</p> <p>Real Lettings will continue to encourage savings towards deposits, especially once tenants have made initial purchases and settled in. They are also looking to increasingly partner with other local services such as benefits advice and debt advice services in order to increase financial stability. It is intended that the good practice of encouraging tenants to save with a community bank in Milton Keynes should be replicated, where similar services can be identified.</p>

Lessons Learned

The typical tenant is a single mother with young children – often aged two or under – who has come from temporary accommodation. This means that childcare is perhaps an even more salient issue for NHPF than it has been for RLPF in London. This is especially the case where tenants have moved to new areas away from their friends and family who might otherwise be able and willing to help. The encouragement towards employment may therefore need a different emphasis for tenants where it is likely to make less sense to pursue work given childcare costs.

There have been two positive move-ons and no negative move-ons in the first year of the Fund. This can be attributed to the effective and often intensive support given to help tenants settle in. However, there will be many more tenants in future and it will not be possible for Real Lettings officers to give such focussed attention to every tenant.

Despite Real Lettings being good at getting people moved in and their tenancies established, there have been a few problems with neighbours, especially where tenants move into established blocks or communities or where tenants may have higher support needs than anticipated.

There are multiple examples of significant differences between the cities where the Fund has properties. This geographical diversity is often context specific, where property location and the type of housing are examples of factors that can make a significant difference. It is also interesting to note that, despite operating in three areas, NHPF has fewer and more direct relationships with local authorities compared to the 32 London boroughs to which the equivalent fund in London (RLPF) has to relate. Strengthening these relationships, including across local authorities' areas of influence, is likely to be beneficial for the Fund and its local government partners.

Next Steps

NHPF is keeping an eye on when employment becomes appropriate for particular tenants, particularly with eligibility for free childcare, so that tenants can take next steps when they can, rather than delaying. This is good for households and the Fund. It will also show whether people are missing out and could be targeted.

Good links appear to already have been made across St Mungo's services and with external agencies such as a local adult college and local job clubs. These are positive and can be built on, although it is recognised that the number and diversity of relationships can make this challenging.

Measures described above will help to avoid problems or deal with them earlier, potentially freeing up some staff time. However, increasing numbers are likely to offset this gain. Staff will need to consider where their help can make the most difference. This is easier said than done: helping a household with more challenges may have a very beneficial long-term effect, so this is not an argument for reducing depth to focus on breadth. However, targeting additional resources, particularly volunteers, may enable support to continue to be effective even as the population of the Fund grows.

These can be resolved more pro-actively through regular contact to minimise incidents. Real Lettings can continue to make referrals to relevant support agencies where appropriate.

NHPF will keep comparing across areas in future years. In doing so, it will look for learning opportunities and actively differentiate between (i) area specific issues requiring a local response and (ii) generalizable ones, where the Fund can improve its practice.

Challenges and support for NHPF tenants

Whitney

Whitney was supported by her Real Lettings officer to view the property and complete all her paperwork. The officer remains in regular contact with Whitney to ensure she is updated on any changes. Although this is the first time Whitney has lived by herself, she feels confident that she can deal with most challenges such as paying bills and finding local services. Whitney has learned to be organised and independent. She says, "I don't know what would have happened to us [without NHPF]", but she fears that she could have been left to live in the hostel and not have the home that she has now.



Nazia

Nazia is from Oxford and has moved out to Abingdon, which has not been easy as her family are too far away to support her with childcare. It took some time for Nazia to adjust to a quieter life in her new area, but she says that it's a "safe place" and she is settling in. She already had some friends that she knew from work in the area and regularly sees her family who are a bus ride away. Nazia has learned to be organised about her bills, setting up direct debits and keeping a note on the fridge of payments due and how much and is learning to manage her budget. The Housing Management and Lettings Officer for Oxford supported Nazia to register for a local doctor and dentist. She also supported her to find the most appropriate electricity tariff and addresses any issues that Nazia raises without any delay.



Danah

Danah and her family have moved area and her children had to move school which was difficult to begin with but the family now feel settled again. This is Danah's first experience of living independently and managing responsibilities. She has found that "managing to do everything on time with a limited budget can be stressful". Danah has just completed a college course and was referred by her NHPF officer to a local work and learning service for support writing her CV and applying for jobs. She would like to get a good job and begin saving for her own home. She says, "[The NHPF officer] is amazing and helps me with everything. She keeps me up to date and gives me lots of support".



Appendices

a. The growth of the Fund

The graph below shows how the number of properties and the corresponding number of people housed are likely to grow as the Fund reaches full deployment. This is based on data provided by Resonance.



b. About Resonance

Resonance is a social impact investment company with fifteen years' experience of working closely with social enterprises throughout the UK. We help social enterprises prepare for and raise capital from investors who value both their impact ambition and their business model. Based on this knowledge, we also create and manage impact investment funds focused on specific social issues across a range of sectors. Resonance has particular expertise in property, community-led projects, homelessness, education and social care and work closely with investors whose values and ethics closely align with these sectors.

As well as the National Homelessness Property Fund, Resonance currently manages two other property funds in London (the Real Lettings Property Funds 1 & 2) on which NHPF is based. Resonance also manages Funds which provide lending to social enterprises, including the Resonance Bristol Social Investment Tax Relief (SITR) Fund, making unsecured loans to growing social enterprises in the Bristol region, the Health & Wellbeing Challenge Fund (South West), and two debt funds lending to community-led organisations to develop assets that serve local need and/or make the most of local opportunities.

With offices in London, Manchester, Bristol, Birmingham and Cornwall and a core team of thirty, with additional Associates contributing skills to specific projects and Investment Committee members with diverse backgrounds, Resonance is helping to build the market for social investment in practice.

c. About St Mungo's

St Mungo's provides a bed and support to more than 2,700 people each night who are either homeless or at risk of homelessness.

We support men and women through more than 250 projects including emergency, hostel and supportive housing projects, advice services and specialist physical and mental health, skills and work services.

St Mungo's works across the south and south west, delivering services locally and campaigning nationally to end homelessness and help people rebuild their lives. Our vision is that everyone has a place to call home and can fulfil their hopes and ambitions.

d. Preserving social impact

Since the fund has an initial duration of seven years, it is important to consider how the social impact of its investments can be extended beyond this period.

The fund will hold each property for at least five years (the length of the standard lease with St Mungo's) and review its options after that period, which may include:

- extension of some leases, by mutual consent of St Mungo's
- extension of the fund's life (by up to two further one year periods), by decision of the investors
- phased sale of properties over the last two years of the fund (including potentially to tenants)
- portfolio sale of properties to a follow-on fund
- portfolio sale of properties to an institutional investor with a social housing focus
- as above, but with a breaking up of the portfolio into smaller parcels and subsequent sale to social housing or other socially focused landlords

In all cases, the availability of the properties to the target tenant group over a predictable period of up to five years will have achieved the primary social impact goal of the Fund by providing a strong incentive for tenants to move into the private rented sector and build greater housing options, progress towards employment and improved resilience against homelessness.

If the need for move-on accommodation of this kind remains or increases over the life of the Fund, there will be a strong rationale for the portfolio to be sold into a follow-on Fund to address this need, and Resonance is already actively working on these future solutions, with significant progress towards that goal made in 2016/17.

e. A framework for measuring social impact

Resonance and St Mungo's recognise the importance of assessing impact and share a commitment to building this into the running of NHPF. St Mungo's has its own rolling programme of audits to check its data and operations. However, both organisations wanted a shared understanding of impact specifically in terms of NHPF.

Developing the framework

Resonance uses a tool called the Transformational Index on all of its projects. Developed by an independent charity, it is a structured process that helps organisations articulate what "good" looks like, describing the transformation they hope to see as a prelude to measuring it. This relates to "theory of change" approaches in that it explores the underlying model that an organisation is adopting but differs in that it emphasises the internal assumptions, characteristics and expected dynamics around transformation for their clients, rather than the web of causes and effects related to the issue they are dealing with. At a very early stage in the development of RLPF in London, Resonance ran a workshop using the Transformational Index. This established a framework based on the underlying change values of Real Lettings, which has now also been adopted by NHPF.

Using the framework

The experience of the partners was that it was valuable to have a framework grounded in the motivations behind the project; the "how" of measurement also had to adapt as the project grew and new systems and processes developed, in response to this as well as following the merger of Broadway and St Mungo's. The framework has therefore undergone several iterations and some expansion. It includes information from multiple sources, including the property portfolio, the tenancy system and the tenancy review tool.

Sampling and the tenancy review tool

The tenancy review tool was developed by St Mungo's in response to the framework agreed between the partners. It is a questionnaire which is updated during phone calls with tenants. Staff make contact with tenants by phone, leaving messages, and also use letters to remind people. The ideal therefore is that each tenant is contacted every quarter. The information is held on the client monitoring system.

The three impact areas are structured as follows:

- Improving housing options – nine questions covering savings, goals and outlook, and readiness to move on
- Progressing towards work – nine questions covering steps towards and into work and engagement levels
- Improving resilience against homelessness – seventeen questions about managing their finances, looking after their home, having the know-how to do so, and social networks and integration

Questions cover tenants' self-declared circumstances (e.g. paying bills, working, etc.) and their perceptions or confidence related to the different impact areas.

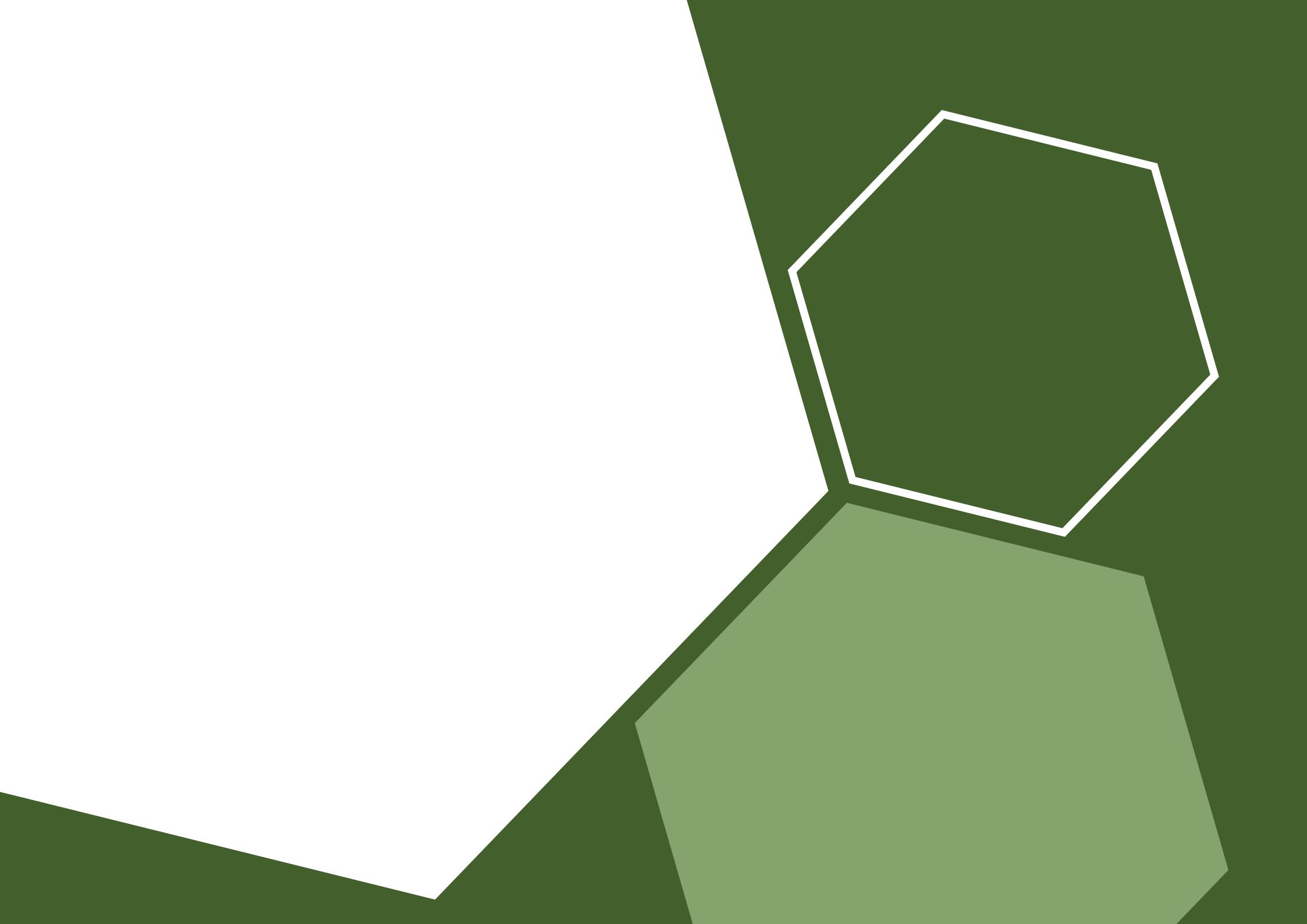
The sample for 2016/17 is good: tenancy reviews were available for 63 out of a possible 100 (the total number of households as at year end). This is therefore an 63% response rate. Many tenants had only recently moved in so were not yet due a tenancy review. This is therefore a good source in terms of its reach and likely accuracy.

f. The Sustainable Development Goals

The United Nations' Sustainable Development Goals (SDGs), also known as the Global Goals, are a set of goals adopted by the international community in September 2015 to end poverty, protect the planet and ensure prosperity for all. One way that they differ from their predecessors, the Millennium Development Goals, is their universality; they call for action in all countries, whether rich or poor. NHPF contributes to the SDGs in several ways. Its primary contribution is to Goal 11: "To make cities and human settlements inclusive, safe, resilient and sustainable", in particular Target 11.1, which commits to ensuring access to adequate, safe and affordable housing for all.

NHPF also makes a secondary contribution to: Goal 1 (End poverty in all its forms everywhere); Goal 3 (Ensure healthy lives and promote well-being for all at all ages); Goal 4 (Ensure inclusive and quality education for all and promote lifelong learning); Goal 8 (Promote inclusive and sustainable economic growth, employment and decent work for all); and Goal 10 (Reduce inequality within and among countries).





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