

 reallettings  
**propertyfund**

Social Impact Report  
Fourth 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 changes year on year, we have sought to make it easier to see where something is consistent or where it is new. In particular, we have introduced explanation notes, indicated with a question mark that contain text that describes particular areas or processes. These tend to be consistent over time. If they do change, this report (and future ones) will make it clear that this has happened. For readers already familiar with Real Lettings and the Fund, they can choose whether to refer to these boxes or not, and focus instead on the main analysis and commentary.

This report was prepared by Andy Schofield and Jamie Pett of the Transformational Index (TI) Group with active contributions from the Resonance and St Mungo's teams.

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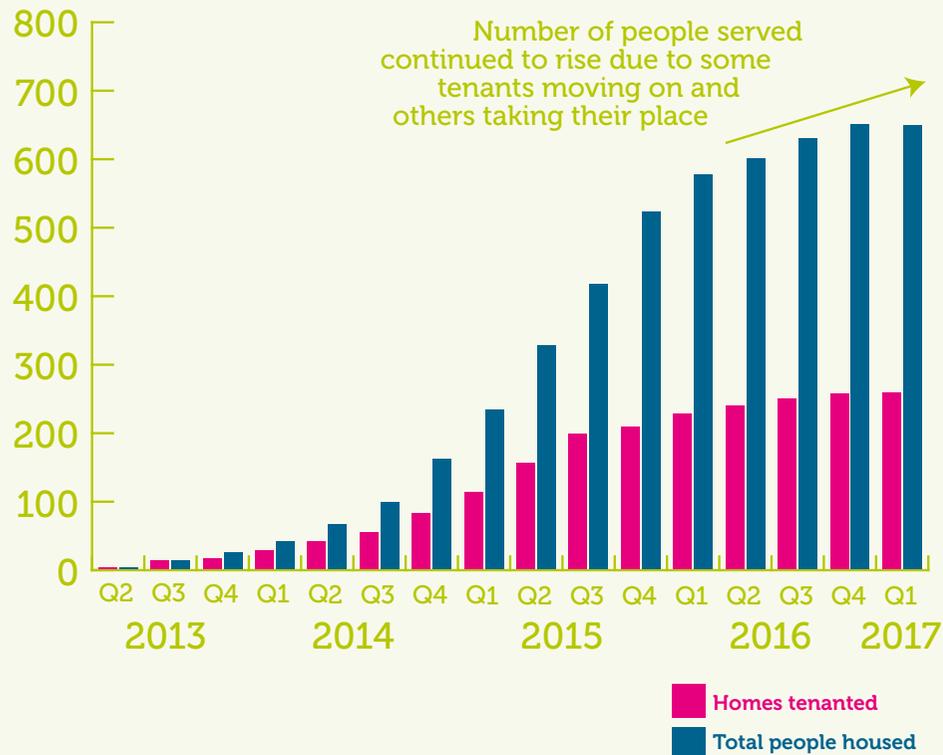
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## Summary

The Real Lettings Property Fund (RLPF 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 impact investment company Resonance, in partnership with homelessness charity St Mungo's, RLPF is now reporting on the social impact of its fourth year of operations in 2016/2017.

RLPF completed deployment of its £57m of investment commitments into a portfolio of 259 properties in mid-2016, but the number of people served continues to rise due to some tenants moving on and others taking their place. This is reflected in the graph below.



**100%**

TENANTS SUSTAIN THEIR TENANCIES FOR MORE THAN SIX MONTHS

**44%**

TENANTS IN EMPLOYMENT, WITH 38% UNEMPLOYED BUT MAKING PROGRESS TOWARDS WORK

**98%**

HOMES KEPT IN ADEQUATE OR BETTER CONDITION

**76%**

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

In addition, in early 2017, Resonance launched Real Lettings Property Fund 2, a new Fund to take forward the further growth of the portfolio in London. This new fund received initial investment of £45m which is already being deployed across London, and continues to work towards further investment raises during 2017. The next impact report in 2018 will therefore be able to show the combined impact of both RLPF and RLPF2.

## Peter



Peter was in a hostel for six months and had no realistic options for anywhere to live: "I was at the end of the road and could have ended up on the streets." However, through the hostel manager, he was connected with St Mungo's. A week after meeting St Mungo's he moved into a Real Lettings property, where he has been for 19 months. This is the first property where Peter, 28, has lived by himself. "I just feel blessed to get it. When I first got the key, I was nervous, but also excited."

Peter says that he was "getting into trouble before and I went to prison for a long time". His life in prison was organised for him so when Peter first moved into RLPF accommodation he had to learn to manage his own time, arranging various appointments for himself which he had never done before. Despite the difficulties, Peter says the chance he's been given means that "[I have] no issues with crime or stuff anymore".

## Mabintou



Mabintou is a single working mum with two children aged two and eight. When she first arrived in the UK four years ago, she was only able to speak basic English and was living in her mother's house in East Ham, which was overcrowded. In total, there were eleven living in a four-bedroom house, including seven children. The council intervened and told Mabintou she had to move, placing her in temporary accommodation in Forest Gate. She was stuck on a waiting list for local authority accommodation and unable to rent due to agencies turning her down due to not wanting tenants on housing benefit. Mabintou had few options until she was referred to Real Lettings and moved into a two-bedroom property in Plaistow, East London.

## Vanessa



Vanessa, 23, has been living in her Real Lettings property for almost three years with her three-year-old daughter. She left her mother's home as it was overcrowded and the cramped living conditions meant that relations became very stressed between her and her mum. She went to stay with friends but this was not a suitable solution for her and her daughter. She then approached the council who referred her to Real Lettings. She moved into a flat in Romford and, whilst it is quite far from her family in south London, their relationships have improved greatly and she visits her mum regularly. Vanessa continues to like the property but admits to feeling a little isolated as most of her support network is in Croydon.

## Key achievements during the year are:

- **Offering stable accommodation to 668 people, including 357 children.** Most of these are families who have moved from unsuitable conditions, typically in temporary accommodation.
- **Helping new tenants to settle in well and sustain their tenancies, with 100% tenancy sustainment to at least 6 months.** No households moved on with a negative outcome within the first six months of their tenancy. Tenants are becoming longer term, which is to be expected as the fund gets older. 68% of tenants have been in their property for between twelve and thirty months. Tenants are increasingly making friends with their neighbours and are enjoying meeting people locally. This is particularly important when many tenants live in a new part of London.
- **A greater proportion of positive move-ons.** Although there were five fewer move-ons compared to the previous year, fewer were negative, with evictions down from eight to five, an improvement in real terms and as a percentage. Having good relationships seems to be the best predicting factor in whether a move-on is positive. It is also positive that the percentage of tenants who say they are more confident looking for a property in the private rented sector has risen to 61% from 38% last year.
- **The percentage of tenants who are unemployed but making progress towards work has increased by 9%, and the percentage unemployed who are actively seeking work has almost doubled to 44% from 23% last year.** There are more tenants in training and education with a 10% increase in those in training, 3% more in education and 15.8% more engaging in Work and Learning (Mungo's internal provision) or similar activities. Signposting and encouragement from Real Lettings staff seems to have been a contributory factor here.

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

- **While saving for a deposit has increased from 10% to 15%, having enough money for tenants to move on is a significant barrier.** Whilst

the trend is positive, 15% is still a small proportion, which does not indicate the amount saved and whether this would be enough to cover a deposit. Real Lettings are exploring alternative strategies to help tenants pay deposits when they move on. Interestingly, a further 10% indicate that they are actively planning to begin saving in the next 3 months, showing increased engagement with this element of progression.

- **Move-on remains a challenge, but there is a deepening understanding of the factors which can help different tenant groups, and an ongoing commitment by St Mungo's to implement those.** Of the 90 tenants who have gotten past the two-year mark, only seven have moved on so far. Given that the average expectation for move-on was around 3 years, and that a significant proportion of the tenants are mothers with young children for whom a longer stay may in some cases be appropriate, this is not necessarily a challenge in itself. However, the overall RLPF model remains focused on being a stepping stone to more sustainable accommodation, and this report sets out some of the strategies which St Mungo's are developing to help tenants make this next step.

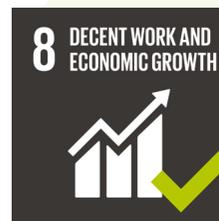
Overall, RLPF is showing a similar, significant level of positive social impact compared to last year with some areas of improvement. RLPF is now at a new stage following the end of the Fund's deployment in mid 2016 and the handing over of all properties to St Mungo's on leases. While the number of people housed has increased, this is partly within-household growth. Children now form over half of the occupants, and we have this year been able to start to analyse how children of different ages may affect decisions tenants are making around factors such as progress towards employment and move-on. In future reports, we hope to begin to demonstrate some of the positive impacts which children may experience from the stability of a home, in addition to the current focus on progression being made by adult tenants.

With a 100% sustainment rate for this year, tenants are largely settled and so Real Lettings' work can be and is now more focussed on the longer term social impact outcomes. Employment was the key focus for this year, as

this has the greatest potential to increase savings, reduce debts and give people more choice in terms of moving on to a new property. While the level of employment itself did not increase, there was a large increase in tenants 'making progress towards employment'. St Mungo's has also worked on more options for tenants moving on beyond a Real Lettings tenancy, and these are beginning to be rolled out. In this phase, move-ons are becoming more important for the Fund and increasing the quality of move-ons will be crucial to its enduring social impact beyond its valuable role as a stabiliser. **With last year's launch of the National Homelessness Property Fund in Bristol, Milton Keynes and Oxford, Real Lettings now houses over 1000 tenants around the country. Meanwhile, the launch of the Real Lettings Property Fund 2 in early 2017 means that the scale of the initiative in London will now continue to grow, as further properties are added to the London portfolio and more investment is raised into that Fund over 2017/18.**

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

### Sustainable Development Goals (SDGs)



## What is the Real Lettings Property Fund?

The Real Lettings Property Fund (RLPF) 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 fourth annual Social Impact Report provides an assessment for investors, and other interested parties, of RLPF's social impact on the lives of those it seeks to help.

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. RLPF is a residential property fund which acquires mostly two bedroom flats across Greater London, leasing them to St Mungo's to make available (through its social lettings agency, Real Lettings<sup>1</sup>) to homeless families and individuals who are ready for independent living but struggle to access private rented accommodation.

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 RLPF, is reducing the number and length of stay of families placed into expensive and often unsuitable temporary and emergency accommodation. By the end of 2016, London local authorities housed 54,170 households in temporary accommodation, an increase of 6%<sup>2</sup>. A study in 2016 estimated the cost for 2014/15 as a total of £663m<sup>3</sup>. For an indication of the savings that RLPF could bring, please see appendix G.

The Fund was launched in February 2013 with initial investment from L&Q Foundation, Big Society Capital, Esmée Fairbairn Foundation, Lankelly Chase Foundation and the City of London (through City Bridge Trust), and has subsequently received additional investment from the London Borough of Croydon, Trust for London, Panahpur and individual high net worth investors. Investors receive both rental yield on the properties and the potential for capital appreciation over the life of the fund, and the charity guarantees rents and maintenance of the property. 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.

The Fund had fully committed its investment of £56.8m to properties by the end of its investment period in February 2016, and then completed on its final acquisitions, resulting in a total portfolio of 259 properties. Activity in terms of buying and refurbishing properties has been minimal in this last year of operation. However, this has now recommenced with the launch of the Real Lettings Property Fund 2 in early 2017. At the end of the current reporting period (March 2017), 259 homes had been purchased, all of which had been handed over to Real Lettings on leases and 257 were occupied. Although there has not been growth in property numbers, in contrast with previous years, there has been an increase in resident numbers, with children and young people under eighteen now outnumbering adults, by 357 to 311. As was stated in the last report, focus has changed from moving people in and helping them to settle, to tenant progression. This social impact report, like previous ones, uses social impact measurement and analysis to demonstrate what is happening and enable the partners in Real Lettings to make improvements.

<sup>1</sup> Real Lettings was operating for a number of years before the start of the Fund - indeed, an important part of the rationale for the Fund was to scale up and strengthen these successful operations as a profitable social enterprise within a homelessness charity, increasing its sustainability and social impact.

<sup>2</sup> Department for Communities and Local Government (2017) "Statutory homelessness and homelessness prevention and relief, England: October to December 2016"

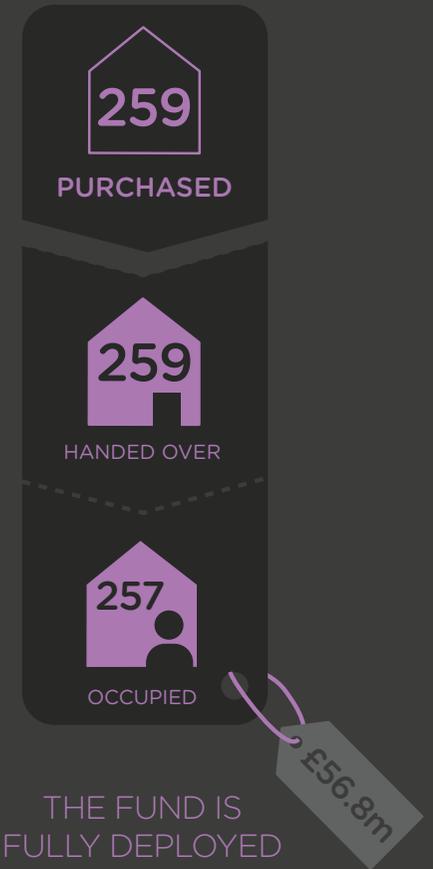
<sup>3</sup> Rugg, J. (2016), "Temporary Accommodation in London: Local Authorities under Pressure"

# LOCATION OF RLPF PROPERTIES

AS OF END MARCH 2017



FROM PROPERTIES  
TO PEOPLE



## HOMELESSNESS IS A GROWING PROBLEM



People sleeping rough in London

Source: Streets of London

This figure has more than doubled in the last 5 years.

## TEMPORARY ACCOMMODATION NEED IS INCREASING...



Households in temporary accommodation

Source: Temporary Accommodation in London, London Councils

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

## AND EXPENSIVE



Cost of temporary accommodation

Source: Centre for Housing Policy Report, Feb 2016

With the increasing gap between housing benefits and the cost of temporary accommodation to London Boroughs, in 2015 it is estimated that £170m of the £663m came out of general funds of the Boroughs.

## LONG WAITING LISTS FOR SOCIAL HOUSING



Households on council housing waiting lists

Source: Households on Local Authority Waiting List, London Datastore

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 LONDON?

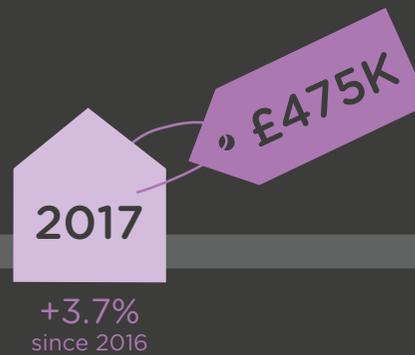


The average  
Real Lettings monthly rent

Source: HomeLet Rental Index  
March 2017

The average monthly rent  
in London continues to rise.

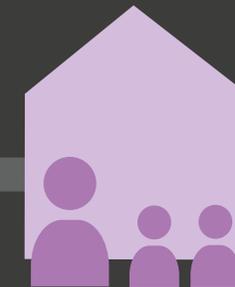
## BUYING IN LONDON?



Source: HM Land Registry, UK House Price  
Index summary, February 2017

An increasing proportion of the  
population are being priced out of  
the London housing market.

## REAL LETTINGS PROPERTY FUND



RLPF provides more homes to  
go with Real Lettings' tried and  
tested model more effectively  
than Real Lettings could source  
them from individual landlords.

## How is it making a difference?

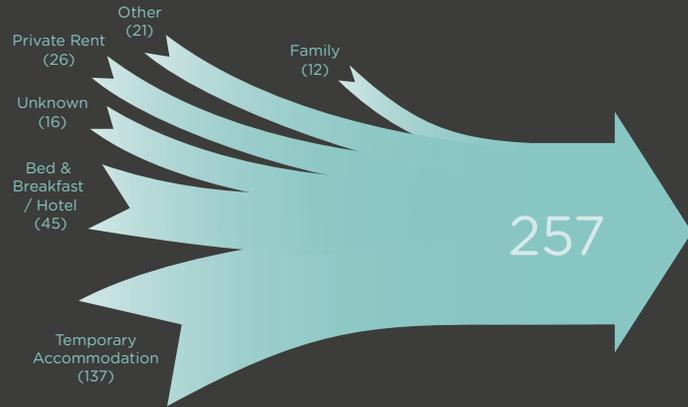
Real Lettings achieves impact by moving homeless people into properties, supporting them as they make the transition and then, in due course, enabling them to move-on to other stable homes. RLPF seeks to have a positive impact on the lives of individuals in three key areas:

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

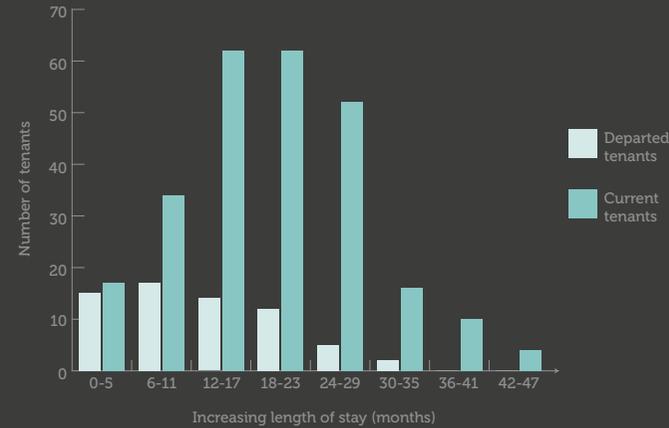
Measures for assessing progress in each of these areas were developed jointly by Resonance and St Mungo's/Real Lettings from an early stage, based on the underlying motivations of the initiative, and have been the subject of ongoing discussions between the partners since then. These three areas are considered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



# Who is housed



WHERE ARE PEOPLE FROM?  
By tenants, not households



HOW LONG HAVE THEY BEEN IN AN RLPF HOUSEHOLD?  
By household, not individuals

To understand more about move-ons, including the mixture of positive, neutral and negative outcomes, see the section on 'Improving housing opportunities'.

## Description and explanation

### Over 650 people are now housed, with slight increases in total numbers

While last year 226 houses were occupied, this has now risen to 257. As other statistics reflect, Real Lettings has helped people settle in well, a significant achievement in itself given the intensity of work required. This is the first year where helping people settle in has not been a major activity.

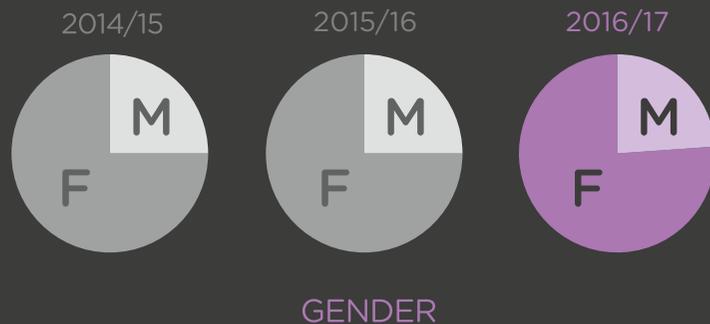
After doubling between 2014/15 and 2015/16 to 552 people, the total number of people housed has risen more slowly to 668. This reflects growth in the number of people within properties, such as new-born babies, as well as the stabilising of the number of properties this year.

Whilst there are a variety of routes into RLPF, the majority are from temporary and emergency accommodation, most of which is provided by Local Authorities.

Since its inception, all people coming to Real Lettings are referred by a Local Authority, based on agreed eligibility and guidelines, although they may have been housed in different ways prior to this. In 2016/17, even more so than with previous years, most tenants came from Local Authority

temporary accommodation. The need for temporary accommodation is increasing, and one of the benefits of RLPF to Local Authorities is that people who are expensively and inappropriately housed in this specialist accommodation can move-on, freeing up places for those with higher support needs who need it more. The next largest referral route is from B&Bs and hotels – often called emergency accommodation. Here also, the Fund helps Local Authorities reduce the high costs of this kind of accommodation and, most importantly, provides a step forward for the adults and children whose lives are “on hold” whilst stuck in this type of accommodation.

A further 33 households have come direct from the private rental sector. These clients typically are served notice of eviction by private landlords, which puts them at risk of homelessness. The ‘other’ sector refers to a variety of different previous locations for Real Lettings households: three from a probation hostel, three from refuges, three from prison and one from a hospital. Two tenants were sleeping rough prior to Real Lettings and three came from a homelessness hostel. The vast majority of RLPF tenants were not previously sleeping rough, or in hostels immediately prior to entering Real Lettings – with this making up only 1.5% of the total number of households. Whilst, in the public imagination, homelessness is often equated with sleeping rough, RLPF is an intervention designed to help those who are often referred to as the ‘hidden homeless’. The model is not specifically designed for those who are sleeping rough, who often have multiple presenting needs (for example, alcohol and/or drug dependency) and are a client group that requires more intensive support of the kind provided by other aspects of St Mungo’s activities.



## WHO ARE THEY?

### Composition of RLPH households

These figures are calculated from the number of adults and children in each household rather than marital status or parentage. For instance, children could include younger siblings in some cases, rather than all being the birth children of the tenant(s). The number of households with four or more children could be due to family growth (a new birth or other extra people) or a recording error (for example, five children recorded, when in fact there is one five-year-old). Real Lettings does not let two-bedroomed properties to people with more than three children.

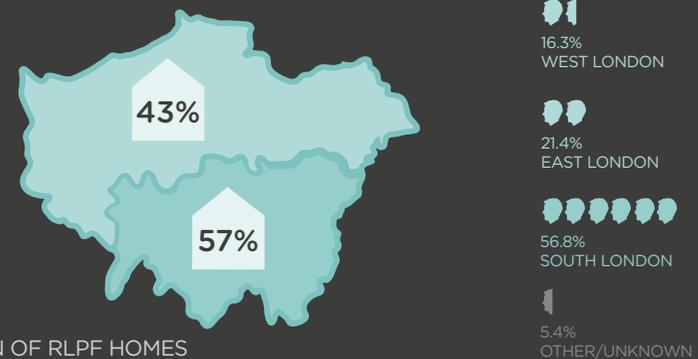
### Women with children continue to be the majority of Real Lettings tenants

There is a consistent pattern in the gender balance, with females representing three quarters of tenants.

Four households in every five have children, who are now in the majority. A trend of an increasing ratio of children to adults has continued, rising further from just under 50% children last year to 53% now. Children are an important group to house. Temporary and emergency accommodation are both unsuited for children, particularly young children. This is reflected in legislation for Local Authorities, which mandates that families can only be housed in a B&B in an emergency and for a maximum of six weeks.

### Children tend to be aged five or under

For the first time this year, a breakdown of children's ages is available, thanks to improvements made in data capture by Real Lettings. Of 357 children in total, it appears that 107 are aged two or under, while 130 are between three and five years old. A further 87 are aged six to eleven, with

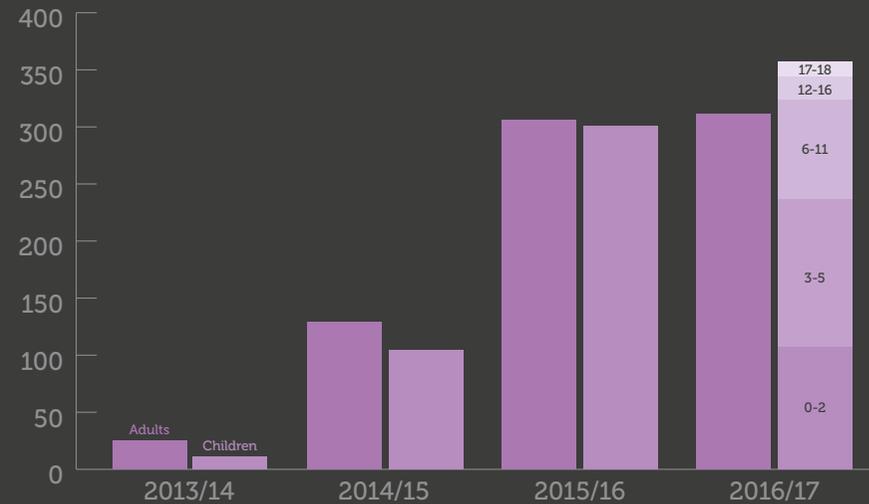
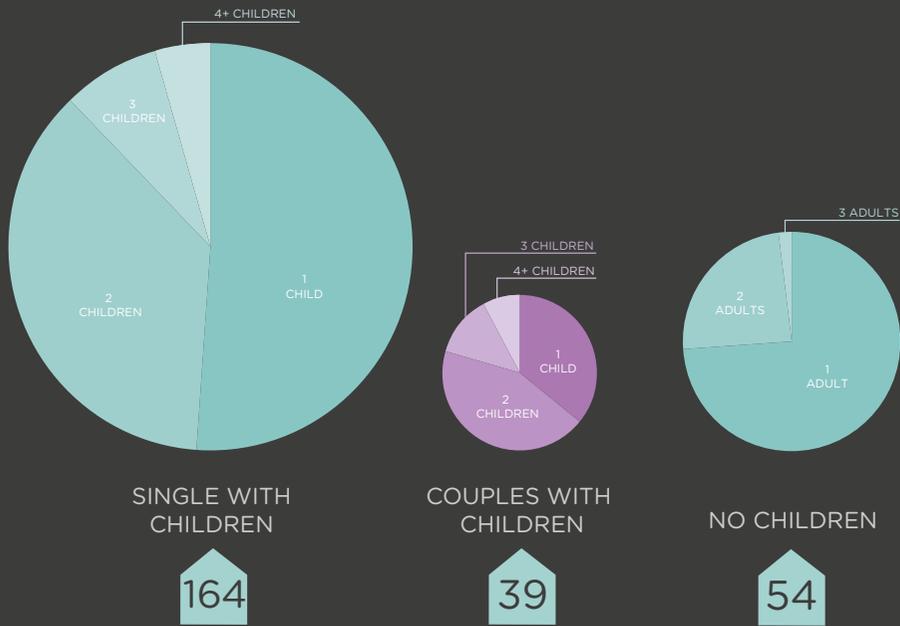


## WHERE TENANTS WERE REFERRED FROM

33 aged twelve to eighteen. This demonstrates that a large number of households include young children. While having this data is a useful improvement on past years, this is the first year of collection and there was some use of temporary staff in collecting of tenancy review information. There appear to be some inconsistency in how questions about the number of children in each age group were administered and responses collected, which will be improved in next year's report.

### Key points

- The demographics of people in the Fund have remained similar. Most tenants are single females with children. There are only forty single people without children.
- 56% of households include young children up to the age of five. This has implications for resettlement and the number of hours people can work.
- Likely linked to these demographics, many tenants are staying longer than initially anticipated. Of the 90 who have gotten past the two-year mark, only seven have moved on so far, and of the fourteen clients who have been in the property more than 3 years, none have yet moved on.
- Residents are diverse in terms of nationalities and ethnicity. 19 tenants (7%) require English language support.



## Progress

With a similar population to last year, the Fund has stabilised this year in terms of numbers of properties. However, there is some 'churn', as 21 households moved on and were replaced by new tenants, as intended.

Tenants are becoming longer term, which is perhaps to be expected as the fund gets older. 68% of tenants have been in their property for between twelve and thirty months. However, few tenants are leaving after the two-year mark. Of the 90 tenants who have gotten past the two-year mark, only seven have moved on so far.

There is an even spread of properties north and south of the river. However, a somewhat higher proportion (57%) of tenants come from South London. This is down from 64% of tenants coming from South London in 2015/16 and means that more tenants are being housed nearer their original locations.

## Opportunities and challenges

Last year, the prediction was that more stability in terms of tenants would mean that staff spend less time on moving people in and more on supporting those who are already there. This should in turn increase some of the longer term social impact outcomes. Real Lettings now has a dedicated social impact worker in addition to other staff. Anecdotally, staff also have more time to follow up with tenants on matters other than helping them move in and get set up.

While this calls into question previous assumptions about length of stay, it is not necessarily a cause for concern. It seems that people are juggling multiple commitments and generally taking actions that are likely to increase their chances of sustaining this tenancy and a future one. Some people react to their new home by deciding they want something better elsewhere (typically nearer to family) whereas others settle in and plan for the medium term. Both of these are good outcomes.

On some level, this length of stay probably represents the choices that are available to people, in terms of stability, quality and price. The general housing market conditions are outside the control of the partners and the Fund but, if anything, are getting more challenging.

The difference between where tenants are from and where available RLPF properties are located inevitably means that some tenants are housed some distance away from their previous location. Whilst this is preferable to being housed outside of London, in a different part of the country, it is not without its challenges for some households. There is some evidence that, as the Fund has scaled up its portfolio, this has allowed for some greater flexibility in balancing the location of properties to the areas tenants are being referred from.

# OUTCOMES FOR RLPF TENANTS

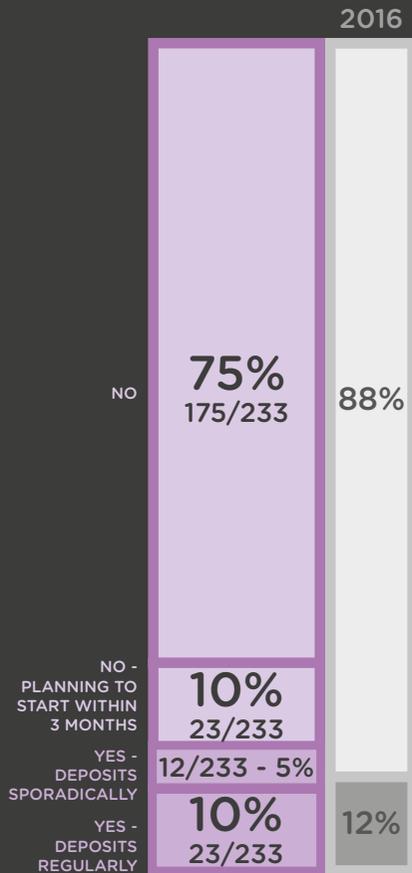
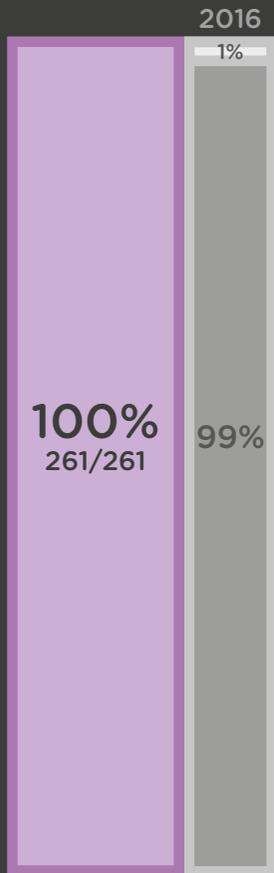
All data is drawn from the regular tenancy reviews that were conducted during the 2016/17 financial year, unless otherwise stated in the comments section. Real Lettings staff contacted 251 out of 257 tenants between April 2016 and March 2017. The sample size ensures a high confidence in the results. In order to achieve a 99% confidence level with a 5% margin of error, there would need to be a sample size of 186. Instead the sample size is 251, giving a much smaller margin of error (1.2%), and thus a very robust sample. More information on the tenancy review tool can be found in the appendix 'A framework for measuring social impact'.

Tenancy sustainment is not based on the tenancy review survey. It is the total number of tenants who have lived in a Real Lettings property and not moved out in under 6 months (183 in 2016).

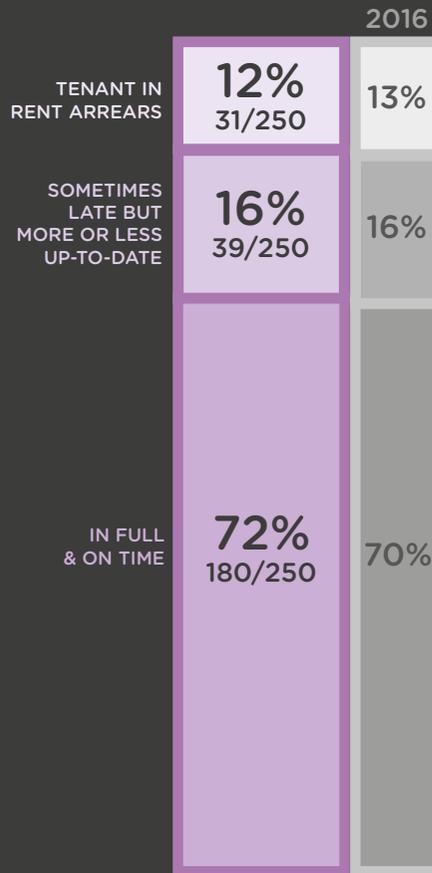
## Tenants save for a deposit so they can move from Real Lettings into the private market

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

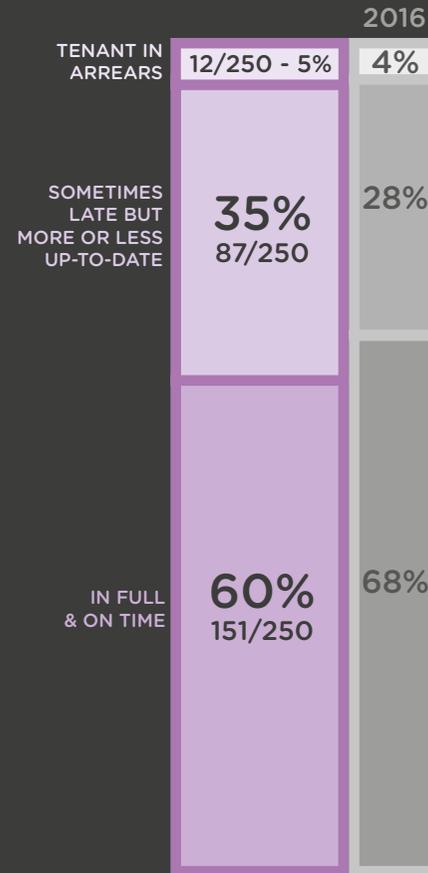
## Tenants sustain their tenancies for more than six months



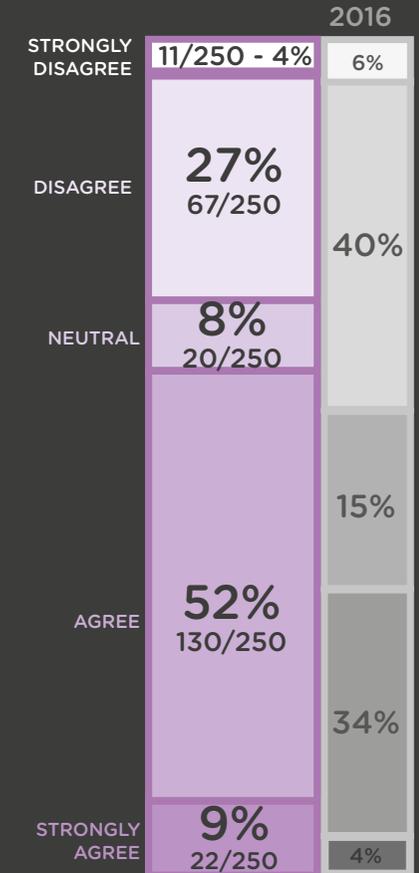
## Tenants are paying their rent



## Tenants are paying their bills



## Tenants are confident in looking for a private property





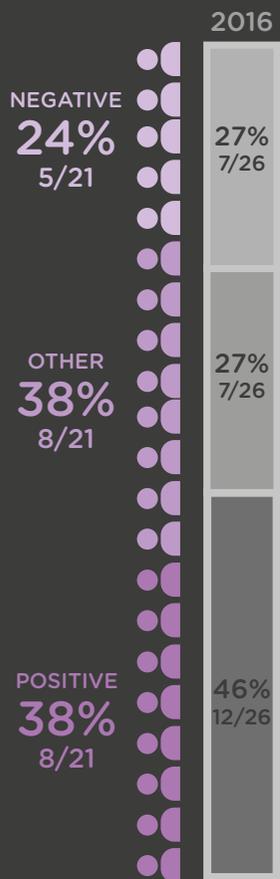
**257**  
TOTAL HOUSEHOLDS

**251**  
SAMPLE SIZE  
BASED ON RESPONSES TO THE TENANCY REVIEW

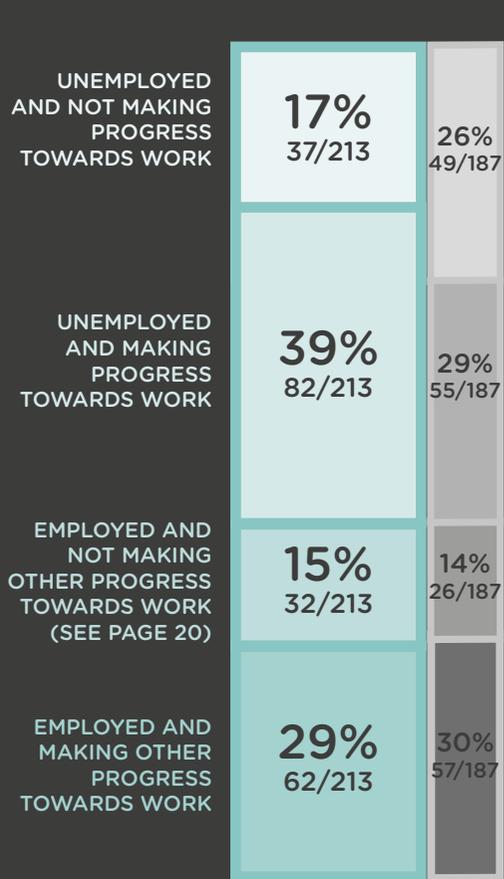
**233**  
SAMPLE SIZE  
TENANTS IN PROPERTY FOR 6 MONTHS OR MORE  
WHO ALSO RESPONDED TO THE TENANCY REVIEW

### Tenants move on from Real Lettings

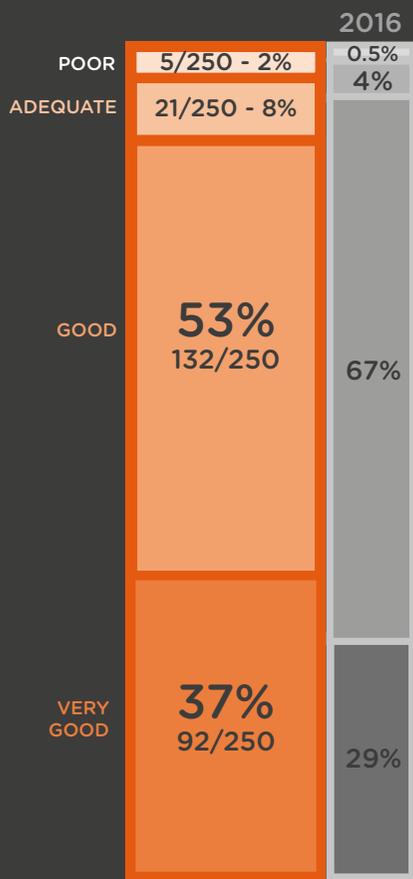
The small sample for move-ons means that percentages should be treated with caution



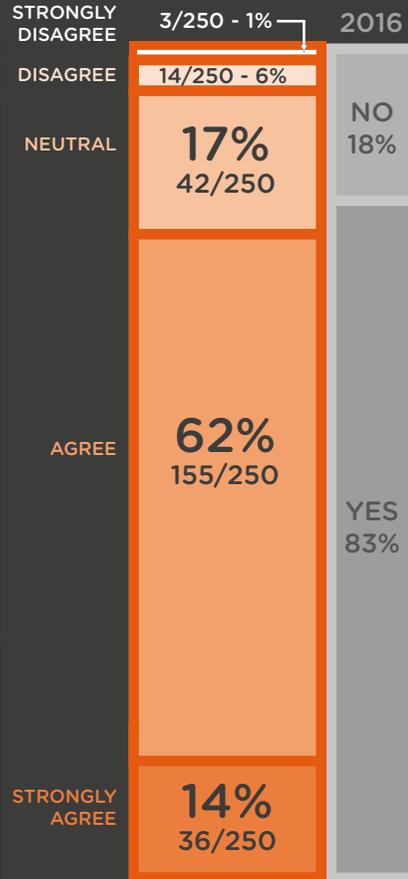
### Tenant progress towards work



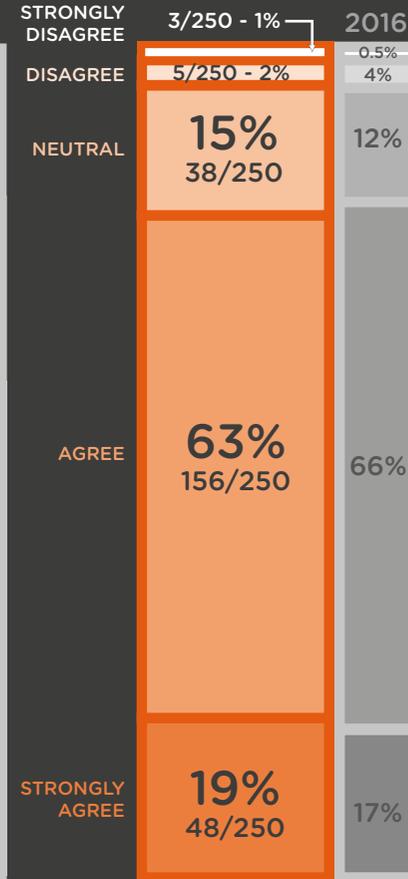
### Home is kept in good condition



### 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



PROGRESS TOWARDS EMPLOYMENT

IMPROVING RESILIENCE AGAINST HOMELESSNESS

# Improving housing opportunities

100%

OF RESIDENTS SUSTAINED THEIR TENANCY FOR MORE THAN 6 MONTHS

2016 - 99%

15%

ARE SAVING FOR A DEPOSIT

2016 - 10%

69%

ARE NEUTRAL OR CONFIDENT IN LOOKING FOR A PROPERTY

2016 - 53%

87%

ARE NOT IN RENT ARREARS

2016 - 87%

21

TENANTS HAVE MOVED ON; OF THESE, 8 ARE POSITIVE, 8 ARE OTHER AND 5 ARE NEGATIVE



## What is this impact area about?

Whilst an RLPF 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 Real Lettings. 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

- It is worth celebrating that no clients moved on negatively within the first six months of their tenancy. This suggests that Real Lettings is doing a good job in helping tenants settle in. However, this figure is less meaningful at this stage of the fund's life, as fewer tenants are moving in. It should therefore be read in conjunction with other statistics to build up a fuller picture.
- While saving for a deposit has increased from 10% to 15%, this is still a relatively small number, which does not indicate the amount saved and whether this would be enough to cover a deposit. Real Lettings is exploring alternative strategies to help tenants pay deposits when they move on, discussed further below.
- Tenants seem to be thinking more about the reality of moving on, being more aware of how much time they have left in the property, more confident about finding a private rented property but less confident about the future in general. This mix of optimism and realism is understandable in the light of the challenges of finding affordable housing in London.
- There were five fewer move-ons compared to the previous year, and a smaller proportion were negative, with evictions down from eight to five. Having good relationships seems to be the best predicting factor in whether a move-on is positive, while employment does not, based on the limited data to date, seem to make a difference.

Evidence	Opportunities and challenges
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<p>100% of tenants sustained their tenancies in 2016/17, i.e. no clients moved on negatively within the first six months of their tenancy.</p>	<p>The 100% sustainment statistic is positive – Real Lettings is effective in helping tenants establish their tenancies.</p> <p>Discussions between the partners and impact evaluation team considered how useful this is as an ongoing indicator of impact as the number of people moving in decreases. Over the life of the Fund, sustainment is over 99%: as most homes are occupied and the people in them have been there for over six months, this number will remain high. However, whilst the sensitivity of the number is low, any drop from 100% will be easy to spot. While fewer tenants are now moving in, it is good to know they have settled as this is the foundation on which everything else stands.</p>
<p>Saving for a deposit has increased from 10% to 15%.</p>	<p>While this is a positive development, it is not sufficient progress to give comfort that tenants are likely to have the financial means to move on. Whilst the habit is good in terms of behaviour, the amount saved is unknown but is unlikely to meet people's needs for a full deposit, given the income they have available to them. Saving £5 a week (c.£250 a year) would be a huge achievement. Even doubling this to £10 a week over three years, a very optimistic scenario, would give people c.£1,500 – less than a standard deposit, with no allowance for moving costs or furnishing a new property. The view within the Real Lettings and Resonance team, shared by the evaluators, is therefore that savings alone, even with additional incentives with a credit union, is unlikely to be enough to meet the high price of deposits for most households, who are seeking two-bed properties in London.</p> <p>One of the strategic options identified is to find alternative products that can remove this barrier; the team is investigating a scheme called 'deposit and rent'. This works as a kind of insurance that protects the landlord at much lower cost than the deposit.</p>
<p>Increase of 7% in those who say they are "a bit behind" with bills, with no change in rent payment.</p> <p>Real Lettings has improved its rents process, working closely with the rents team who operate across St Mungo's, including through the use of credit checking records. It can also help tenants to have a credit record when they move on.</p>	<p>It is worth noting that this is a self-reported measure and so the actual figure may be higher or lower. As it stands, it may be something for Real Lettings to continue to observe in their records. As it stands, they have not seen a significant shift, suggesting that tenants are more aware due to receiving more regular reminders of any arrears from Real Lettings. The possible responses to the questionnaire distinguish between being "a bit behind" and being "in arrears". Only 5% of tenants say they are in arrears for bills, unchanged from the previous year.</p>
<p>There are mixed perspectives on moving on, with an increase of 23% in those who are confident in looking for a PRS property but a decrease in tenants feeling positive about the future – now more are neutral. Meanwhile, there is a 45% increase in tenants who say they are aware of how much time they have left in their property and have plans for this.</p>	<p>It is good that people are aware that their time in the property is limited and this substantial increase is most likely due to the work of Real Lettings. This is an important message for the team to convey. It is encouraging that they have plans, as this indicates positive and proactive behaviour rather than a sense of simply feeling worried by the fact that the tenancy is time-limited.</p> <p>Tenants' better understanding of the private rental sector may also be due to work by St Mungo's, including running workshops for tenants this year. Realism may be colouring feeling positive about the future, particularly if people have started looking for properties, for instance on line, and seeing the costs. Finding housing is a challenge and these people are close to it.</p>
<p>21 tenants have moved on this year; of these, eight are positive, eight are other and five are negative.</p> <p>The number of move-ons has dropped by approximately one quarter since last year.</p> <p>The percentage of positive move-ons has stayed similar, with a greater proportion of 'other' move-ons and fewer negative move-ons.</p>	<p>There is a slower flow of people through the Fund but with fewer negative move-ons. There were only five evictions this year, compared to eight in 2015/16. This was hoped for and based on improvements to the rents process, including working on benefits to avoid arrears.</p> <p>As the Fund ages, it could be expected that the number of move-ons would increase given the larger number of tenants. There is a recognition that it takes time for tenants to settle down, make progress, and then prepare to go elsewhere. How this is being addressed is covered in more detail below.</p> <p>To find out what determined success when tenants move on, we tested a range of attributes for whether they affected the likelihood of a positive move-on, where data was available. Where tenants say the property has a positive impact on their relationships, a positive move-on is more likely. However, savings behaviour was not a significant factor and employment does not (based on the limited data to date) have much effect on whether move-ons are positive or negative, perhaps because move-ons often include family and/or affordable rental options where benefits are part of the income mix. Real Lettings suggested that positive relationships could be a sign of emotional resilience. People making the most of the change to a new property are perhaps more likely to invest in relationships and consequently get more out of them. It is possible that they want to stay rooted in these places and plan accordingly.</p>

## Minimising negative move-ons

### Why evict?

Where tenants have been evicted, four out of five are recorded as being due to rent arrears. In these cases, the reason for evictions has been that the tenants did not work with Real Lettings to fulfil the process to receive housing benefits. Real Lettings responded to the first signs of this problem by establishing a strategy for helping tenants meet their responsibilities. This has meant Real Lettings has had an increasingly active role in the process. However, in some cases, tenants have intentionally not engaged and not responded, developing significant rent arrears. In these cases, Real Lettings, in its capacity as a lettings agency, evicted the tenants. This is a final resort that is not used lightly – as shown below, substantial work goes in to avoid this point being reached.

### What does Real Lettings do to help tenants in this area?

In terms of the process for setting up Housing Benefit claims, Real Lettings supports tenants to set up the initial claim, and then calls them weekly to check if they have completed the claim by submitting their supporting documents to the relevant Housing Benefit department with the local authority. Real Lettings ask the tenants to send a copy of the receipt the Housing Benefit department gives them when they submit their documents. These documents need to be submitted within four weeks in order for the claim to be processed, so Real Lettings calls tenants within this time period to ensure they complete the process. If tenants have Housing Benefit issues once a claim has been set up, Real Lettings involves St. Mungo's welfare rights team and peer support team to engage with the tenant, particularly if they would not respond to Real Lettings' letters and calls.

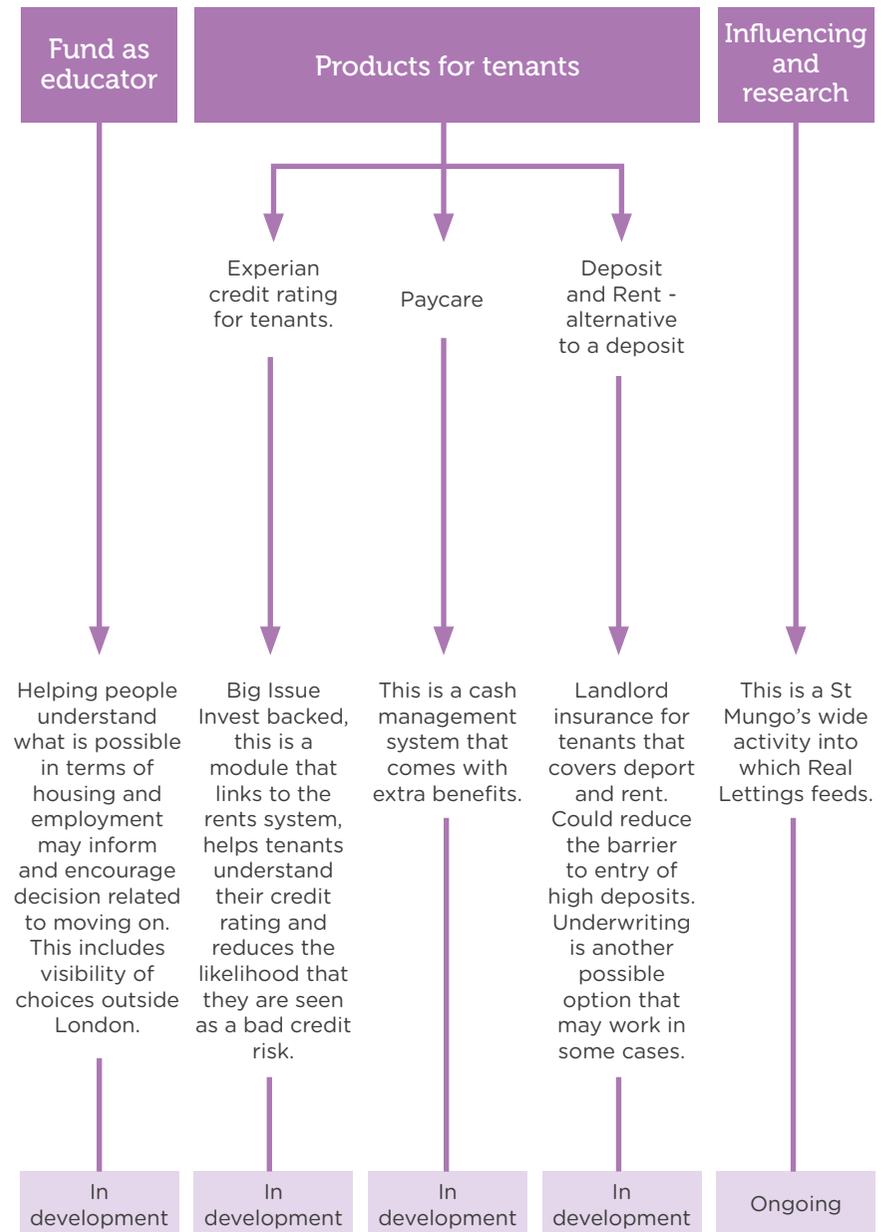
### What is the trend?

The percentage of negative move-ons decreased from 27% to 24% this year, and there were only five evictions, compared to eight in 2015/16. Real Lettings knows what type of client is best suited for RLPF, and pushes back to referring organisations where they would not be suitable, and it is intervening earlier. Real Lettings now runs a weekly new starter report to monitor engagement more closely. Real Lettings will also increase its scrutiny of tenants at assessment stage to check they are engaging, potentially declining those who do not wish to.

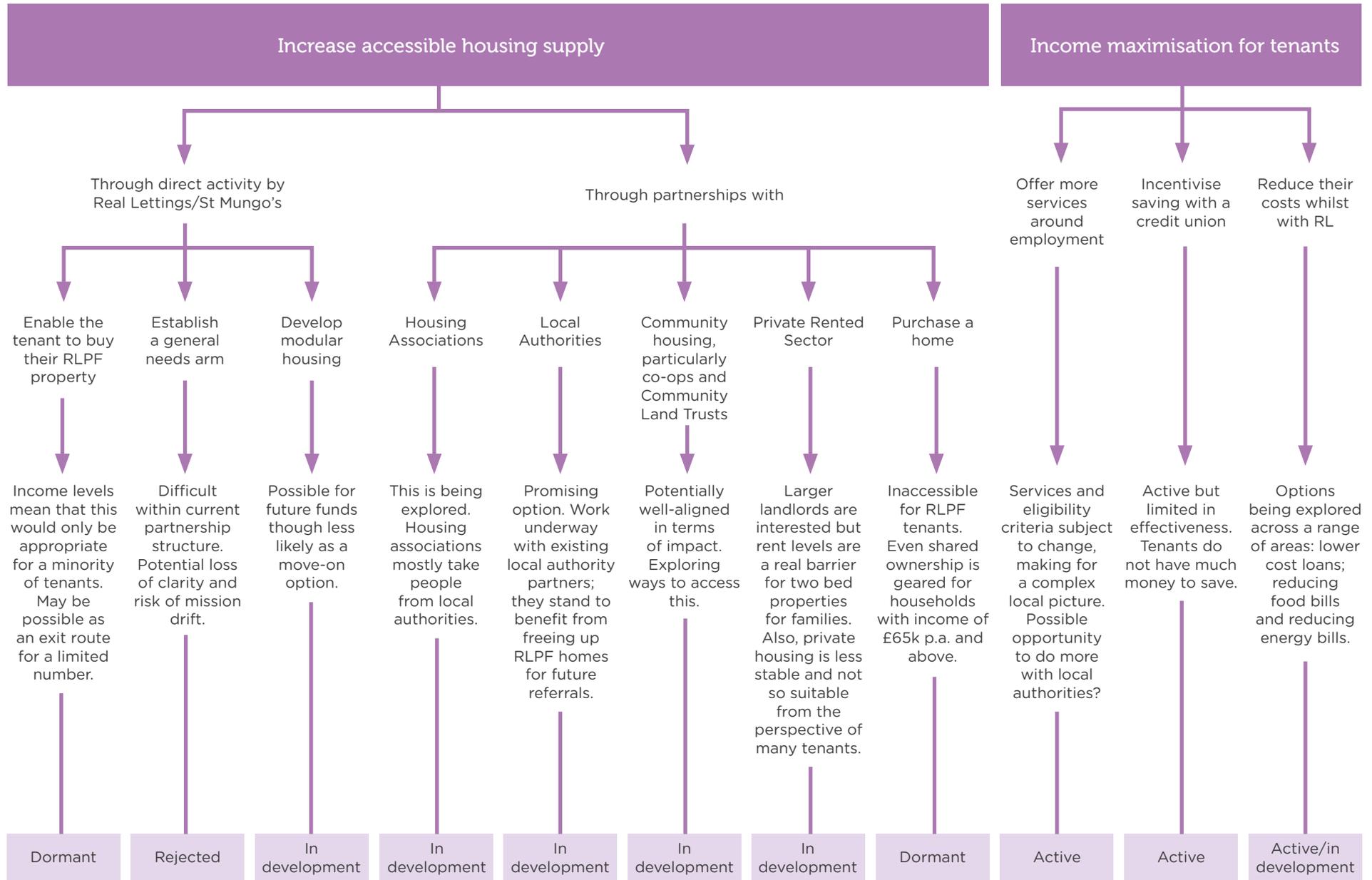
## Maximising positive move-ons

RLPF operates in a complex and changing environment that is affected by physical, social, economic, political and legal factors. RLPF cannot "solve" the problem of people gaining and retaining stable, secure, affordable housing for those people that it works with – those housed and helped have to interact with these systems that are beyond the control of RLPF and the partners, St Mungo's and Resonance. However, RLPF is not powerless; it considers a range of interventions that can help, and needs to keep these under review. Developing options for move on is an organisational priority for St Mungo's and St Mungo's is therefore developing an overall strategy for this issue, a significant element of which is being informed by Real Lettings' experience. Meanwhile, the ongoing impact reporting on RLPF has already led to the establishment of a joint strategy for this issue in RLPF, as set out to the right. This shows viable options that are being developed, based on the consensus of the partners, as well as others that have been considered but are not being pursued at this time.

## Strategic options for move-ons



# Strategic options for move-ons (cont.)



# Progress towards employment

44%

TENANTS EMPLOYED

2016 - 44%

68%

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

2016 - 59%

43%

OF THOSE NOT EMPLOYED ARE ACTIVELY LOOKING FOR WORK

2016 - 22%

## Key messages

- The percentage of tenants in work is the same as last year at 44%.
- The percentage of tenants who are unemployed but making progress towards work has increased by 9%. The percentage who are unemployed but actively seeking work has nearly doubled to 43% from 22% last year. This may be due to signposting and encouragement from Real Lettings staff since this was identified as a key objective in the previous year's report and has been an area of focus this year.
- The majority of those who are unemployed and not making progress towards work have young children.



## 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', RLPF emphasises the significance of activities related to future employment, such as education, training and volunteering. Whilst Real Lettings is not an employment agency, the team signposts tenants towards relevant agencies and support services. Having childcare in place as well as actively 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
✓	x	Positive
x	✓	Positive
x	x	Negative

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 16 hours
- Working more than 16 hours
- Working more than 24 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.

The proportion of tenants in work has remained stable throughout the life of the fund. Of the 44% currently in work, 10% of tenants are working less than 16 hours, 16% are working between 16 and 24 hours, 10% work between than 24 and 35 hours, and 10% work 35 hours or more (i.e. full time). This means 42 tenants are working 24 hours or more, close to full-time, compared to 57 working less than 24 hours.

## Evidence

The last impact report identified progress towards employment as the key social impact intervention for this year. Real Lettings has seen improvements: the percentage of tenants who are unemployed but making progress towards work has increased by 9%. Overall, there are more tenants in training and education with a 10% increase in those in training, 3% more in education and 15.8% more engaging in Work and Learning (Mungo's internal provision) or something similar. In addition, there has been an 8.4% increase in those searching for work (for both employed and unemployed tenants) and increased confidence in finding a job. However, of those eligible for work, the same proportion of tenants (44%) is in employment as the previous year.

## Opportunities and challenges

The shift towards more tenants making progress towards employment may in part be due to action taken by Real Lettings following the previous social impact report. For instance, a new worker is now in place, although volunteer recruitment has been slower than hoped. The process, including the tenancy review and the way it is used by staff, has also been designed to encourage people to think about employment. With more stable tenants and less time signing people up, some of the team's detailed knowledge of the clients may be coming into play. Another factor could be tenants themselves settling in and making the most of their tenancy.

Given that 237 children in RLPF homes are aged five or under, as they get a bit older and move into state-funded childcare provision and/or school, this could create opportunities for parents to enter the workforce.

Given the increase in tenants making progress towards employment, and the increased stability of tenants in general at this stage of the Fund, it would be reasonable to expect more tenants to be in employment next year (albeit that if this is then correlated with positive move-ons, the tenant group will likely see employed move-ons replaced by unemployed move-ins). This is beyond the control of Real Lettings, but the data suggests they are influencing tenants in the right direction. That said, it is not appropriate to expect that the majority of tenants will engage in full time work. Most tenants have young children, and pay for hours worked has to be offset against additional childcare costs as well as parents' own sense of responsibility towards their children; full time in these cases is unlikely to make sense financially or for family dynamics.

# Improving resilience against homelessness

98%

OF HOMES ARE KEPT IN ADEQUATE OR BETTER CONDITION

2016 - 99%

76%

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

2016 - 83%

82%

FEEL CONFIDENT IN MEETING NEW PEOPLE IN THE LOCAL AREA

2016 - 82%



## 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 - 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.

One might well expect relationships to broaden and deepen at this stage of the Fund as tenants have been in place longer on average. Indeed, this is borne out by the numbers. Many more tenants are friends with their neighbours and have had positive experiences of meeting people locally. In addition, 76% of tenants say that the property has had a positive impact on their support networks and relationships, suggesting that they are maintaining contact with friends and family, even when they've moved to a new area.

## Key messages

- Tenants are increasingly becoming friends with their neighbours and are enjoying meeting people locally. This is particularly important when many tenants live in a new part of London.
- Houses continue to be kept in a good condition.
- Fewer tenants report that they have set up utilities. It is not yet clear whether this is due to misunderstanding the question or if they have forgotten to pay for some utilities, for example water.
- Fewer tenants say that they know who to contact regarding issues such as rent or maintenance. This is likely due to them not needing to do so and therefore forgetting.

Evidence	Opportunities and challenges
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There has been a large increase (10% to 40%) in tenants who are friends with their neighbours and those who have had a positive experience of meeting people locally (68% to 85%). A similar proportion say the property has had a positive impact on their support network. (It is worth noting that response options have changed to introduce more granularity and a neutral option on a 1-5 scale, rather than a yes/no response, so direct comparison to previous years is not possible).

Tenants are settling in well and appear to be making the most of their new homes. The corresponding challenge is that it may be possible for tenants to become 'too settled'. RLPP properties are intended to be a stepping stone into a more sustainable housing solution, rather than a permanent destination in their own right.

This issue is particularly important when tenants move to a new part of the city. In the experience of Real Lettings, there seem to be two types of reaction to living in a new location that could be described as "settle in" or "change it up". Where tenants have not settled so well, and the latter option comes into play, this has perhaps focused them on moving out to a location and situation that they prefer – often nearer family. In this case, Real Lettings seeks to prevent breakdown of the current tenancy and help them move on somewhere suitable. In one example, a tenant saved and found something quickly when they were placed in a different area than they would prefer.

90% of tenants say they keep their property in a good or very good condition.

Tenants report caring for their properties. This is good for Real Lettings and also for move on; it demonstrates that tenants understand their responsibilities.

17.5% decrease from last year on those who have set up utilities

It is currently unclear why this is the case. One potential explanation is that some tenants interpreted the question as asking whether they have set up utilities in the last year, which would have yielded a negative response if this was not needed. However, based on discussions with the Real Lettings team, this does not seem particularly likely as they are familiar with administering the tool. (There was a push on tenancy reviews in the third quarter done with locum staff; whilst this could be a factor, assuming that the collection process explains the change is a significant and potentially misleading assumption.)

Another possibility is that people had forgotten to pay some utilities. According to staff, some tenants were not aware that they had to pay for water or TV licences. It may be that this realisation has affected some tenants. This would mean that people are answering the question more accurately as they become more aware of their responsibilities.

There are decreases, ranging from 17 to 27%, in those who know who to contact regarding rent, maintenance, benefit issues and neighbours. This information is provided at sign up including in the tenant handbook.

The number of new tenants moving in has been low, and the details are provided on entry. It seems quite likely that longer term residents may have forgotten. Given that it is in the handbook, they have access to the information and could probably find it if needed to. Other measures tend to show that residents are managing their tenancies well so this is not seen as a major cause for concern. However, Real Lettings are keeping this under review and watching for signs that tenants may not be as proactive as they could be if issues arise because they do not have this information to hand.

## Improvements and actions from last year

Below are the next steps from last year's social impact report with related actions. An equivalent table from the 2015/16 report is found in an appendix.

Commitments identified through 2015/16 reporting process	Progress
<b>More effective signposting to services, particularly employment and training.</b> The use of volunteers will be increased next year as part of an alternative volunteer support scheme that includes job coaches. This will also help Real Lettings to target the 23% of tenants eligible for work who are not showing progress towards employment.	Improvement has been shown, with more tenants 'making progress towards employment', but it seems that this had occurred through different means. The volunteer scheme has been set up but is only just becoming active. This may instead be due to encouragement and messaging from Real Lettings staff. Alternatively, the statistics may have partially improved in any case due to tenants feeling more settled and therefore ready to take action towards work.
<b>Opening up new routes to help tenants move on successfully beyond Real Lettings.</b> Besides engaging with housing associations and local authorities to access social housing, Real Lettings is looking at support packages to help tenants move out of London and into more affordable areas, as well as developing its own modular housing.	Progress has been made in understanding the challenge and considering which options can be pursued now or in future. See "Strategic move on options" above.
<b>Better understanding the positive impact of the Fund on children,</b> roughly half the tenants. A suitable way of protecting privacy whilst analysing this part of the Fund's population by age group has been developed and will be implemented in the year ahead. This will help in understanding family circumstances and their connection with key areas such as move-ons and progress to employment.	Ongoing. As discussed in this report, what constitutes a positive move-on has been a key discussion among the partners. There is more to be done in terms of different pathways into permanent housing for RLPF tenants.
<b>Improvements to Real Lettings' process for tenants entering and exiting RLPF properties.</b> This relates to gaining a more thorough understanding of needs before they arrive by working with partner organisations referring tenants. This report has also recommended introducing a short exit interview with tenants so that their destinations are known and the circumstances understood. This will strengthen impact data and impact management, by learning what is working well for those who leave.	The process on entering properties has become more rigorous. An exit interview process is still being implemented and a template for a survey has been established. At this stage of the Fund's life, with more than 50 move-ons in total, data from these interviews or maybe from following up past tenants would aid in learning and analysis.

## Case studies

### Peter



Peter was living in North London after his release from prison so the move to Hounslow was difficult to begin with as he was living alone for the first time in an area without any support from family or friends. This is Peter's first settled accommodation as an adult and he is happy in his tenancy. He says: "Even if I'd moved on from the hostel I could be in bad accommodation. I have friends who were in a similar situation at the time and they weren't as lucky".

Peter has a partner and a child on the way, which he is looking forward to. He has a close relationship with his mother despite her living quite a distance from his home. Peter works part time in ground maintenance and also as a labourer on building sites. This has led him into training for his forklift truck licence and he has recently started working towards gaining his driving licence. Having a criminal record can make finding employment difficult, but he hopes that in the future he will be able to be involved in youth work.

### Mabintou



While Mabintou realises that she cannot live in her RLPF property forever, she likes her home and the stability that it brings her for the time-being and believes that she would be living with her children in a B&B if she had not been offered this accommodation. Mabintou arrived from Spain as a qualified Nursing Assistant but found her basic English was a barrier to finding work in a hospital. Mabintou says that she continues to learn how to integrate into life in the UK which she found to be quite "stressful" as "when I came to the UK I realised that the English I learnt in Spain is completely different from how it's spoken here". Instead, she found a job in a care home where she works 33hrs a week, over three days.

Mabintou hopes to become a nurse in the future although is unsure what area she would like to specialise in. Her first step is to secure a job as a Healthcare Assistant in the NHS where she can learn on the job. RLPF is supporting Mabintou to find a local work and learning service who can work with her to achieve this. She is studying for her NVQ L2 in Health and Social Care, L1 Maths and L2 English.

### Vanessa



Vanessa is studying for a degree in Business and is also training towards a qualification in hairdressing. In the long term, Vanessa hopes to open her own hair salon specialising in weaves. She is currently unsure of details and does not have a full business plan in place, but will have access to St Mungo's Business Start-up team to help her prepare for this. Vanessa moved from Croydon to Romford which she found hard, but was happy to find a home. She remains in regular contact with friends and family through her church in Southwark which she attends up to three times a week. Vanessa says that she is happier keeping to herself and is friendly towards people rather than wanting to make new friends in Romford. She says that RLPF has "definitely opened up doors and given me and my daughter a better future".

## Lessons learned

**The change in focus from tenancy sustainment, as an early stage focus, to progress towards employment outcomes has shown positive results.**

The number of tenants benefitting from the Fund has increased more slowly this year, as the first RLPF Fund has been fully deployed with all properties now available to tenants. Tenants have settled in well, with a sustainment rate of 100%. More of them are making friends with their neighbours and meeting people locally. Compared with previous years, Real Lettings staff have not been as busy with helping people settle in, making time available for other forms of support. There are many more tenants making progress towards work. Given the size of the shift, it seems likely that this is significantly due to the encouragement and messaging from Real Lettings staff as well as the stability afforded by an RLPF home. Previous reports have observed that Real Lettings has to be more than a conventional landlord, acting as an educator and signposting people to opportunities. This may work at an explicit level, where interactions with Real Lettings staff encourage people to look ahead, or at a more implicit one, as tenants understand that they have a window of opportunity to build a stronger base for the future. It is interesting that the employment rate – something over which Real Lettings has very little direct influence – has stayed the same. The behaviour of many tenants suggests that they are motivated. Data analysis this year strongly tested a hypothesis that there might be a number of tenants to target who are not working and could be; analysis has found this number to be negligible. Between tenants and staff, progress is positive.

**Children now outnumber adults, with potential knock-on effects for settling behaviour.**

The number of children has grown more quickly and they now outnumber adults 357 to 311. Most homes include at least one child and most homes with a child have two or more. Besides the responsibility that this places on Real Lettings in terms of how it thinks about its tenants, there seems to be an emerging timeline that may help the Fund think about how it intervenes when everyone who enters a Real Lettings home will tend to have faced significant disruption before they arrived. With children, the need for support networks and access to key services like childcare and education mean that the entry stage is particularly important. People seem to react in one of two ways: either the move prompts them to try to find something elsewhere – typically nearer family – or they choose to settle in. With the former, the next step for Real Lettings is to avoid default and help them find a sustainable option elsewhere, a good outcome for the person and Fund. For the latter, whose plans become longer-term, the need is to check whether they are taking the initiative. This is likely to show up in whether people are managing to take opportunities, for instance to study or work part time, whilst coping with the demands of family.

Checking for and encouraging these positive steps at the right time needs to run parallel with educating people about how they can move-on, even if this means looking outside of London on a planned basis. The alternative is to let people develop ever deeper roots without a plan, whether to stay in the area or look

elsewhere. For some families, property size may also become an issue if families grow and as children age. Positive steps towards education and employment and a focus on the future are both necessary for tenants to move on.

**Single people, couples and the small number of three adult households should also be supported where necessary.**

Their move on circumstances may be easier, for instance if they could more readily go into a shared property and/or use their combined earnings to secure another home. Some attention on this group - one quarter of households – might increase the rate of move on for the Fund in the nearer term.

**Move ons are a multifaceted challenge and the Fund is at a significant point in its understanding of them.**

There were fewer move-ons this year compared to 2015/16, even when the total number of tenants has increased. Encouragingly, this includes a lower proportion of negative move-ons, mainly evictions. Analysis suggests that a strong social network is the best indicator for whether a move-on will be positive. However, as stated above, once tenants become settled in they tend to stay for longer periods. This is probably testament to the stability and quality of housing and service offered by the Fund, but also suggests a challenge to the model of the Fund as a stepping stone to the private rental sector. While more tenants are saving for a deposit, this remains at a low level (15%) and the amount saved is unlikely to be sufficient for

a deposit. Real Lettings is exploring alternative ways to help tenants with a deposit when they move; this is an important example of the way it is widening the options or interventions available that it can offer and can help tenants consider. The Fund is at a half-way point in terms of its original anticipated seven-year duration. For it to realise its full intended impact, it will continue to grapple with this challenge – an essential one given that wider market and political factors are key determinants that are likely to prove stronger than what tenants can do one their own. This requires Real Lettings to continue to think and act more creatively and strategically to enhance the housing opportunities and ongoing quality of life for tenants that they and the Fund partners desire.



## Next steps

RLPF is committed to using this report to further improve its impact. Following discussions between Resonance and Real Lettings as the partners, they have adopted the following areas to work on in the year ahead.

- **Ensure tenants know who they can contact for support, even once they've been in the property for a sustained period.** In this year's survey, fewer tenants said they were aware who they could contact regarding rent, benefits, maintenance and problems with neighbours. Real Lettings will be keeping this under review and watching for signs that tenants may not be as proactive as they could be because they do not have this information to hand. This should also apply to tenants who say they do not have all bills set up. For example, they may not have realised that they need to pay water bills.
- **Improve exit process with interviews to follow-up move-ons.** This serves to check the quality of move ons and provide more information than is currently available; it may also show ways in which the exit process can be improved. Is there a place that many tenants seem to move on to of which Real Lettings was unaware? Are there certain kinds of support that would be valued? Are there certain risks that people need to be aware of?
- **Further ongoing emphasis on social impact with the dedicated staff member and volunteer scheme.** Good work can be sustained and potentially enhanced with additional resources. Combining this with more information about how people exit could represent an opportunity to co-design even better routes for tenants through the Fund, for instance taking the idea of a timeline with key decision points for families from "Lessons learned", and/or identifying a similar progression for adult-only households.
- **Continue to work on making different options for move-ons available to tenants.** This is already the subject of internal action planning. These options need to be turned into awareness and uptake of the right options for different tenants. Partners need to continue to resource this vital stream of work, including for research of what is available, scanning of the external environment in terms of what changes (or doesn't), decision making about what information to introduce when to tenants, and provision of support where appropriate to help with the transition.
- **Continue to assess how the positive impact on children can be understood.** There is already anecdotal evidence that the stability of a proper home is providing benefits to children in many ways – for example, the ability to bring friends home from school which would have previously been difficult or impossible in a hostel or B&B setting. Whilst recognising that there are limitations to how much information can be gathered on this impact area, it none the less remains an ambition of the Fund to understand these impacts better in the coming year.

## Without Real Lettings

### Peter



Peter's life in prison was organised for him so when Peter first moved into RLPF accommodation he had to learn to manage his own time, arranging various appointments for himself which he had never done before. Peter says that learning about paying bills and responsibilities that come with his tenancy was difficult at first but he now feels that "It's good. I feel good about myself. It's a process and I appreciate things more now". Peter says that he knows he can call the team if he needs support at any point in future, but feels that he can live independently now. He reports that, "Everyone I speak to is polite and helpful. As much as I've needed them, they've been helpful".

### Mabintou



Mabintou is originally from Spain and stays in contact with her friends there via social media but has not made many new friends since arriving in the UK. She says that "it's hard when you're a single mum, trying to find time and stability. I just thank God that I can manage things by myself". Although Mabintou is happy that she was able to remain in Newham, the RLPF accommodation is at the opposite end of the borough to her family, as her mother helps out with childcare whilst Mabintou is at work. Her twelve-hour shifts means waking at 5.30am, taking her children to her mother's house, before catching the train to work where she has an 8am to 8pm shift before returning to her mother's house to collect her children and make the 30-minute journey back to her home. Despite this exhausting schedule, Mabintou says, "It's just three days a week, so it's fine".

### Vanessa



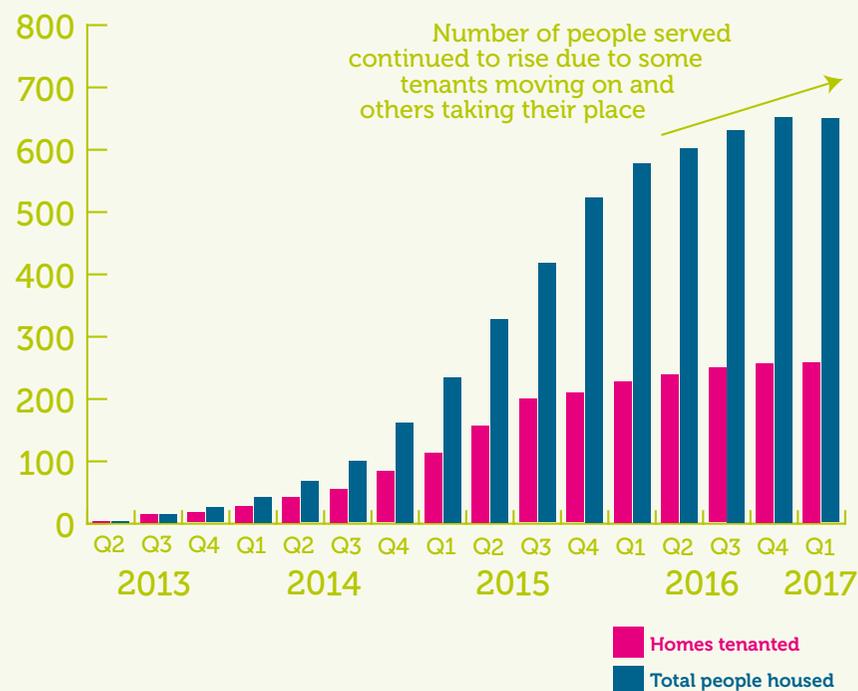
Vanessa is struggling with her finances but she has a plan to manage this. She admits that, "since I started studying, managing my rent has been quite hard". Havering Council stopped Vanessa's housing benefit in October because she was attending university and as a result Vanessa accrued rent arrears which she addressed with the Real Lettings Rents Team and has an agreed repayment plan in place. Havering Council have reinstated her housing benefit at a lower rate. Vanessa is attending Business Studies for Creative Industries at university with a view to starting her own business, but in the short term would like to find part time work to help meet her cost of living. Vanessa plans to access St Mungo's employment team to support her with this.

The case studies above demonstrate the tough realities for disadvantaged individuals seeking to improve their lives - without a Real Lettings tenancy it is highly likely that their situation would have been much worse.

## Appendices

### a) The growth of the Fund

The graph below shows how the number of properties and the corresponding number of people housed have grown to date as the first RLPF Fund reaches full deployment. This is based on data provided by Resonance.



The Fund was fully deployed by the end of March 2016 and now houses almost 650 people. Given the expectation of move-on it is possible that the first RLPF Fund will help up to 1000 people improve their lives.

### b) Actions taken in 2015/16

Next Steps	Actions Taken
Improving data collection and analysis capability over the course of this year and in advance of the next report, so that the increased volumes of data can be handled effectively and provide a more nuanced picture across the different circumstances of those the Fund houses.	Achieved. The data collected and available this year has allowed a significantly increased insight into the impact of RLPF, particularly in respect of work, education and training. This supports greater focus on this area.
Developing the support networks by improving people's access to and uptake of different services, as well as considering the role of where people are housed as part of this.	Ongoing. Whilst there has been increased support in some areas, there is an opportunity to do more in this area as the Real Lettings team finish settling tenants in their homes, thereby increasing the resources that can be focused on the social impact of the Fund. A new team member joining shortly will also mean that Real Lettings will have more capacity to work towards social impact objectives.
Strengthening the options for move on - the partners have begun planning a roundtable with other agencies to discuss this as a London-wide issue, with a view to broadening the range of options available to residents when they leave RLPF.	Ongoing. As discussed in this report, what constitutes a positive move on has been a key discussion among the partners. There is more to be done in terms of different pathways into permanent housing for RLPF tenants.
Sharing the learning and expanding the model into other areas, through the launch of a fund bringing the benefits of this model to areas outside London. There are also signs of interest from the mainstream property market, such as RLPF winning Newcomer of the Year at the Property Week Residential Awards, as well as enquiries being made from social sector organisations.	Achieved. In January 2016, Resonance and St. Mungo's announced the launch of the National Homelessness Property Fund, with £30m of initial investment focusing first on Oxford, Bristol and Milton Keynes. The property industry continues to recognise what RLPF has achieved, with the Fund winning the Private Rented Sector (PRS) Initiative of the Year award at the Estates Gazette/MIPIM UK Awards.

## c) 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 RLPF. 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 RLPF.

### 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, Resonance ran a workshop using the Transformational Index. This established a framework based on the underlying change values of Real Lettings.

### 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:

- a. Improving housing options – nine questions covering savings, goals and outlook, and readiness to move on
- b. Progressing towards work – nine questions covering steps towards and into work and engagement levels
- c. 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 very good: tenancy reviews were available for 251 out of a possible 257 (the total number of households as at year end). This is therefore a 97% response rate. The sample is more or less random, based simply on who picked up the phone, and includes tenants who have been in RLPF properties for different durations. This is therefore a good source in terms of its reach and likely accuracy.

Some small changes have been made to the tenancy review for implementation in 2016/17. These include removing some superfluous questions, preserving consistency for key areas, improving the granularity of data and helping demonstrate tenant attribution of effects to the work of Real Lettings.

## d) Understanding positive move-ons for RLPF

### Background

A positive move on for Real Lettings tenants in London has become more complex since the start of the Fund due to the increasing inaccessibility of the private rental sector for many tenants. This is mostly due to external factors. As one of the Real Lettings team commented, due to these market factors, 'It is possible for a tenant to do everything right and still fail [in terms of moving into the private rented sector].' Whilst a move into private rental accommodation in London is still possible and desirable for some tenants, it is increasingly challenging and reconsidering what 'good' looks like for RLPF has led Resonance and St. Mungo's to develop a more sophisticated method for determining what characterises a positive move on and how this might be measured, without devaluing the core purposes the Fund is designed to address.

### Current approach: from transitional to medium/long term accommodation

- Unless there are compelling reasons to consider otherwise, a tenant moving into a private or socially rented property, or any community housing option (co-operative or community land trust housing, etc.) is considered a positive move on. Whilst it is unlikely that any tenant would be in a position to buy, any equity stake in a property including shared ownership would be considered positive.
  - For example, a compelling reason to consider otherwise might be that the tenant has shown very poor ability to manage a household (paying rent and bills on time etc.) during a Real Lettings tenancy. The logic behind this is that for this tenant, it is unlikely that a private rental property is sustainable for them over the medium/long term. This would also be expected to show up in other parts of the measurement framework.
- 2. The primary lens through which to consider a positive move on is via the three key impact areas for RLPF: improving housing opportunities; progress towards employment; and improving resilience against homelessness.

**A. In order for a move-on to be positive, it needs to increase resilience against homelessness beyond the short term.**

- a) The move-on needs to contribute to relational support networks, not detract from them.
  - a. Geography - one of the key questions is whether a move out of London is positive. For example, if a single mother moves 2 hours away from supportive family, is this a positive move on in terms of increased resilience? Correspondingly, a single mother moving to Liverpool because she has friends and family there could be considered positive. It might be sufficient for the tenant to consider that the move will not have a negative effect on their support networks and relationships.
  - b. Moving back in with family where there are known issues, particularly if they were part of the reason why the tenant became at risk of homelessness, is a negative move on unless there are compelling reasons to suggest the context has changed.
- b) The move-on needs to be financially viable for the medium term.
  - a. If the cost of living is unsustainable over the medium term for any accommodation, that is considered a negative move on.
- c) The tenant needs to show some capability for running a household: e.g. pay rent and bills on time, and maintain the house.
  - a. This is tracked through the current measurement framework. A tenant with a problematic history in Real Lettings of paying rent and bills on time and not keeping the home in a good condition would need to have shown progress in these areas for the move to be considered positive.

**B. In order for a move on to be positive, the tenant needs to feel that they are moving into an improved housing option compared to their situation prior to Real Lettings.**

- The move-on offers stability and security for the tenant and their family over the medium/long term.
- The housing is of sufficient quality to support the tenant's wellbeing. For example, a family of four living in a small room in the home of a family member is not a positive move on.

C. In order for a move on to be positive, it cannot detract from progression towards work.

- One of the key outcomes for RLPF is progression towards work for the tenants. It follows that a move on should, at the very least, not have a negative effect on this progression. For example, if a tenant loses employment by moving out of London and is unable and/or not confident to find work in their new situation, this would not be a positive move on. Equally, if a tenant had a job but the cost or availability of transport to it made it unviable, this would not be a positive move on.

## e) Preserving social impact

Since the first RLPF has an initial fund life of 7 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 5 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.

## f) The Sustainable Development Goals

The United Nations' Sustainable Development Goals (SDGs)<sup>4</sup>, 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. RLPF 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.

RLPF 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).

<sup>4</sup> <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

## g) 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. We have 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 Real Lettings Property Fund, Resonance currently manages another property fund (the National Homelessness Property Fund) which is extending the RLPF model outside London, the impact of which is reported on in a separate Social Impact Report for that fund this year, given its different stage of development to RLPF. During this year, Resonance has also launched a second London focused fund, Real Lettings Property Fund 2, to continue the work in London. Resonance also manages Funds which provide lending to social enterprises, including the 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 30, 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.

## h) 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.





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