

This report has been commissioned by Civitas Social Housing PLC ("Civitas") and has been prepared by The Good Economy Partnership Limited ["The Good Economy"], a leading impact advisory firm, specialising in impact measurement

The Good Economy supported Civitas to develop its impact assessment methodology and carries out a review of the impact performance of Civitas on a semi-annual basis. This report is based on analysis of quantitative data and evidence, as well as in-depth interviews with management and staff of Civitas Investment Management (the investment advisor to Civitas), partner housing associations, care providers, local authorities and residents, including a Resident Outcomes Survey carried out with a representative sample.

The findings and opinions conveyed in this report are based on information obtained from a variety of sources which The Good Economy believes to be reliable and accurate. However, the information reviewed should not be

considered as exhaustive and The Good Economy, its principals and staff cannot and does not guarantee the accuracy, completeness and or fairness of the information and opinions contained herein. This report shall not be construed as a financial promotion or as a recommendation, invitation or inducement to any person to engage in investment activity.

This report has been prepared solely for the benefit of Civitas and no other person may rely upon this report. Accordingly, The Good Economy accepts no duty of care, responsibility or liability (whether in contract or tort (including negligence) or otherwise) to any person other than Civitas for any loss, costs, claims or expenses howsoever arising from any use or reliance on this report.

The information within this report is subject to change relative to new developments, facts and or research. The Good Economy therefore reserves the right [but is under no obligation) to alter the conclusions and recommendations presented in this report in light of further information that may become available.



CONTENTS

EXECUTIVE SUMMARY	4
IMPACT REPORT - HEADLINE RESULTS	6
INTRODUCTION	8
About Civitas Social Housing	8
This Report	8
Impact Framework	9
IMPACT ASSESSMENT AND RESULTS	11
Impact Objective 1: Social Need	12
Impact Objective 2: Supply	16
Impact Objective 3: Quality	18
Target Outcome 1: Wellbeing	22
Target Outcome 2: Value for Money	24
Mitigate Impact Risks	26
CASE STUDIES	28
Thornlaw Road	28
Alvechurch	29
CONCLUSIONS	31
APPENDIX	33
Appendix 1: Data Sources	33
Appendix 2: Civitas Impact Data	34

EXECUTIVE SUMMARY

Civitas was launched in November 2016 as the first Real Estate Investment Trust (REIT) specialising in social housing investment, with a focus on specialised supported housing (SSH) for vulnerable people with care needs. As of March 2022, Civitas has invested £835 million in 696 properties, providing homes for up to 4,592 people.

This is the fifth Annual Impact Report produced for Civitas Social Housing PLC (Civitas or the Fund) by The Good Economy (TGE), an independent impact advisory firm specialising in impact measurement and management. TGE assesses Civitas' performance against its stated impact objectives and the target outcomes to which the Fund aims to contribute. The report covers the 12-month period from April 2021 to March 2022.

IMPACT ASSESSMENT - SUMMARY OF RESULTS

- Civitas grew its portfolio 7% in the year to March 2022. As all 77 of its new properties were new to social housing at acquisition, its contribution to increasing supply in the sector rose. 41% of the portfolio is now new to the sector, up from 33% a year earlier.
- Civitas' increasing focus on addressing homelessness was reflected in an increase to this area of its portfolio to 5%, up from 1% in 2021.
- Although the portfolio's proportion of homes with EPC ratings of A-C was unchanged year-on-year [52%], it has launched a retrofit programme with E.ON to bring all properties up to EPC grade C by 2030 five years ahead of a government target.
- Franting time did not allow a new resident survey this year, past feedback suggests that Civitas' properties contribute positively to improvements in residents' wellbeing. Over half of respondents report better self-confidence and feelings of independence. Moreover, recent interviews with partner organisations reinforce this.
- As of March 2021, TGE calculated that Civitas' portfolio delivered £127.0m of Total Social Value (defined as Social Impact plus Fiscal Savings). This equates to £3.51 in social value generated per year for every £1 invested by Civitas. In the next report, TGE will be updating the methodology used to calculate Civitas' social value to align with a new, best-inclass monetisation methodology.

AS OF MARCH 2022, CIVITAS HAS INVESTED £835 MILLION IN 696 PROPERTIES, PROVIDING HOMES FOR UP TO 4,592 PEOPLE.



STRENGTHS

- Civitas continue to provide homes for people requiring high levels of support in their daily lives. There is significant demand from commissioners across the country for more of this type of housing. Having invested £835m in 4,592 units of specialist housing since 2016, Civitas is playing an important role in meeting this need.
- The Fund is moving in a positive direction in its contribution to increasing the supply of social housing. All 77 properties acquired during the year to March 2022 were new to the social housing sector.
- Though the overall proportion of homes with an EPC rating A-C remained consistent this year, Civitas completed Phase 1 of its retrofit programme alongside E.ON. 25 EPCs were upgraded during the year, and Phase 2 of the retrofit programme will see improvement works carried out to 120 Civitas properties. TGE would therefore expect to see Civitas move in a positive direction in terms of the environmental performance of its portfolio in the coming years. The long-term target is for 100% of properties to meet EPC grade C by 2030 five years ahead of the target set by government.

POTENTIAL WEAKNESSES AND MITIGATING ACTIONS

- As a Resident Outcomes Survey could not be carried out due to an accelerated timeline for the publication of this report, some data used to inform the impact assessment was collected in the previous reporting period. This increases evidence risk as it is based on older feedback from the Fund's target stakeholders that may no longer be representative of their experience.
- TGE recommends that Civitas looks to report in future years on its portfolio's Scope 1, 2 and 3 emissions. This would meet one of the core requirements of the Equity Impact Project, a sector-wide collaboration which Civitas is already a member of and would provide an example of best practice impact measurement and reporting.
- The RSH continues to highlight concerns with the level of risk taken on by RPs involved in lease-based deals. 77% of the Fund's units are managed by providers declared non-compliant with the RSH's governance and viability standards. Civitas has already made positive amendments to lease terms to create a fairer risk-sharing framework, and is in the process of introducing further changes to enable housing providers to achieve greater alignment between income receipts and lease liabilities. The new clause is currently in draft form and is subject to further discussion and refinement.

THEGOODECONOMY.CO.UK

CIVITAS SOCIAL HOUSING PLC ANNUAL IMPACT REPORT 2022 5

IMPACT REPORT - HEADLINE RESULTS

AS OF 31 MARCH 2022



IN 696 **PROPERTIES**



MANAGED BY 18 APPROVED PROVIDERS



41% OF PROPERTIES NEW TO SOCIAL HOUSING AT THE POINT OF ACQUISITION

LOCATED ACROSS **173 LOCAL AUTHORITIES**



69% OF PROPERTIES **IN THE 40% MOST DEPRIVED LOCAL AUTHORITIES**



£3.51 IS CREATED IN **SOCIAL VALUE PER** YEAR FOR EVERY £1 OF ANNUALISED INVESTMENT¹

CAPACITY TO PROVIDE HOMES FOR 4,592 PEOPLE LIVING WITH CARE NEEDS











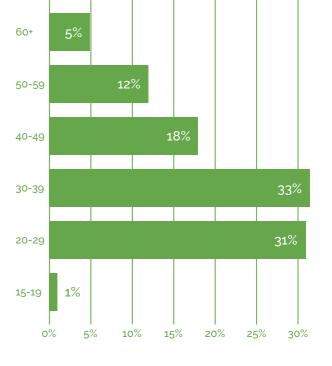
BY 130 CARE PROVIDERS

WELCOME

THROUGH

CARE AND SUPPORT

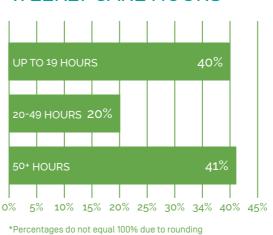




AGE BREAKDOWN OF **CIVITAS RESIDENTS²**



WEEKLY CARE HOURS*

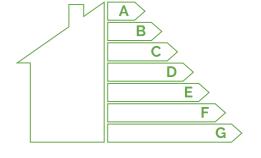




OF HOMES HAVE AN EPC RATING C+



OF HOMES HAVE AN EPC RATING E+



2. Based on resident demographics data collected from 11 of Civitas' partner approved providers, covering 1,742 residents (approximately 38% of the portfolio).

^{1.}This social value figure was calculated as of March 2021 based on a previous methodology. For the next report, TGE will be updating the methodology used to calculate Civitas' social value to align with a new, best-in-class monetisation methodology

INTRODUCTION

ABOUT CIVITAS SOCIAL HOUSING

Civitas Social Housing PLC (Civitas or the Fund) is the UK's first Real Estate Investment Trust (REIT) specialising in social housing investment.

Civitas' focus is specialised supported housing (SSH) - a form of community-based provision in which homes are built or adapted to support the needs of vulnerable people. SSH generally provides for individuals living with a range of learning disabilities, physical disabilities and/or mental health diagnoses. Homes are designed to support residents in living as independently as possible, either within their own self-contained apartment or in a room within a shared house.

Civitas operates by raising capital at scale from institutional and retail investors to provide long-term equity to the social housing sector. The Fund acquires properties and leases them to approved providers to manage, with the rental income used to fund investor returns.

Since launching on the London Stock Exchange in November 2016, Civitas has invested £835 million in 696 properties across England and Wales, providing homes for up to 4,592 people.

In addition, Civitas Investment Management (CIM), the investment advisor to the Fund, also acts as the investment advisor to a number of individual investment funds for leading institutions, including the Social Supported Housing Fund (SoHo). SoHo was launched in 2019 as a partnership fund alongside Schroders Real Estate exclusively to provide forward-financing for the development of new-build SSH. As of December 2021, SoHo has allocated capital to a total of 92 properties, which will provide homes for 1,208 people.

THIS REPORT

This is the fifth Annual Impact Report prepared for Civitas by The Good Economy (TGE). It covers the 12-month period from April 2021 to March 2022.

A mix of quantitative and qualitative data informs the impact assessment made by TGE in this report. This includes portfolio data provided by Civitas, information and feedback from partner approved providers, care providers and members of the Civitas Investment Management (CIM) team,3 as well as a Resident Outcomes Survey carried out with a representative sample of residents (see Appendix 1 for full details).

IMPACT FRAMEWORK

Civitas' impact goal is to increase the provision of high-quality social housing that delivers positive outcomes for people with care needs.

Civitas has developed an Impact Measurement and Management (IMM) framework. Its purpose is to identify activities and intended outcomes through which the Fund aims to contribute to positive impact creation.

This framework forms the basis of TGE's impact assessment in this report. The approach is aligned with the five dimensions of impact set out by the Impact Management Project [IMP].

Civitas' IMM Framework

IMPACT OBJECTIVES The areas under the direct control or influence of Civitas.

SOCIAL NEED

Provide housing that meets an identified social need

SUPPLY

Increase the supply of social housing across the UK. particularly for vulnerable people



Improve the quality of social housing

OUTCOMES

The outcomes that Civitas aims to contribute towards. These are contingent on many factors, one of which may be the Fund's activities.



WELLBEING

Improve the wellbeing of residents



VALUE FOR MONEY

Offer value for money for the public purse

THROUGHOUT THIS PROCESS, CIVITAS WORKS TO MITIGATE AGAINST NEGATIVE IMPACT RISKS ----

Contribute

towards

Over the last 12 months CIM has also been involved as a project partner in the Equity Investor Impact Reporting Project. This is a collaborative sector-led project of investors and other market participants. Its aim is to develop a common framework to enable investors to measure, manage and report on the impact of equity-based investments in the social and affordable housing sector in a consistent, comparable and transparent way. Civitas is working towards being able to report against the metrics developed as part of the framework.

CIVITAS' FOCUS IS SPECIALISED SUPPORTED HOUSING (SSH) - A FORM OF COMMUNITY-BASED PROVISION IN WHICH HOMES ARE BUILT OR ADAPTED TO SUPPORT THE NEEDS OF **VULNERABLE PEOPLE.**

^{3.} Civitas Social Housing PLC (Civitas) is the investment company and Civitas Investment Management Ltd (CIM) is the investment advisor to the Fund.



IMPACT ASSESSMENT AND RESULTS

In the 12 months to March 2022 Civitas has continued to expand its portfolio, with 77 properties acquired during the reporting period. This includes a portfolio of 47 properties in South Yorkshire that provide supported housing for people at risk of homelessness.

The Fund is also working on an expanded Phase 1 of the retrofit programme alongside the energy provider E.ON. Its purpose is to improve the energy efficiency of Civitas' older stock, with the aim of bringing all homes up to a minimum EPC grade C.

▼ OVERALL IMPACT GOAL

To increase the provision of high-quality social housing that delivers positive social outcomes for individuals with care needs.

PORTFOLIO SUMMARY	MARCH 2021	MARCH 2022
Value of capital deployed	£803 million	£835 million
Number of properties	619	696
Number of units	4,295	4,592
Number of local authorities in which properties are located	164	173
Number of partner approved providers	16	18
Number of care providers delivering care into Fund's homes	118	130

OVERALL IMPACT GOAL: TO INCREASE THE PROVISION OF HIGH-QUALITY SOCIAL HOUSING THAT DELIVERS POSITIVE SOCIAL OUTCOMES FOR INDIVIDUALS WITH CARE NEEDS.

IMPACT OBJECTIVE 1

SOCIAL NEED

Provide homes for individuals with an identified need for social housing.

IMPACT OBJECTIVE	IMPACT METRICS	MARCH 2021	MARCH 2022
	Number of units	4,295	4,592
	reakdown of units by care classification of residents*		
	Multi diagnosis	47%	46%
	Learning disabilities	31%	29%
	Mental health	12%	11%
	Dependencies	5%	4%
	Autism	4%	4%
SOCIAL NEED	Other (including homelessness)	1%	5%
	Breakdown of units by housing type		
	Supported housing	69%	71%
	Residential care	26%	24%
	Other	5%	5%
	Percentage of properties in 40% most deprived local authorities	66%	69%

^{*}Breakdown for March 2022 does not equal 100% due to rounding.



CIVITAS' PORTFOLIO PROVIDES HOMES FOR PEOPLE WITH AN IDENTIFIED NEED FOR HOUSING AND SUPPORT. CONFIRMATION OF COMMISSIONER SUPPORT IS AN EXPLICIT REQUIREMENT OF THE FUND'S DUE DILIGENCE PROCESS FOR A PROPERTY TO BE ELIGIBLE FOR INVESTMENT.

Civitas' housing provides mostly for working-age adults requiring a relatively high level of support in their daily lives. This includes people living with a range of learning disabilities, physical disabilities and mental health diagnoses. This year Civitas has also increased the proportion of its portfolio that provides for people experiencing or at risk of homelessness from 1% to 5%. This represents an area of increasing focus for Civitas. While these people generally do not require care in their daily lives, they still have an acute need for appropriate housing.

Most [71%] of Civitas' portfolio is classed as supported housing. These are homes which have been built or adapted to meet residents' needs. Homes are usually located in the

community, with residents having their own tenancy and an individualised care and support package, to enable them to be as independent as possible.

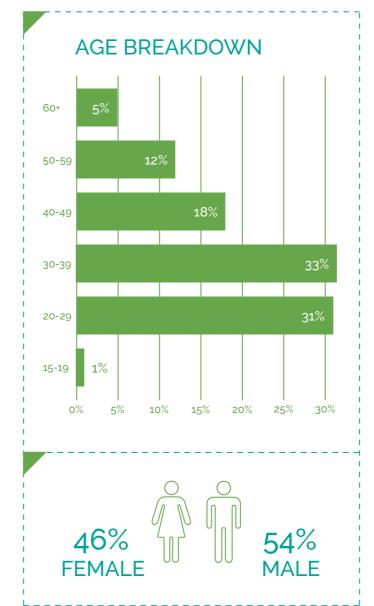
A smaller proportion [24%] of Civitas' homes provides residential care. These are properties in which residents occupy rooms within larger facilities, together with a standardised package of support across all residents.

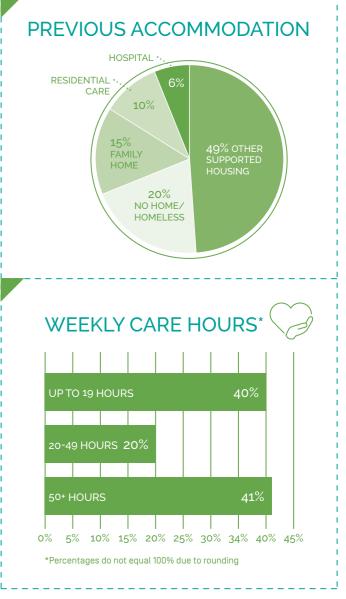
69% of Civitas' properties are located in the 40% most deprived local authorities. This shows that Civitas' portfolio is mostly providing housing for vulnerable people living in areas with higher levels of general deprivation.



AS OF MARCH 2022, CIVITAS' PORTFOLIO HAS THE CAPACITY TO HOUSE UP TO 4,592 PEOPLE. THIS REPRESENTS AN ANNUAL GROWTH RATE OF APPROXIMATELY 7%.

RESIDENT INFORMATION 4

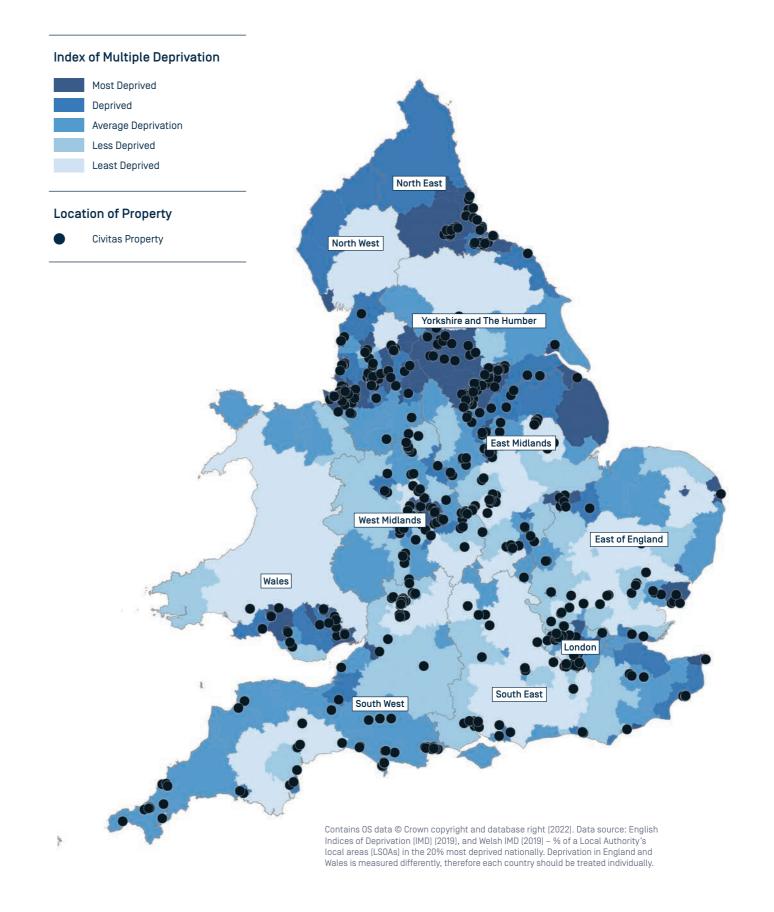




4. Resident information is based on data provided by 11 of Civitas' partner approved providers, covering up to 1,742 residents (approximately 38% of total portfolio).







IMPACT OBJECTIVE 2

SUPPLY

Increase the supply of social housing across the UK for vulnerable people with care needs.

IMPACT OBJECTIVE	IMPACT METRICS	MARCH 2021	MARCH 2022
	Number of properties	619	696
	Number of units	4,295	4,592
SUPPLY	Percentage of properties converted to social housing sector for the first time	33%	41%



CIVITAS' RATE OF PORTFOLIO GROWTH HAS INCREASED THIS YEAR AFTER A SLOWER PERIOD. HAVING ADDED ONLY SIX PROPERTIES IN THE YEAR TO MARCH 2021, CIVITAS ACQUIRED 77 PROPERTIES IN THE YEAR TO MARCH 2022. THIS BRINGS THE TOTAL PORTFOLIO TO 696 PROPERTIES, WITH THE CAPACITY TO HOUSE 4,592 PEOPLE.

In March 2022, Civitas acquired a portfolio of 47 properties for people experiencing or at risk of homelessness. These existing homes are being brought into the social housing sector as part of a long-term contract with the Home Office to house asylum seekers in need of accommodation.

This represents a broadening of Civitas' operations in providing a pathway out of homelessness for vulnerable individuals who require targeted support to rebuild their lives. All the properties will be managed by Qualitas Housing (see 'Mitigate Impact Risks' Section for more details on Qualitas] who are currently working with Mears, an established organisation that is one of the UK's leading providers.



ACROSS CIVITAS' ENTIRE PORTFOLIO, 41% OF PROPERTIES ARE NEW TO THE SOCIAL HOUSING SECTOR AT THE POINT OF ACQUISITION.

The Fund has improved its performance according to this metric in recent years, with the proportion of new social housing increasing from 33% to 41% in the year to March 2022. This reflects all 77 properties acquired during the year being new to the social housing sector. It represents a positive direction of travel in the Fund's contribution to increasing the supply of social housing.











IMPACT OBJECTIVE 3

QUALITY

Improve the quality of social housing.

IMPACT OBJECTIVE	IMPACT METRICS	MARCH 2021	MARCH 2022
	Percentage of residents who reported that they were satisfied with the quality of their home*	87%	N/A
	Percentage of homes with EPC rating A-C	52%	52%
	Percentage of homes with EPC rating A-E	99.9%	99.9%
QUALITY	Number of EPCs improved during the last 12 months	-	25
	Percentage of homes meeting key compliance requirements	99%	99%

^{*}Based on data from a resident survey conducted with a sample of 87 residents between April and May 2021.

CIVITAS IS AIMING FOR ALL PROPERTIES IN ITS PORTFOLIO TO MEET A MINIMUM EPC GRADE C BY 2030 - FIVE YEARS AHEAD OF THE TARGET SET IN THE GOVERNMENT'S CLEAN GROWTH STRATEGY. TO ACHIEVE THIS TARGET, CIVITAS IS CARRYING OUT A SERIES OF ENERGY IMPROVEMENT INTERVENTIONS ACROSS ITS PORTFOLIO ALONGSIDE THE ENERGY SUPPLIER E.ON.

An expanded Phase 1 of the programme is underway. During this phase, Civitas (alongside E.ON) has been able to conduct detailed surveys of over 100 properties and has carried out works (including ongoing and completed works) to 39 properties. A total of 25 homes were improved to a minimum EPC rating C during the year to March 2022 following improvement works or renovations. This included 17 homes which were previously rated E and nine previously rated D.

Phase 2 of the retrofit programme will act as an extension of Phase 1 – undertaking retrofit works to install a mix of improved insulation, air source heat pumps and solar panels/batteries at up to 120 properties.

TGE heard from Civitas that Phase 1 involved continued challenges around Covid and the ability to access properties, as well as some difficulties around planning. It is encouraging that Civitas has managed to undertake improvement works, and TGE notes that the programme of interventions is ramping up more quickly as Phase 2 begins.

The retrofit effort should contribute to improving the energy efficiency of Civitas' properties. This will evidently bring important environmental benefits, while it should also lead to social benefits for residents by reducing energy consumption and therefore bills. This is especially important given the significant increase in fuel prices during 2022.

Overall, the proportion of homes rated A-C has remained static year-on-year due to the recent acquisition of a significant number of properties rated D. These homes are subject to works which should improve their energy performance in the coming months.

The Fund owns one 36m² property with an EPC rating of G. This home does not meet the Minimum Energy Efficiency Standard (MEES) of an E, but works are ongoing to improve its performance.





87% OF CIVITAS RESIDENTS ARE SATISFIED WITH THE QUALITY OF THEIR HOME, ACCORDING TO A SURVEY **CONDUCTED IN APRIL/MAY 2021.**

This is broadly in line with the wider population, with 90% of adults in England reporting that they were satisfied with their accommodation in 2019-20.5 This provides a helpful benchmark, though as it is based on a survey of general needs residents it is not directly comparable.

Civitas receives monthly compliance data from all partner approved providers. This data covers the following areas: asbestos, gas safety check, fixed wire tests, portable appliance testing, fire risk assessment and actions, fire alarm tests, emergency lighting tests, fire-fighting equipment, lifts, legionella, water risk assessments, EPCs. As of March 2022, Civitas' statutory compliance across its portfolio was 99%. This is consistent year-on-year from March 2021.

5. Office for National Statistics [ONS], English Housing Survey data on attitudes and satisfaction, July 2021.

▼ TARGET OUTCOMES

This section assesses the change in outcomes experienced by Civitas' stakeholders.

These are influenced by many factors. Although Civitas' activities as the investor and property owner only contribute partially, it is important to assess outcomes since they provide the ultimate insight into the real-world impact that Civitas contributes to.

TGE identifies two main target outcomes to which Civitas aims to contribute:

- Improve resident wellbeing
- Provide value for money.

In the table below, these outcomes have been categorised according to the Impact Management Project (IMP) dimensions of impact. This is an internationally recognised approach to impact measurement, which categorises impact according to five core dimensions: What, Who, How Much, Contribution and Risk.

IMPACT MANAGEMENT PROJECT		OUTCOME: WELLBEING 3 MONTHS THE	OUTCOME: VALUE FOR MONEY	
WHAT impact is	Civitas having?	Change in residents' physical and/or mental wellbeing	Value for money for public budgets by delivering a cost-effective solution to housing individuals with care needs	
WHO is experien	cing the impact?	Residents with mostly high acuity care needs	Local authorities / Central government	
	Scale	Large scale – 4,592 potential residents (at full occupancy) as of March 2022	Large scale – 4,592 potential residents (at full occupancy) as of March 2022	
HOW MUCH impact is Civitas	Depth	Dependent on degree of change in wellbeing	Dependent on cost-differential between Civitas property and alternative housing	
creating? Duration		Likely long-term – most SSH intended to provide a long-term home for residents	Likely long-term – 25-year leases with most properties intended as long-term homes for residents	
What is Civitas' (to what would lik anyway?		SSH widely held to offer positive wellbeing benefits for residents with care needs. Therefore, resident wellbeing likely better than what would have occurred without availability of Civitas property	Civitas funding contributes to increasing the supply of specialist housing, easing the burden on residential or inpatient facilities. Therefore, health and social care costs likely better than what would have occurred anyway	
What is the RISK impact not happ		Execution risk / Stakeholder risk: Homes do not meet resident needs as effectively as expected Approved providers and/or care providers deliver sub-standard services to residents Alignment risk: Onerous lease terms mean approved providers struggle to provide a high level of service over the long term	Efficiency risk: — Social care cost associated with Civitas property turns out more expensive than potential alternative housing settings	

CLASSIFYING THE IMPACT OF CIVITAS' INVESTMENTS

The IMP has developed a system to classify the impact performance of investments. Investments are classified as either:

- Does/May Cause Harm
- Avoids Harm prevents or reduces negative outcomes
- Benefits Stakeholders avoids harm and generates positive outcomes
- Contributes to Solutions avoids harm and generates significant positive outcomes for otherwise underserved stakeholders.

TGE judges that Civitas' assets can be classed as 'Contributes to Solutions'. This is because the Fund's investments provide housing for vulnerable people with a high social need for appropriate housing and support.

In terms of Civitas' contribution to this impact as an investor, TGE is of the opinion that Civitas:

- Signals that Impact Matters by actively incorporating impact considerations into the Fund's investment processes
- Engages Actively by using the Fund's expertise and established processes to attempt to raise standards in the sector more generally.





TARGET OUTCOME 1

▼ WELLBEING

A core element of Civitas' overall impact goal is to provide housing that improves the wellbeing of people living with support needs.

To assess Civitas' contribution to this outcome area, TGE conducts a Resident Outcomes Survey with a sample of Civitas residents. However, as a survey could not be carried out this year, last year's survey results are being re-stated in this year's report. These are based on a random sample of 87 residents, with data collected between April and May 2021 in partnership with 13 care providers.

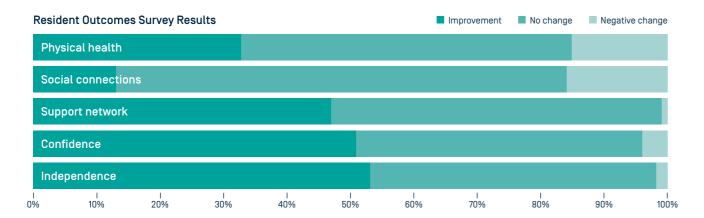
Residents were questioned on their physical and mental wellbeing. Areas of enquiry were:

- State of physical health
- Social connections to others
- Quality of support network
- Confidence levels
- Feelings of independence.

Questions were structured to provide insight into the extent to which residents experienced positive or negative changes in these areas between their previous accommodation and their current Civitas-owned home.

The results were generally positive. More than half of residents reported improvements in their confidence and feelings of independence. There were, however, less positive results in relation to social connections, though this is largely to be expected as the survey was conducted during the Covid-19 pandemic.

The full results are set out below:







WHAT RESIDENTS HAD TO SAY

- Moving here is the best thing that's ever happened to me. My health has improved both physically and mentally.
- I like my flat but would prefer to be closer to my family.
- The staff make me feel welcome and help me a lot.
- I feel well settled here and it feels like my home. I have started to interact with staff every now
- The staff help me here to be more independent.

TGE also heard positive feedback from Civitas' partner organisations this year over the impact homes have had on resident wellbeing. See Thornlaw Road and Alvechurch case studies (pages 28 and 29) for specific resident stories.

'A PLACE FOR ME' BOOK

During 2021, Civitas sponsored the production of 'A Place for Me' - a book looking into the impact the Fund's homes have had on the lives of 50 residents living in its properties across the country.

The book provides a detailed and positive demonstration of the impact Civitas' homes can have on resident wellbeing. In particular, the book highlights the value community-based SSH can have for individuals who have been living in more restrictive environments, and who have struggled to find an appropriate long-term home which served their needs while supporting them to be independent.

By sponsoring the production of this book, Civitas also demonstrates its commitment to resident voice and to the value of gathering feedback direct from the Fund's target beneficiaries. This is commendable and TGE is of the opinion that it demonstrates Civitas' commitment to investing for positive real-world impact.

TARGET OUTCOME 2

▼ VALUE FOR MONEY

Provide value for money for the public purse by offering cost-effective housing for people with care needs.

TARGET OUTCOME	IMPACT METRICS	MARCH 2021*
	Total Social Value	£127.0m
	Social Impact – the value of improved outcomes for residents	£51.2m
کے VALUE	Fiscal Savings – the savings generated for public budgets	£75.9m
FOR MONEY	Social Return on Investment – the social value generated for every £1 invested by Civitas [over the duration of the investment]	£3.51

^{*}Note these results are based on a calculation carried based on data as of March 2021. For the next report, TGE will use an updated methodology, developed in partnership with Simetrica-Jacobs (see 'Updated Monetisation Methodology' for more details)

INDEPENDENT RESEARCH BY MENCAP FOUND THAT SOMEONE LIVING IN SSH REQUIRES, ON AVERAGE, STATE FUNDING OF £1,569 PER WEEK FOR HOUSING AND CARE. THIS IS £191 LOWER THAN RESIDENTIAL CARE HOMES AND £1,931 LOWER THAN INPATIENT PLACES. THIS SHOWS THAT SSH HAS THE POTENTIAL TO GENERATE VALUE FOR MONEY FOR PUBLIC BUDGETS.

▼ VALUE FOR MONEY CALCULATION

To assess Civitas' contribution to this outcome area, TGE calculates the total social value delivered.

This figure is underpinned by two components:

- Social Impact The value of improved personal outcomes for residents resulting from improved wellbeing, mental and physical health, reduced social isolation, and increased confidence and independence.
- Fiscal Savings The savings generated for public budgets through reduced care costs due to residents moving into Civitas-owned housing from alternative settinas.

▼ METHOD

A value for money calculation for the Civitas portfolio was last carried out based on the portfolio as of March 2021. This calculation was done by TGE in partnership with Social Profit Calculator (SPC), using a methodology developed by SPC.

The method involved uses answers from the Resident Outcomes Survey to produce a figure for the Social Impact and Fiscal Savings delivered by the Civitas portfolio. The calculation is based on a survey sample of 87 residents collected between April and May 2021.

- The Social Impact figure is calculated by using financial proxies to place a monetary value on the change reported by residents in wellbeing outcomes between their previous accommodation and their current Civitas-
- The Fiscal Savings figure is calculated by comparing the estimated cost to public budgets of housing people in their current Civitas home with their previous accommodation.
- The Social Impact and Fiscal Savings figures are extrapolated from the survey sample size to the total Civitas portfolio and added together to produce an estimate for the portfolio's Total Social Value delivered.

RESULTS

THE RESULTS SHOWED THAT, AS OF **MARCH 2021. THE CIVITAS PORTFOLIO DELIVERED £127.0M OF TOTAL SOCIAL** VALUE IN THE YEAR TO MARCH 2021.

This is divided into:

- £51.2M OF SOCIAL IMPACT
- £75.9M OF FISCAL SAVINGS

Using these values and the total amount invested by Civitas, SPC calculated the Fund's Social Return on Investment (SROI) ratio to be £3.51. This means that Civitas will generate £3.51 in social value per year for every £1 invested over the duration of the investment [based on the portfolio of homes as of March 2021].



£3.51 IS CREATED IN SOCIAL VALUE PER YEAR FOR EVERY £1 OF ANNUALISED INVESTMENT¹

▼ RENT INCREASES

Given the UK's high current rate of inflation, rent increases are especially important this year from an impact perspective.

Across Civitas' portfolio, a portion of the Fund's homes are covered by lease agreements with a cap and collar. Their rent increases will automatically be capped at 4% - below the 6.2% inflation rate according to the Consumer Price Index as of February 2022.

For the rest of the portfolio (which does not have a cap and collar in place), rent increases will be assessed on a case-by-case

basis. This will depend on the specific terms of the lease, the nature of the relationship with the approved provider and the date at which the rent is set for the year.

Moving forward, TGE will continue to monitor Civitas' rate of rent increases across the portfolio, particularly those properties that are not covered by a cap and collar.

▼ UPDATED MONETISATION METHODOLOGY

In future reports, TGE will be updating the methodology used to calculate the social value delivered by the Civitas portfolio. TGE has partnered with Simetrica-Jacobs, specialists in social value analysis and wellbeing research, to create an updated, best-inclass methodology for monetising the outcomes experienced by residents.

This update results in a change to the method used to calculate the 'Social Impact' component of the Total Social Value Calculation. Accordingly, it will not be appropriate to compare social value figures in future Civitas impact reports (i.e. from September 2022 onwards) with those calculated for previous reports, since these figures will have been calculated based on different methodologies.

Simetrica-Jacobs

Within the updated methodology, Simetrica-Jacobs derived the monetisation values using the Wellbeing Valuation methodology, as endorsed in HM Treasury Green Book and associated guidance. Wellbeing Valuation makes use of large existing datasets (in this case the Understanding Society dataset) to establish the impact of the outcomes on individuals' wellbeing, as measured by their life satisfaction.

This is done using multivariate regression analysis including a range of control variables in line with Fujiwara and Campbell [2011].7 Where the data allows, fixed effects regressions are used that exploit the panel structure of the dataset.

These estimates are considered alongside existing research on the impact of money on wellbeing, drawing on Fujiwara [2013].8 to derive an estimate of the value of the outcome.

^{6.} Mencap & Housing LIN, Funding supported housing for all: Specialised Supported Housing for people with a learning disability, 2018

^{7.} Fujiwara, D., Campbell, R., 2011. Valuation Techniques for Social Cost-Benefit Analysis: Stated Preference, Revealed Preference and Subjective Well-Being Approaches, A Discussion of the Current Issues, HM Treasury, London, UK 8. Fujiwara, D., 2013. A General Method for Valuing Non-Market Goods Using Wellbeing Data: Three-Stage Wellbeing Valuation. CEP Discussion Paper 1233 HCA, 2014. Additionality Guide: 4th Edition.

▼ MITIGATE IMPACT RISKS

Impact risk is the likelihood that impact will be different than expected and that the difference will be material from the perspective of those being impacted. TGE has analysed potential impact risks for Civitas using the IMP's impact risk assessment framework.

The IMP identifies nine types of impact risk that enterprises and investors may face. TGE has classified five categories of risk as potentially material for Civitas. The table below highlights the level of risk to Civitas and its mitigating actions.

IMPACT RISK CATEGORY	RISK DESCRIPTION	CIVITAS RISK MITIGATION STRATEGIES
Execution risk The probability that the activities are not delivered as planned and do not result in the desired outcomes.	The Regulator of Social Housing (RSH) continues to highlight concerns with the level of risk taken on by registered providers of social housing (RPs) involved in lease-based deals. Many of these organisations are small specialist providers, who have grown quickly through lease-based arrangements to meet high levels of underlying demand. This has led to many providers in the sector being declared non-compliant with the RSH's governance and viability standards owing to what it sees as poor risk management and governance practices. Civitas currently works with 18 approved providers. Of 16 RPs regulated by the RSH, 10 have been declared non-compliant. They represent approximately 77% of the Fund's units. TGE therefore categorises Civitas' level of risk in this area as High.	Civitas continues to strengthen its due diligence process and takes steps to ensure partners have appropriately assessed the risk of entering into a lease agreement and have the capacity to deliver high standards of operational performance. The Fund receives monthly financial and operational performance from all partner providers. As of March 2022, Civitas' statutory compliance across its portfolio was 99%. There have been situations in which an existing approved provider is not best placed to continue managing a property in a certain location. This could include stock rationalization for greater efficiency or in response to specific local authority arrangements with care providers. In these situations, Civitas has been involved in transferring leases to another provider. This is a mitigation strategy to ensure residents continue receiving high-quality services. There is a risk that residents will experience disruption during the transfer. However, Civitas confirmed to TGE that there have been no instances of transfers leading to individuals losing their accommodation or being negatively affected. This year, one lease was transferred from one provider to another. This was a specific situation in which it was decided, in partnership with the local authority, that the property would benefit from the management of a more localised provider. CIM was involved in the establishment of The Social Housing Family (TSHF), a Community Interest Company whose purpose is to drive improvements in operational and governance standards within the SSH sector. TSHF is still in its early stages, however the expectation is that it will have a wider impact on driving industry standards in the future. CIM's involvement in establishing TSHF reflects its commitment to supporting improvements in the sector of Qualitas Housing, a Community Benefit Society which is the second member of TSHF. Currently Qualitas is being run by its board in combination with consultants who manage its day-to-day operation, while all operational functions are
Stakeholder participation risk The probability that expectations and/ or experiences of stakeholders are misunderstood or not taken into account.	The most important stakeholders for Civitas are the residents living in its homes. However, Civitas is several steps removed from their experiences. Therefore, it is essential that the Fund partners with providers that deliver a high quality of service, and puts in place processes to gather and incorporate resident voice. TGE categorises Civitas' level of risk in this area as Medium.	In addition to the quality of the home, it is the activities of Civitas' partner approved providers and care providers which have the most substantial impact on residents. Civitas undertakes a comprehensive review of all partners during its due diligence process, including assessing CQC ratings of care providers, and assessing service delivery standards of approved providers. Also, through working with TGE, Civitas ensures that resident experiences are heard and accounted for. TGE aims to run a Resident Outcomes Survey annually. This forms a key part of the assessment contained in the Fund's bi-annual Impact Reports.

IMPACT PIOU		
IMPACT RISK CATEGORY	RISK DESCRIPTION	CIVITAS RISK MITIGATION STRATEGIES
		TGE was unable to conduct a survey this year, but conducted a survey with a sample of 87 residents between April and May 2021. TGE also aims to conduct site visits to selected schemes to hear feedback direct from residents and support workers.
Alignment risk The probability that impact is not locked into the enterprise model.	The RSH has raised concerns that lease terms within the SSH sector have often been unfavourable to housing providers, with the level of risk not shared equally between funders and housing providers. These concerns have largely resulted from the fact that providers are locked into long-term leases, and the nature of the Full Repairing and Insuring (FRI) agreements means providers are only able to make relatively small margins on a per-unit basis and are unable to build up sufficient capital reserves. TGE categorises Civitas' level of risk in this area as Medium.	Civitas also encourages its approved provider partners to adopt the Civitas best practice protocol that has been designed to safeguard the long-term financial strength and social delivery of partners. In addition, Civitas' investment process considers the lifecycle of the property and, prior to acquisition, the approved provider carries out an independent survey to ensure all properties are renovated to high-quality standards. Civitas has a long-standing and ongoing dialogue with the RSH and has undertaken two changes to its lease terms to improve the sharing of financial risk between the Fund and its partner approved providers. These are: 1. A Force Majeure clause which requires Civitas and the approved provider to create a contingency plan if a change in government policy impacts a provider's ability to meet its lease obligations 2. A cap of 4% and a collar of 1% on rent increases. These clauses have been implemented on all recent transactions. A plan to implement them retrospectively on all historic leases has not yet been executed. Civitas is also in the process of introducing a new lease clause which should demonstrate a further degree of risk sharing between funders and housing providers. The principal objectives of the new clause are to enable housing providers to achieve greater alignment between income receipts and lease liabilities, and to set achievable capital solvency requirements against lease
Evidence risk	Some data stated in this report was collected in the previous reporting period. For example, a	obligations. The clause is currently in draft form and is subject to further discussion and refinement. Civitas is committed to ensuring resident voice is incorporated as a key element of the Impact Report. Since the Fund's ultimate
The probability that insufficient high- quality data exists to know what impact is	Resident Outcomes Survey could not be carried out this year due to an accelerated production timeline. The results of the previous year's survey have therefore been re-stated. However,	impact goal is to provide housing which positively impacts on resident wellbeing, it is important to ensure a mechanism is in place which allows residents to provide feedback.
occurring.	this increases evidence risk. Also, TGE has not seen occupancy data for this year's report. TGE categorises Civitas' level of risk in this area as Medium.	Several resident surveys have been run for previous years' reports and it was only the accelerated nature of the timeline which meant a survey could not be carried out this year. TGE recommends that Civitas should work to ensure that a resident survey can be conducted for the next Impact Report. Also, though a survey could not be conducted this year, TGE spoke to several of the Fund's partners to gather feedback on the impact that homes are having on resident's lives.
Efficiency risk The probability that the impact could have been achieved with fewer resources or at a lower cost.	There have been historic reports of inappropriate rent-setting in the SSH sector. Issues have arisen in which exempt rent legislation [for which SSH qualifies] is exploited, with inappropriately high rents charged for sub-standard properties. As SSH rents are usually paid for through Housing Benefit, local authorities are required to meet this cost. This	As Civitas has been operating in the sector since 2016 it has well-established and clearly-defined requirements in place to ensure rents are set at sustainable levels. The Fund has built up a database of rents which it uses to benchmark against comparable housing locally. In addition, all schemes require confirmation of commissioner support for the deal to progress, as well as approval from
	has led to situations in which commissioners have stopped placing people into properties due to the cost. TGE categorises Civitas' level of risk in this area as Low .	the responsible Housing Benefit Officer. These are important mechanisms which ensure schemes effectively serve a social need and provide fair value for money for local commissioners.

CASE STUDIES

THORNLAW ROAD		
Care Provider Penkz Limited	Local Authority Lambeth London Borough Council	
Housing Provider Auckland Home Solutions	Number of Residents 7	Location: Lambeth

PROPERTY OVERVIEW

Thornlaw Road is a detached Edwardian era residential building that provides supported living for seven people. The property provides a home for people with a range of mental health diagnoses, including schizophrenia, while some also have substance abuse issues.

Auckland Home Solutions is the approved provider. Support services are provided by Penkz Limited.

The ground floor to the property provides a hallway, two bedrooms, living room, kitchen, shower room and office. A small extension contains the kitchen and a conservatory added to the rear of the property. The first floor contains five bedrooms, each with an en-suite shower room, as well as a second kitchen and a laundry room.

Support staff are on-site 24 hours a day, which provides an added layer of safety and security. On average, residents receive roughly 10 hours of support per day, which includes multiple welfare checks and support with carrying out daily tasks such as cooking and cleaning.

As of March 2022, Thornlaw Road is fully occupied and has been since January. As most residents have moved from either hospital or residential facilities, the property provides a greater level of independence than they would have been afforded in their previous accommodation.

The property has the potential to act as either a step-down facility or as a long-term home, depending on a resident's capacity and their level of support requirements. During a call with the care provider, TGE heard numerous examples of positive outcomes residents have been able to achieve since moving in.



RESIDENT OUTCOMES9

When Amy arrived at Thornlaw Road she was verbally and physically aggressive to other residents. She has now been in the property for several months and has managed to learn to be calmer in those situations. She is much better at socialising and communicating with other residents.

Prior to coming to Thornlaw Road, Ray had been admitted to hospital following a difficult period in his life. Since moving in, he has experienced a substantial improvement in his condition and outlook, and has become far more independent. The plan is for Ray to move back home in the coming months.

Ajmal was largely reclusive when he came to the property because of his depression. He never used to go out into the community, but has since been incentivised to do so much more and now goes walking and shopping on his own. Ajmal seems happier in himself and takes more ownership over his life and his decisions.

Care Provider Aspirations Care Local Authority Birmingham City Council Number of Residents Auckland Home Solutions 14

PROPERTY OVERVIEW

Alvechurch is a set of supported living properties located in a residential cul-de-sac on the outskirts of Birmingham.

Located on the cul-de-sac are 14 individual properties, all owned by Civitas. The properties range from 1-bed to 3-bed homes, though are all occupied as single-occupancy dwellings. This is because these are homes for individuals with relatively high-acuity care needs, who either do not want to share, or are unable to share with other residents.

In instances where residents are living in 2- or 3-bed homes, the spare bedrooms are either used by care workers when providing sleep-in or waking night care, or they have been converted for other uses by residents – e.g. as games rooms, or to store equipment.

During a conversation with the care provider, TGE heard that the set-up of the scheme works very well given resident's needs. It provides for individuals who do not want to live in a property with an institutional feel, and who want to have their own home with their own front door in a normal, residential street. Yet as the properties are located on what is effectively a private close, there is still a level of separation from other surrounding residents.

In addition, the properties are well-connected to local social infrastructure and are ingrained in the community, with general needs homes located on the surrounding streets. TGE heard that the relationship with local residents is positive – prior to being brought into use for supported living, the cul-de-sac had been dormant for some time and had become the site of some antisocial behaviour, such as fly-tipping and abandoned cars. Therefore, local residents are pleased the street has been brought back into use.

CIVITAS' INVOLVEMENT

Civitas originally acquired the properties in 2017, however there was a breakdown in relationships between the local authority and the approved provider which resulted in a gradual decline in nominations. In 2020, the properties were transferred to Auckland Home Solutions, who had a relationship with Aspirations Care – a locally-based care provider with strong relationships with local commissioners.

Location: Birmingham

Civitas funded works to adapt the properties, and they are now used as single-occupancy homes for individuals, many of whom have challenging behaviours and are unable to share with others. In general, the properties do not have large-scale adaptations, however Civitas did work with the approved provider to install numerous features to ensure they meet the needs of residents. This included changing lights to surface-mounted LEDs, changing locks to thumb turns, changing hobs from gas to induction, installing doors, two-way hinges and streetlights.

In addition, the care provider informed TGE that there has been some retrospective works carried out to certain properties given specific resident needs. For example, one property has had radiator covers installed for safety, while another has installed soundproofing to help with anxiety.



9. Names have been changed.

RESIDENT OUTCOMES

The individuals living in the Alvechurch properties have high level care needs, including challenging behaviours, with some requiring 1-to-1 or even 2-to-1 care 24 hours a day. Most have come from more restrictive environments, such as residential or institutional care, and so they are learning independent living skills for the first time.

Generally, the property has been a step forward for residents, with many learning new skills such as budgeting, cooking and healthy eating. TGE heard that budgeting in particular has been a real focus in recent months, with support workers helping residents to understand the cost-of-living crisis, and the value of looking to save slightly more each month. Some residents have also been supported to attend colleges, with others looking to secure volunteering work or paid employment.

TGE heard several examples of residents who, since moving into their home in Alvechurch, have had their care hours reduced as they develop their capacity and independent living skills (see James' story]. This not only represents a positive in terms of the personal outcomes achieved by residents, but also demonstrates the potential for supported living to deliver value for money for public budgets. With the right accommodation and package of support, levels of support can come down over time, even for residents previously in highly restrictive settings.

Julie Kilgour, Business Development Director, Aspirations Care:

The properties at Alvechurch offer a truly progressive model, and many people have made real strides in terms of their personal progress and development.





JAMES' STORY

James has learning disabilities, autism and an underlying mental health condition. He moved to Alvechurch around 18 months ago, having previously lived in a residential service, where he had never been given the opportunity to cook, do his own budget, or be independent.

Since moving into Alvechurch, James has made real progress. He has developed important independent living skills, and as a result he has had his support hours reduced. He now goes out into the community regularly with his support workers, and also attends college. James stated that he loves having his own front door, and particularly loves his garden, where he feeds the birds and does exercise.

During 2021, James also decided that he wanted to be involved with a challenge to climb Mount Snowden. This was a challenge put on by Aspirations Care to get residents to focus on health and wellbeing, and to maintain a positive outlook during Covid lockdowns. James began focusing on his nutrition and worked on a clear training and fitness plan. He trained for two months and in September, he successfully walked to the summit of Mount Snowden.

James loves the outdoors and, looking forward, he has aspirations to live in the countryside. Over the next few years, he will be working with his support workers to develop the skills needed to transition to an even more independent home in a countryside setting.

66 I like having my own space and I like that my Mum can come and visit me. I can go out with my support workers and do the activities that I enjoy. My support workers encourage me to cook and I have now started to make my own breakfasts each morning. I have also made friends in the road that I live on, and that makes me happy.

CONCLUSIONS

STRENGTHS

- Civitas continue to provide homes for people requiring high levels of support in their daily lives. There is significant demand from commissioners across the country for more of this type of housing. Having invested £835m in 4,592 units of specialist housing since 2016, Civitas is playing an important role in meeting this need.
- The Fund is moving in a positive direction in its contribution to increasing the supply of social housing. All 77 properties acquired during the year to March 2022 were new to the social housing sector.
- Though the overall proportion of homes with an EPC rating A-C remained consistent this year, Civitas completed Phase 1 of its retrofit programme alongside E.ON. 25 EPCs were upgraded during the year, and Phase 2 of the retrofit programme will see improvement works carried out to 120 Civitas properties. TGE would therefore expect to see Civitas move in a positive direction in terms of the environmental performance of its portfolio in the coming years. The long-term target is for 100% of properties to meet EPC grade C by 2030 - five years ahead of the target set by government.

POTENTIAL WEAKNESSES AND MITIGATING ACTIONS

- As a Resident Outcomes Survey could not be carried out due to an accelerated timeline for the publication of this report, some data used to inform the impact assessment was collected in the previous reporting period. This increases evidence risk as it is based on older feedback from the Fund's target stakeholders that may no longer be representative of their experience.
- TGE recommends that Civitas looks to report in future years on its portfolio's Scope 1, 2 and 3 emissions. This would meet one of the core requirements of the Equity Impact Project, a sector-wide collaboration which Civitas is already a member of and would provide an example of best practice impact measurement and reporting.
- The RSH continues to highlight concerns with the level of risk taken on by RPs involved in lease-based deals. 77% of the Fund's units are managed by providers declared non-compliant with the RSH's governance and viability standards. Civitas has already made positive amendments to lease terms to create a fairer risk-sharing framework, and is in the process of introducing further changes to enable housing providers to achieve greater alignment between income receipts and lease liabilities. The new clause is currently in draft form and is subject to further discussion and refinement.









APPENDIX APPENDIX 1 – DATA SOURCES

DATA SOURCE / EVIDENCE	OVERVIEW	EVIDENCE RISK	LIMITATIONS
Property-by- property portfolio data	Portfolio data provided to TGE by Civitas every six months. For each property, this data provides the following info: acquisition date, address, partner details, number of units, care classification of residents, property description and whether property is new to SSH at the point of acquisition.	Low	Reliant on accuracy of data provided by Civitas.
EPC data	Dataset showing distribution of EPC ratings in the Civitas portfolio. This is provided to TGE by Civitas.	Low	Reliant on accuracy of data provided by Civitas.
Housing provider monitoring data (as of March 2022)	Overview of the KPI data Civitas receive from RPs on monthly basis. This includes info on number of properties, number of units and compliance levels.	Low	Reliant on accuracy of data provided by Civitas.
Resident demographics data	Resident demographic data provided by 11 of Civitas' partner approved providers, covering 1,742 residents [approximately 38% of portfolio]. This data was provided to Civitas by the providers, before being passed on to TGE.	Medium	Reliant on accuracy of data provided by approved providers, and on accuracy of sample in representing the broader portfolio.
Resident Outcomes Survey data	Survey data collected remotely from a sample of 87 residents, covering 13 care providers, collected from April to May 2021. Residents completed the surveys on paper and the care provider scanned them back to TGE.	High	Small sample size – outcomes data disclosed by surveyed residents may not be representative of experiences of wider portfolio of residents. Also, reliant on accuracy of data provided by residents.
Due Diligence questionnaire template	Blank template of Civitas' Due Diligence questionnaire. This was provided to TGE to show the areas Civitas requires info on as part of their standard process on all deals.	Low	Reliant on Civitas requiring info on all the listed items in the DD template when considering deals.
Interviews with approved provider partners	Interviews carried out with Civitas' housing provider partners. Through these interviews, TGE aim to find out about the housing provider's general relationship with Civitas, as well as specific details in relation to selected schemes.	Medium	TGE speak to several of Civitas' partner housing providers for each Impact Report. Since 2017, this means TGE have spoken to the majority of Civitas' partner providers, but not all.
Interviews with care provider partners	Interviews carried out with Civitas' approved provider partners. Through these interviews, TGE aim to find out about the providers' general relationship with Civitas, as well as specific details in relation to selected schemes. For this report, TGE spoke to 1 of Civitas' partner approved providers.	Medium	TGE speak to at least one partner provider for each Impact Report. This means TGE has spoken to most of Civitas' partner providers since 2017, but not all.
Interviews with care provider partners	Interviews carried out with care providers who deliver support services to residents living in Civitas-owned homes. Through these interviews, TGE aim to find out about the CPs' general relationship with Civitas, as well as specific details in relation to selected schemes. For this report, TGE spoke to 3 of Civitas' partner care providers.	Medium	TGE speaks to at least one partner care provider for each Impact Report. As Civitas works with over 100 care providers, TGE has only had conversations with a small proportion since 2017.
Interviews with CIM staff	Interviews carried out with various members of CIM's staff, including the organisation's directors as well as those from investment teams, asset-management team and healthcare teams.	Medium	Reliant on the accuracy of the answers provided by CIM staff. Also, though these conversations provide insight into the Fund's processes and activities, they cannot provide the full picture since some info is confidential and cannot be shared.
Monetisation data from Social Profit Calculator (SPC)	Monetisation data provided to TGE by SPC – an independent organisation specialising in calculating the financial value of social, economic and environmental impact. This monetisation data is based on the wellbeing outcomes disclosed by residents through the Resident Outcomes Survey. SPC use their own monetisation model to calculate the monetary value of the outcomes experienced by residents. This is based on a Social Return on Investment [SROI] framework which uses monetised outcomes [financial proxies] to quantify and communicate the relative value of outcomes.	High	Monetisation data is based on a small sample of residents (87) whose experiences may not be representative of the wider portfolio. Also, methodology to calculate monetised value of wellbeing outcomes is SPC's Intellectual Property so is not fully disclosed. This risk is however limited by the fact that SPC's methodology is aligned to valuation techniques outlined in the HM Treasury Green Book and OECD guidance, and uses values that have been used in government policy analysis.
G/V gradings of partner RPs	TGE conduct a review of the Governance and Viability [G/V] gradings published by the RSH for each of Civitas' 16 partner RPs.	Low	None – the RSH is an independent regulatory body. These gradings should accurately reflect an independent appraisal of their standard of governance and financial viability.

32 THEGOODECONOMY.CO.UK

APPENDIX 2 - CIVITAS IMPACT DATA

IMPACT OBJECTIVE	IMPACT METRICS	MARCH 2021	MARCH 2022
	Number of units	4,295	4,592
	Breakdown of units by care classification of resident	ts*	
	Multi diagnosis	47%	46%
	Learning disabilities	31%	29%
	Mental health	12%	11%
Æ.	Dependencies	5%	4%
	Autism	4%	4%
SOCIAL NEED	Other (including homelessness)	1%	5%
	Breakdown of units by housing type		
	Supported housing	69%	71%
	Residential care	26%	24%
	Other	5%	5%
	Percentage of properties in 40% most deprived local authorities	66%	69%

^{*}Breakdown for March 2022 does not equal 100% due to rounding.

IMPACT OBJECTIVE	IMPACT METRICS	MARCH 2021	MARCH 2022
SUPPLY	Number of properties	619	696
	Number of units	4,295	4,592
	Percentage of properties converted to social housing sector for the first time	33%	41%

IMPACT OBJECTIVE	IMPACT METRICS	MARCH 2021	MARCH 2022
QUALITY	Percentage of residents who reported that they were satisfied with the quality of their home*	87%	N/A
	Percentage of homes with EPC rating A-C	52%	52%
	Percentage of homes with EPC rating A-E	99.9%	99.9%
	Number of EPCs improved during the last 12 months	-	25
	Percentage of homes meeting key compliance requirements	99%	99%

^{*}Based on data from a resident survey conducted with a sample of 87 residents between April and May 2021.

TARGET OUTCOME	IMPACT METRICS	MARCH 2021*
	Total Social Value	£127.0m
	Social Impact – the value of improved outcomes for residents	£51.2m
VALUE	Fiscal Savings – the savings generated for public budgets	£75.9m
FOR MONEY	Social Return on Investment – the social value generated for every £1 invested by Civitas [over the duration of the investment]	£3.51

^{*}Note these results are based on a calculation carried based on data as of March 2021. For the next report, TGE will use an updated methodology, developed in partnership with Simetrica-Jacobs (see 'Updated Monetisation Methodology' for more details).

MITIGATE IMPACT RISKS	IMPACT METRICS	MARCH 2021	MARCH 2022
	Number of approved providers	16	18
	Of which are Registered Providers (RPs), regulated by the RSH	15	16
	Of which are charitable organisations, not regulated by the RSH	1	2
	Number of approved providers declared non-compliant with the RSH's governance and viability standards	8	10
	Number of partner care providers*	118	130

^{*}Care Providers are regulated by the Care Quality Commission, but ratings are not systematically monitored by Civitas.

THE GOOD ECONOMY

CONTACT

4 Miles's Buildings, Bath BA1 2QS

+44 (0) 1225 331 382 info@thegoodeconomy.co.uk

thegoodeconomy.co.uk