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GOOD
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Triple Point Social Housing REIT Plc Impact Report 2021

March 2022



This report has been commissioned by Triple Point Social Housing REIT plc ["SOHO"] and has been prepared by The Good Economy Partnership Limited ["The Good Economy" and "TGE"], a specialist advisory firm with expertise in impact measurement and management.

The Good Economy supported SOHO in developing its impact assessment methodology and review SOHO's social performance bi-annually. This report is based on analysis of quantitative data and evidence, as well as in-depth interviews with management and staff at SOHO, partner housing associations, care providers, local authorities and/or an outcomes survey of a sample of residents.

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

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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.

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EXECUTIVE SUMMARY

Triple Point Social Housing REIT Plc (SOHO or the Fund) was launched in 2017 by Triple Point Investment Management LLP. SOHO's mandate is to invest in UK social housing, focusing on specialised supported housing (SSH) for vulnerable people who need support. The Fund's goal is to increase the provision of high-quality SSH that delivers positive outcomes for residents while providing stable, long-term returns to shareholders.

This is SOHO'S second Annual Impact Report. It has been produced by The Good Economy (TGE), an independent advisory firm specialising in impact measurement and management.

The report covers the 12-month period from January to December 2021. As of 31 December 2021, SOHO has invested £590 million in 488 properties, providing homes for up to 3,424 people.

Impact Assessment

TGE assesses SOHO's performance against both its stated impact objectives and the target outcomes to which it aims to contribute.

IMPACT OBJECTIVES

- SOHO's homes continue to serve individuals with a significant need for appropriate housing and support. These are some of the most vulnerable members of society, with a range of learning disabilities, physical disabilities and mental health diagnoses. Conversations with housing providers, care providers and local authority commissioners confirm that there is a high level of underlying demand for these homes.
- SOHO is funding a programme of retrofit works to bring all homes in the portfolio that are not already C or above up to an EPC grade C, and is incorporating considerations of environmental performance more firmly within its acquisition process. As a result, the Fund has raised the proportion of its homes with an A-C EPC rating from 69% to 72% in the 12 months to December 2021.
- The Fund has continued to deploy capital at a steady rate. In the 12 months to December 2021, SOHO has grown at a rate of approximately 10% to a total of 488 properties and 3,424 units. Across, the entire portfolio, 61% of units were new to SSH at the point of acquisition.
- Of SOHO's partner care providers, 89% of known Care Quality Commission (CQC) ratings are 'Good' or 'Outstanding'. This has decreased slightly from 92% as of December 2020, but still demonstrates a general high standard of service delivery.

OUTCOMES

- TGE conducted a remote Resident Outcomes Survey with a sample of 150 residents. This sample is much larger than in previous years, providing a greater level of confidence to the overall outcomes findings.
- The results were generally positive, demonstrating that SOHO's homes are contributing to improving various aspects relating to resident wellbeing, including physical health, support network, confidence and independence. The results were less positive in relation to resident's social connections, however this is indicative of the picture for the whole sector in the context of the Covid-19 pandemic.
- TGE's value for money calculation revealed that the SOHO portfolio delivered £105.8m of Total Social Value in the year to December 2021. This figure includes £21.0m of Social Impact and £84.8m of Fiscal Savings. This reflects a Social Return on Investment (SROI) ratio of £2.74 in social value generated per year for every £1 invested by SOHO. This year, these figures have been calculated using an updated, best-in-class methodology. This means that this year's figures are not comparable to previous years [see more on the updated methodology on page 11].

STRENGTHS

- SOHO provides supported housing for some of the most vulnerable members in society. There is a substantial level of underlying demand for these homes and the Fund's capital is playing an important role in its provision.
- SOHO continues to deploy capital to new schemes at a steady and consistent rate, with the portfolio growing by approximately 10% during 2021. This includes a high proportion of homes which are new to SSH at the point of acquisition. These homes provide the most significant demonstration of SOHO's additionality to the sector.
- The results of the resident survey show that generally SOHO's homes are positively impacting resident wellbeing. Residents reported particularly marked improvements in relation to their levels of confidence and independence since moving into their SOHO-owned home.

POTENTIAL WEAKNESSES AND MITIGATING ACTIONS

- TGE received some negative feedback in respect of approximately 2% of a sample from a resident survey, relating to minor, specific repair and maintenance issues. Generally, this feedback had very specific drivers, for example a room needing to be better insulated, lighting issues, or leaking in the bathroom. TGE has fed this information back to the SOHO team and they have taken immediate action, engaging with the relevant partner to address the issues raised swiftly.
- As SOHO is committed to measuring and reporting on the impact of its operations, TGE recommends that it looks to report in future years on the greenhouse gas emissions associated with its portfolio of homes. This would provide an example of best practice impact measurement and would fulfil a core requirement of the Equity Impact Project, which SOHO is already a member of.
- The Regulator of Social Housing (RSH) continues to raise concerns over the level of risk faced by Registered Providers of Social Housing (RPs) who engage in lease-based deals. As a result of its concerns, five more of the Fund's partner RPs were declared non-compliant with the Regulator's Governance and Viability standards during 2021. In March 2022, SOHO proposed changes to its investment policy to its shareholders, which, if approved would enable it to enter into leases on more flexible terms. Of the three proposed changes, one change would be to remove its minimum lease term restriction. This would allow SOHO to enter into leases that are shorter than its current 15 year minimum term. The changes would also enable SOHO to selectively take on more risk in asset lifecycle maintenance, as well as having more flexibility in how rent increases change over time – to reflect either inflation or central Housing Benefit policy.

This increased flexibility will allow SOHO to enter into new lease structures and will potentially widen the cohort of potential RPs for SOHO to work with. It also has the potential to evolve the sector, allowing RPs working with SOHO to accommodate points raised by the Regulator and thereby for SOHO to remain an attractive partner. TGE is encouraged that SOHO is evolving its model to support the long-term stability of the specialised supported housing sector. SOHO is the first fund that TGE have seen that is looking to undertake this step to improve the flexibility of its lease terms.

IMPACT REPORT – HEADLINE RESULTS

AS OF 31 DECEMBER 2021

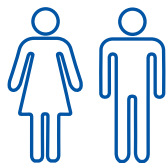


**£590
MILLION
INVESTED**

**IN 488
PROPERTIES**



**PROVIDING A
HOME FOR UP TO
3,424 PEOPLE**



**HOMES ARE
MANAGED BY
24 HOUSING
PROVIDERS**

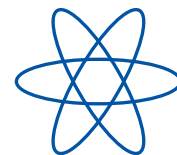


**RESIDENTS
SUPPORTED
THROUGH CARE
AND SUPPORT**

BY 114 CARE PROVIDERS



**43 AVERAGE
WEEKLY
CARE HOURS***



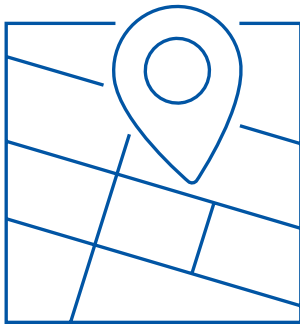
**FOR EVERY £1 INVESTED,
SOHO GENERATES £2.74¹
IN SOCIAL VALUE PER YEAR
OVER THE DURATION OF THE INVESTMENT**

*Based on a survey carried out with a sample of 150 residents in January and February 2022.

1. This social value figure has been calculated using an updated methodology, and therefore is not comparable to the previous years' results.

TRIPLE POINT SOCIAL HOUSING REIT PLC

**PROPERTIES ARE LOCATED ACROSS
156 LOCAL AUTHORITIES**



**75% OF UNITS
IN THE 40%
MOST DEPRIVED
LOCAL AUTHORITIES**



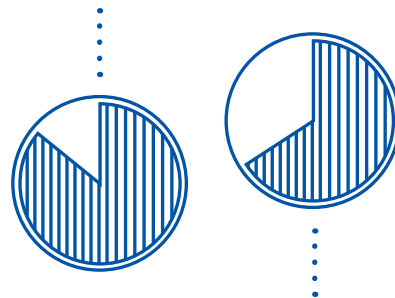
**72% OF UNITS HAVE
AN EPC RATING OF C+
100% OF UNITS HAVE
AN EPC RATING OF E+**



**61% OF UNITS NEW
TO SSH WHEN ACQUIRED**

**9% OF UNITS
FORWARD-FUNDED BY SOHO**

**86% OF RESIDENTS
REPORTED FEELING SATISFIED
WITH THE QUALITY OF THEIR HOME***



**66% OF RESIDENTS
REPORTED AN IMPROVEMENT
IN THEIR CONFIDENCE SINCE
MOVING INTO THEIR HOME***

*Based on a survey carried out with a sample of 150 residents in January and February 2022.

1 / INTRODUCTION

About Triple Point Social Housing REIT

Triple Point Social Housing REIT (SOHO or the Fund) is a Real Estate Investment Trust (REIT) that was launched in 2017 to invest in social housing across the UK. The Fund focuses on specialised supported housing (SSH), a form of community housing provision in which homes are built or specially adapted for vulnerable people who need support.

The Fund operates by raising capital from investors, buying SSH properties and leasing them back to housing providers to manage on long-term leases. This provides long-term equity to the social housing sector, increasing the supply of SSH by delivering new high-quality stock and ensuring existing stock remains in the sector for the long term.

SOHO is managed by Triple Point Investment Management LLP, an FCA-regulated investment manager with more than £2.8 billion in assets under management.

In August 2021 SOHO obtained a first-time credit rating from the ratings agency Fitch Ratings. Fitch assigned SOHO a Long-Term Issuer Default Rating of 'A-' with a Stable Outlook. This investment-grade rating demonstrates confidence in the Fund's model and reflects the fact that the majority of the rental income is paid indirectly by central government through Housing Benefit.

Specialised Supported Housing

SSH is a form of housing provision for people living with a range of care needs, including learning disabilities and mental health diagnoses. Homes are designed with adaptations to support residents to live as independently as possible.

Residents have either their own self-contained apartment within a larger property, or a room within a shared house. Residents' packages are individualised, meaning they only receive and pay for the support they need, while there is usually the added security of having support staff on-site 24 hours a day.

SSH is aligned with government policy in this area and there is a high level of underlying demand among local commissioners across the country for more of this type of housing. It is widely held to offer wellbeing benefits to residents, by encouraging greater independence than would be possible in alternative settings. In addition, independent evidence suggests SSH has the potential to generate cost-savings for public budgets.²

2. Mencap & Housing LIN, Funding supported housing for all: SSH for people with a disability, April 2018.

This Report

This is the second Annual Impact Report produced for SOHO by The Good Economy [TGE], an independent advisory firm specialising in impact measurement and management. This report covers the 12-month period from January to December 2021.³

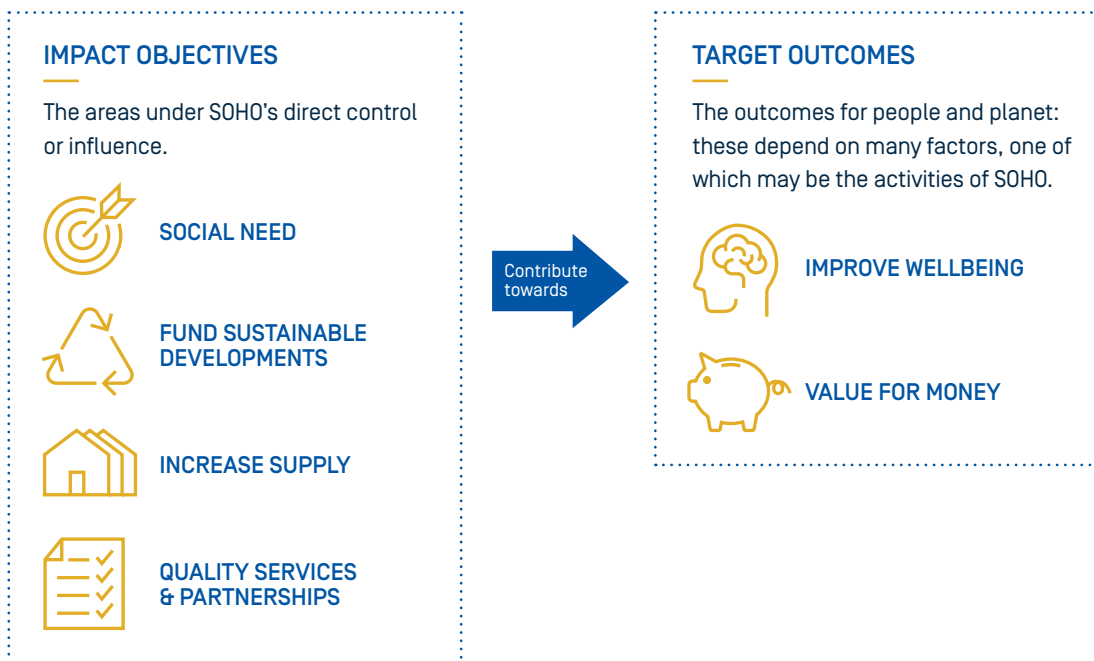
A mix of quantitative and qualitative data informs TGE's impact assessment. This includes portfolio data provided by SOHO, interviews with SOHO's partners (including housing providers and care providers), interviews with Triple Point Investment Management staff, and a Resident Outcomes Survey conducted with a representative sample of residents [see Appendix 1 for full details].

TGE's impact assessment is based on a review of SOHO's performance against the objectives and outcomes identified through the Fund's impact measurement and management (IMM) framework. This framework was designed with TGE to identify the activities through which SOHO aims to contribute to positive impact creation.

Impact Measurement and Management Framework

SOHO's impact goal is to increase the provision of high-quality SSH that delivers positive outcomes for people with care and support needs.

Under this overall impact goal, SOHO has established the following set of impact objectives and identified the target outcomes to which the Fund aims to contribute:



3. In addition to these Annual Impact Reports, TGE also produce Half-Year Impact Reports for SOHO at six-month intervals. These complement the Annual Impact Reports, providing an update on the Fund's progress in its impact performance as of June each year.



During 2021 SOHO has also been involved in two sector-wide projects which aim to improve social housing reporting standards and general transparency within the sector:

1 The Equity Investor Impact Reporting Project

A project to develop sector-wide impact metrics for equity investors in the social and affordable housing sector. SOHO was involved in the consultation phase for this project and is now a group member.

2 The Sustainability Reporting Standard for Social Housing

A sector-wide standard for ESG reporting. SOHO was involved in the consultation phase for this project and has become an early adopter of the standard, against which it now monitors its Registered Provider lessees.

Monetisation Methodology

For this report TGE has partnered with Simetrica-Jacobs to create an updated, best-in-class, methodology for monetising the outcomes experienced by residents. This method will result in a change in the 'Social Impact' component of the overall Social Value Calculation (see page 27). Due to the change in method, the resulting Social Value figure cannot be compared to previous reports.

The outcomes experienced by residents, as captured by the resident outcomes survey, were broadly in line with results from previous surveys. Therefore, if the previous methodology was used, TGE would expect SOHO to have an equivalent Social Impact value to previous years.

SOHO is the first fund to use this updated method – highlighting their desire for impact integrity and transparency.

Simetrica-Jacobs

Simetrica-Jacobs have 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 Understanding Society www.understandingsociety.ac.uk) to establish the impact of the outcomes of interest on individual's 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].⁴ 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]⁵, to derive an estimate of the value of the outcome.

4. 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.

5. 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.

2 / IMPACT ASSESSMENT AND RESULTS







In the 12 months to December 2021, SOHO has continued to deploy capital into new properties at a consistent rate. During 2021 the Fund acquired a total of 44 properties, consisting of 345 SSH units. It has also furthered efforts to improve its portfolio's environmental performance, starting with a pilot programme of upgrades involving 12 properties and six housing providers. This is the first step of a portfolio-wide retrofit programme to bring all properties up to a minimum EPC rating of C.

OVERALL IMPACT GOAL	PORTFOLIO SUMMARY	DECEMBER 2020	DECEMBER 2021
Increasing the provision of high-quality supported housing that delivers positive outcomes for people with care and support needs	Value of capital deployed	£536 million	£590 million
	Number of properties ⁶	445	488
	Number of units ⁷	3,124	3,424
	Number of local authorities in which properties are located	154	156
	Number of housing providers	20	24
	Number of care providers	97	114

6. One property was sold by SOHO during 2021.

7. SOHO conducted an audit on number of units during 2021. This resulted in a change in number of units on some properties historically reported on.

Impact Assessment


IMPACT OBJECTIVE / OUTCOME AREA	IMPACT TARGETS	DECEMBER 2020	DECEMBER 2021	TARGET MET?
PERFORMANCE AGAINST IMPACT OBJECTIVES				
SOCIAL NEED 	70% of units in 40% most deprived local authorities	74%	75%	✓
FUND SUSTAINABLE DEVELOPMENTS 	95% of units are Supported Housing	98%	98%	✓
	80% of units have an EPC rating of C or higher	69%	72%	Plan is in place to improve entire portfolio to EPC grade C or above in next four years, and progress is being made towards this target
INCREASE SUPPLY 	25% of units are new-build	30%	30%	✓
	50% of units are new SSH at the point of acquisition	63%	61%	✓
QUALITY SERVICES & PARTNERSHIPS 	90% of stated CQC ratings of partner care providers are 'Good' or 'Outstanding'	92%	89%	SOHO currently falling very marginally below target threshold
CONTRIBUTION TO OUTCOMES				
IMPROVE WELLBEING 	SOHO's contribution to wellbeing outcomes is assessed through a Resident Outcomes Survey. TGE carried out a survey with a sample of 150 residents from January to February 2022. The results showed a broadly positive picture, with residents reporting marked improvements in their confidence, independence and their support network			No target ⁸
VALUE FOR MONEY 	£2.50 created in social value per year for every £1 invested by SOHO over the duration of the investment	N/A	£2.74	✓

SOHO continues to show a high level of transparency in supporting TGE's production of this Impact Report. This includes sharing detailed data and evidence of the Fund's processes to inform TGE's overall assessment.

In addition, SOHO's willingness to set impact targets and to publicly report progress against them provides an example of best practice impact measurement and management.

8. SOHO has not set a target for a wellbeing metric due to its subjective nature. However, SOHO aims to collect feedback on wellbeing through an annual Resident Outcomes Survey.

IMPACT OBJECTIVE – Social Need

IMPACT OBJECTIVE	IMPACT METRICS	DECEMBER 2020	DECEMBER 2021
SOCIAL NEED 	Number of units	3,124	3,424
	Percentage of units in the 40% most deprived local authorities [based on the IMD]	74%	75%
	Residents' average weekly care hours [estimated based on survey sample]	62 hours*	43 hours**

*Based on survey data conducted with a sample of 60 residents from June to July 2020.

**Based on survey data conducted with a sample of 150 residents from January to February 2022.

SOHO's portfolio has grown by approximately 10% in the last 12 months. The Fund now has the capacity to provide homes for up to 3,424 people.

The occupancy level continues to increase consistently over time. As of December 2021, the majority of SOHO's homes are at or relatively close to full occupancy, with the overall portfolio rate broadly in line with expected levels for the SSH sector.

Several care providers told TGE that the sector is currently facing issues with staffing, largely because of the Covid-19 pandemic. As a lack of available staff is slowing down the process of moving people into homes, the portfolio occupancy rate is likely to be lower than would usually be expected given the high level of demand.

In instances where SOHO has experienced lower than expected occupancy levels in certain properties, SOHO has provided explanations to TGE why this is the case. These include the fact that properties are changing to accommodate new client groups, new care providers are being sourced, properties are undergoing works, properties are in ramp-up periods to move residents in having recently completed development. This is to be expected in a large portfolio.

The Fund continues to implement processes to ensure its properties serve people with an independently verified need for housing and care. SOHO's due diligence process explicitly requires all deals to show confirmation of commissioner support.

Based on data from the resident outcomes survey, the average number of care hours per resident has gone down from 62 to 43 hours per week. This average care level still reflects a high level of need from residents, and it may be caused by residents needing less care as they gain confidence and independence in their new homes, representing a positive contribution to resident wellbeing.

TGE heard evidence of a needs-led approach to the development of specific schemes. Commissioners were involved in identifying and verifying the need, with care providers, housing providers and developers forming partnerships to deliver properties that would meet those identified needs [see Kirkdale House and Tussore Court case studies on page 30 and 32 for more details].



Supported Living in Tiverton

This year, TGE were able to visit a SOHO scheme in Tiverton. The property provides shared supported living for five individuals living with a range of learning disabilities, including autism.

Support workers informed TGE that they feel the property and support provided effectively meets the needs of residents. Residents have come from a range of settings including residential care, hospital and family home. For most, this transition to supported living has worked well. TGE heard of one resident in particular who has thrived since moving in. The individual is mute autistic and in his previous setting he had struggled as his family had not fully understood how to manage his autism. Since moving into the scheme, he is able to express himself more effectively and is much happier. This provides a specific example of a property and a package of support effectively meeting a resident's needs.

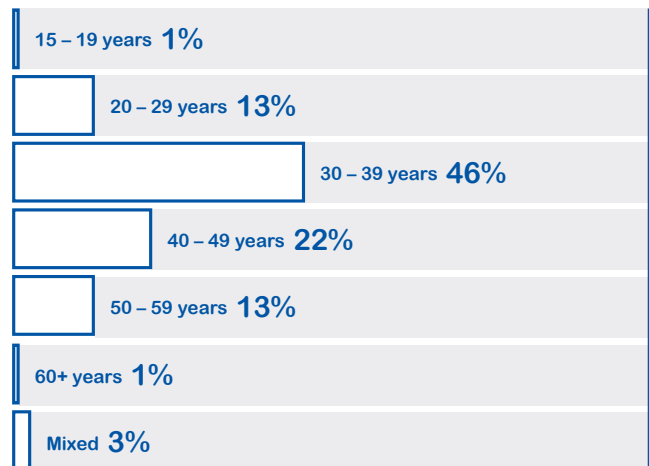
RESIDENT DEMOGRAPHICS

AVERAGE WEEKLY CARE HOURS



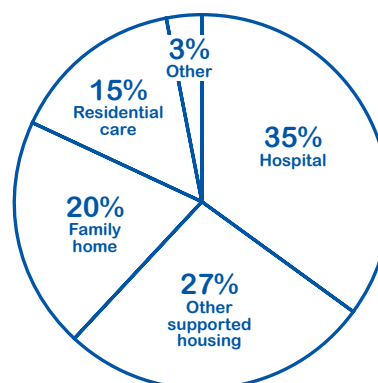
On average, residents receive 43 hours of care per week⁹

AGE BREAKDOWN*



*Age breakdown based on approximately 43% of the portfolio where age data is available.

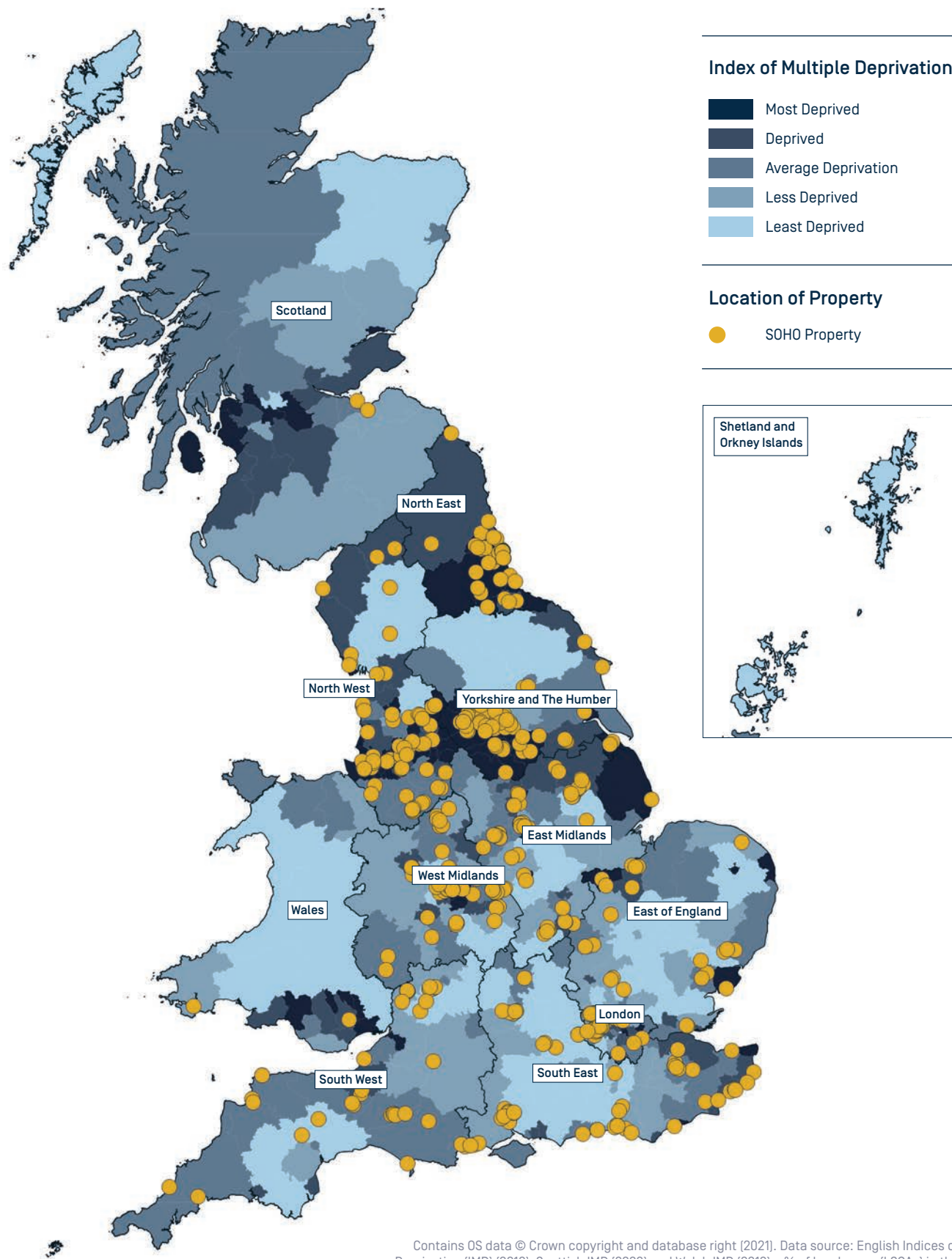
PREVIOUS ACCOMMODATION**



**Based on resident survey with a sample of 150 residents.


9. This is based on resident information collected by TGE through a resident survey of 150 residents. This has decreased from an average of 62 hours of care per week, based on the last survey sample of 60 residents in 2020. Both figures are broadly in line with an expected average of 40-50 hours of care per week.

75% of SOHO's units are in the 40% most deprived local authorities in the UK.



Contains OS data © Crown copyright and database right (2021). Data source: English Indices of Deprivation (IMD) (2019), Scottish IMD (2020) and Welsh IMD (2019) – % of local areas (LSOAs) in the 20% most deprived nationally by local authority (England, Scotland and Wales treated separately).

IMPACT OBJECTIVE – Fund Sustainable Developments

IMPACT OBJECTIVE	IMPACT METRICS	DECEMBER 2020	DECEMBER 2021
FUND SUSTAINABLE DEVELOPMENTS 	Percentage of units with EPC rating C+	69%	72%
	Percentage of units with EPC rating E+	99.9%	100%
	Percentage of residents satisfied with the quality of their home	–	86%*
	Breakdown of total units by housing type		
	Supported housing	98%	98%
	Non-supported housing	2%	2%

*Based on a survey conducted with a sample of 150 residents between January and February 2022.

SOHO has committed to fund retrofit works to improve its portfolio's environmental performance.

In September 2021 SOHO set aside up to £3.4m to be spent on retrofit works over the next four years alongside available grant funding. The aim of this initiative is to bring all units up to at least an EPC grade C. This will see the Fund comfortably exceed the target as set out in the government's Clean Growth Strategy, for all homes to meet a minimum EPC grade of C by 2035.

SOHO is working with environmental consultants and contractors, overseeing a range of retrofit works to existing homes. The programme of upgrades got underway early in 2022, starting with a pilot of 12 schemes that had been identified for works to improve their environmental performance, as well as benefitting residents by reducing fuel poverty, a particularly important point in the current macroeconomic environment. The schemes are managed by six housing providers, with whom SOHO will work on this pilot project. SOHO is committed to working closely with its partners to complete this programme of works, and ensuring that their needs and the needs of residents are at the forefront of considerations.

As well as improving existing homes, environmental considerations have become a more central component of the Fund's investment strategy. All refurbished homes must have a minimum EPC grade C and all new-build properties an EPC grade B. These policies are improving the portfolio's overall environmental efficiency.

As of December 2021, 72% of units have A-C EPC ratings. This is an improvement from 69% in December 2020.

SOHO is performing favourably relative to the wider SSH sector. As SSH properties are often repurposed buildings, their energy efficiency can be lower. At 72%, SOHO's proportion of homes rated A-C is relatively high for the sector.

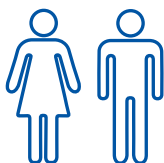
SOHO's template lease has also now been upgraded to include 'green' clauses that aim to drive ongoing environmental improvements. As of December 2021, these have only been formally included on one lease, but SOHO is in the process of negotiating the inclusion of 'green' clauses on opportunities in its immediate pipeline.

During 2021 the Fund has also begun working with consultants to better assess flood risk in a range of climate scenarios. This should help to protect the value of SOHO's assets, as well as protecting residents against this risk.

Based on a survey of SOHO residents, 86% reported that they were satisfied with the quality of their home.

This is roughly in line with expected results based on the wider population. In England, approximately 90% of adults reported being satisfied with their accommodation in 2019-20,¹⁰ though it should be noted this benchmark is based on a survey of general needs residents across rented and owned housing, so not a directly comparable client group or housing type.

WHAT RESIDENTS HAD TO SAY:



- + “I like the accommodation and feel that it is very good.”
- + “I’m very happy here, I love the house.”
- + “I really like it, I have my own space and my living room. I really like my living room and I can go out when I want.”

Through the survey, TGE did gather some feedback from residents who indicated that they were dissatisfied with certain aspects relating to their home. Generally, this had very specific drivers, for example a room needing to be better insulated, lighting issues, or leaking in the bathroom. TGE has fed these comments back to SOHO who are engaging with the relevant housing providers to swiftly address these issues.


To ensure homes consistently meet the Fund’s required standards, SOHO has issued a Building Guidance Document. This goes far beyond the standards set out in the Decent Homes Standard (DHS) and incorporates requirements towards improving the energy efficiency of the properties.

Members of SOHO’s investment and asset management teams undertake site visits prior to a scheme being acquired as part of the diligence process. This ensures that homes meet required standards at the point of acquisition and once acquired, SOHO has established processes to monitor the quality of its properties. Quarterly compliance and occupancy data is provided by all partner housing providers. In addition, the SOHO asset management team aims to inspect all properties at least every two years.

In 2021 SOHO appointed a new Director of Housing who was previously Executive Director of Housing and Customer Services of a large Registered Provider. This appointment has enhanced the depth of SOHO’s existing housing management team. The appointment is a further reflection of SOHO’s commitment to delivering non-institutional homes and improving the liveability of those homes from its residents’ perspective.

10. [Office for National Statistics \(ONS\), English Housing Survey data on attitudes and satisfaction, July 2021.](#)

IMPACT OBJECTIVE – Increase Supply

IMPACT OBJECTIVE	IMPACT METRICS	DECEMBER 2020	DECEMBER 2021
INCREASE SUPPLY 	Number of properties	445	488
	Percentage of units defined as 'new' to SSH ¹¹	63%	61%
	Percentage of units forward-funded by SOHO	N/A*	9%
	Breakdown of units by Condition of Stock		
	Adapted	63%	61%
	New-build	30%	30%
	Purpose-built	7%	9%

*Data not available as of December 2020.

SOHO acquired 44 properties with the capacity to provide homes for 345 people in the 12 months to December 2021. This brings the total portfolio size to 488 properties and 3,424 units – an annual growth rate of 10%.

This substantial portfolio means that SOHO remains one of the UK's largest SSH landlords. Having invested more than £590 million since entering the sector in 2017, the Fund has committed a significant volume of capital to increasing specialist housing for vulnerable people.

In August 2021 SOHO also secured £195m of long-term fixed-rate debt from Barings and MetLife, with the loan notes linked to sustainability targets agreed with the lenders. This injection of capital will allow the Fund to deploy further capital into its pipeline, therefore continuing to contribute to increasing supply.

Across the portfolio, 61% of units are new to SSH when acquired.

This is a high proportion of homes new to SSH compared to other funders operating in the sector. These properties provide the most significant demonstration of SOHO contributing to increasing supply, since they lead to the creation of SSH that did not exist prior to the Fund's acquisition.


SOHO also acquired a large portfolio of existing SSH homes during 2021. This has resulted in the total number of homes new to SSH being reduced slightly from 63% as of December 2020.

SOHO also continues to contribute forward-financing to a variety of deals. In these cases, it finances the development of new-build schemes rather than simply acquiring the finished scheme upon completion. As of December 2021, SOHO has forward-funded 9% of units in its portfolio.

Through these schemes, SOHO takes on a greater share of risk and so contributes a higher level of additionality to the sector. This is positive in driving the delivery of new specialist housing, although there are financial limits to the number of schemes that SOHO can forward-fund at any one time.

11. Note in the most recent Half-Year Impact Report, this figure was incorrectly stated as 67% as of June 2021 due to a data issue.

IMPACT OBJECTIVE – Quality Services and Partnerships

IMPACT OBJECTIVE	IMPACT METRICS	DECEMBER 2020	DECEMBER 2021
QUALITY SERVICES & PARTNERSHIPS 	Number of partner housing providers	20	24
	Of which are Registered Providers (RPs), regulated by the RSH	16	16
	Of which are care providers or housing managers, not regulated by the RSH	4	8
	Number of partner housing providers declared non-compliant with the RSH's governance and viability standards	5	9
	Number of partner care providers	97	114
	CQC ratings of partner care providers who have been inspected ¹²		
	Outstanding	6%	4%
	Good	86%	85%
	Requires Improvement	8%	10%
	Inadequate	<1%	1%

As the ultimate landlord, SOHO is several steps removed from the experiences of the residents living in its homes. To maximise positive outcomes, it must partner with housing and care providers that deliver a high quality of service.

Across the portfolio, SOHO has leases with 24 housing providers in total. 16 are RPs regulated by the RSH. Three of these housing providers have been declared non-compliant with the RSH's Governance and Viability standards, whilst six have received regulatory notices of non-compliance. Regulatory notices are issued to housing providers operating fewer than 1,000 units and are still relatively nascent. Five of these non-compliance notices have been issued during 2021.

As an investor in the sector, SOHO is not regulated by the RSH. However, SOHO does maintain a regular dialogue with the RSH over its stated concerns. In response to the RSH, SOHO has constantly developed its lease terms since launching. In 2019, it introduced a change of lease clause which facilitated proportionate risk sharing with RPs if there was to be a material change in Housing Benefit. Additionally, SOHO has recently announced changes to its investment policy which, if approved by shareholders, will give SOHO the ability to enter into more flexible leases.

One of the proposed changes to SOHO's Investment Policy would be to remove its minimum lease term restriction. This would allow SOHO to enter into leases that are shorter than its current 15 year minimum term. The changes would also enable SOHO to selectively take on more risk in asset lifecycle maintenance, as well as having more flexibility in how rent increases change over time – to reflect either inflation or central Housing Benefit policy.

This increased flexibility will allow SOHO to enter into new lease structures and will potentially widen the cohort of potential RPs for SOHO to work with. It also has the potential to evolve the sector, allowing RPs working with SOHO to accommodate points raised by the Regulator and thereby for SOHO to remain an attractive partner. TGE is encouraged that SOHO is evolving its model to support the long-term stability of the specialised supported housing sector. SOHO is the first fund that TGE have seen that is looking to undertake this step to improve the flexibility of its lease terms.

SOHO's Investment Policy allows it to sign leases with organisations that are not RPs. This includes properties which are registered care facilities in which SOHO leases straight to the care provider, as well as cases in which SSH is leased to a housing manager that is not regulated by the RSH. This represents a small proportion (less than 4%) of the portfolio.

SOHO told TGE that it signs leases with organisations not regulated by the RSH because they can nonetheless bring well-established relationships and high standards of service delivery and they are all otherwise regulated by an independent body

12. Breakdown of providers with individual and multiple CQC ratings.



such as the CQC, Charities Commission or CIC Regulator. Accordingly, the Fund does not view this as a higher risk than leasing properties to RPs.

In the last 12 months SOHO has signed leases with four new partner housing providers – Bespoke Care and Support, Forge House Care, Highstone Housing Association and Inclusion Homes (a not-for-profit CIC which is a sister organisation of Inclusion Housing, with whom SOHO has an established and long-standing relationship).

TGE has seen evidence of SOHO's partner due diligence and can confirm that it involves rigorous review before deals go ahead.

Housing providers are assessed on their operational capabilities, such as geographic capacity, health and safety, and their engagement with residents. Due diligence also involves reviewing more strategic points, such as ensuring management have assessed the risks of entering into a long-term lease appropriately.

SOHO's partner housing providers are required to provide quarterly compliance data to SOHO. This compliance information is in relation to areas such as Fire Alarm Tests, Asbestos, Lift Testing and Gas Safety. Compliance data as of Q4 2021 from SOHO's partner housing providers shows that the portfolio is 100% compliant on all mandatory compliance requirements across the Fund's occupied properties.

SOHO has no legal relationship with providers delivering care services into its homes. Nonetheless, as part of the Fund's due diligence process, a comprehensive review of care providers is undertaken, to review potential risks and to ensure a track record of delivering quality services. In addition, on future transactions SOHO plans to increase its direct engagements with care providers at its homes and where possible, have more direct contractual relationships alongside its housing partners.

The Care Quality Commission (CQC) is the regulatory body responsible for regulating health and social care services in England.

89% of known CQC ratings of SOHO's partner care providers are 'Good' or 'Outstanding'. This is marginally below the Fund's target of 90%, but still demonstrates that SOHO's partner care providers are delivering high quality services to residents.

3 / CONTRIBUTION TO OUTCOMES



This section aims to assess the change in outcomes experienced by SOHO's key stakeholders. These stakeholders include the residents living in SOHO's homes, as well as central government and local authorities.

Impact objectives play an important role within an impact assessment as these are the activities over which SOHO has direct influence. However, they do not wholly capture SOHO's impact as they do not account for outcomes experienced by the ultimate beneficiaries. These outcomes are influenced by many factors, including those that are beyond SOHO's control.

TGE has identified two main target outcomes for SOHO:

- + **Improve resident wellbeing**
- + **Provide value for money.**

The table below categorises these outcomes according to the Impact Management Project (IMP) dimensions of impact. This is a standardised and widely recognised approach to impact measurement in which impact is categorised according to five core dimensions: What, Who, How Much, Contribution, Risk.


IMP DIMENSION		OUTCOME 1: IMPROVE RESIDENT WELLBEING 	OUTCOME 2: PROVIDE VALUE FOR MONEY 
WHAT impact is SOHO having?		Change in residents' physical and/or mental wellbeing	Value for money for public budgets through delivering cost-effective solution to housing individuals with care needs
WHO is experiencing the impact?		Residents with relatively high-acuity support needs	Local authorities / Central government
HOW MUCH impact is SOHO creating?	Scale	Large scale – 3,424 units as of December 2021	Large scale – 3,424 units as of December 2021
	Depth	Depends on degree of change in wellbeing	Depends on cost-differential between cost of SOHO property and likely alternative setting
	Duration	Likely long-term – SSH generally intended to provide a long-term home for residents	Likely long term – average 20-year leases with SSH generally intended to provide long-term home for residents
What is SOHO's CONTRIBUTION to what would likely happen 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 SOHO property	SSH generally held to offer a cost-effective housing solution compared to residential care and particularly inpatient facilities. Therefore, health and social care costs for public budgets likely better than would have occurred without SOHO funding
What is the RISK of the impact not happening?		Execution / stakeholder participation risks: <ul style="list-style-type: none"> Homes do not meet residents needs as effectively as hoped Housing and/or care providers do not deliver sufficiently high quality services Alignment risk: <ul style="list-style-type: none"> Unfavourable lease terms mean housing providers struggle to provide a high level of service over the long term 	Efficiency risk: <ul style="list-style-type: none"> Social care cost associated with SOHO homes turns out to be more expensive than alternative housing options

TGE judges that SOHO's assets can be classified as 'Contributing to Solutions' according to the [IMP's classification of impact performance](#). This reflects their potential to generate significant positive outcomes for people whose housing needs are underserved otherwise.

TGE's assessment of SOHO's contribution to this impact is that it:

- + **Signals that impact matters** by actively incorporating impact considerations into the Fund's standard investment processes.
- + **Engages actively** by using the Fund's expertise and processes to attempt to raise standards in the sector. This includes regular engagement with partner housing providers as well as ongoing dialogue with the RSH around risk and ensuring the sustainability of lease-based arrangements for the long term.

TARGET OUTCOME – Wellbeing

TARGET OUTCOME	IMPACT METRICS	DECEMBER 2020*	DECEMBER 2021**
 IMPROVE WELLBEING	Percentage of residents who identified an improvement in the following areas between their previous accommodation and their current SOHO-owned home:		
	Physical health	58%	52%
	Social connections	33%	28%
	Support network	62%	60%
	Confidence	63%	66%
	Independence	65%	63%

*Results based on survey data conducted with a sample of 60 residents from June to July 2020.

**Results based on survey data conducted with a sample of 150 residents from January to February 2022.

SOHO ultimately aims to provide specialist housing which delivers positive wellbeing outcomes for vulnerable people who need support.

To assess SOHO's contribution to improving resident wellbeing, TGE carried out a Resident Outcomes Survey between January and February 2022. This gathered responses from a sample of 150 residents. This sample includes residents living in homes managed by four of SOHO's partner housing providers, and 24 different care providers.

Through the survey, residents were asked to provide feedback on various areas relating to their physical and mental wellbeing:

- + Physical health
- + Social connections to others
- + Support network
- + Confidence
- + Independence.

Within the survey, questions were structured in a way to provide insight into the impact that the home has had on the resident's wellbeing. This was done through questioning residents on how they feel in relation to the outcome areas stated above in their current home, before asking how they had been feeling in relation to those same outcome areas while living in their previous accommodation. These responses provide insight into the 'distance travelled' in terms of a change in outcomes between a resident's previous accommodation and their current SOHO-owned home.

The results of the survey are broadly in line with the results of the last survey conducted from June to July 2020, with residents reporting the most marked improvements in relation to their confidence and independence. Across four of the outcome areas, the percentage of residents identifying an improvement from their previous accommodation to their current home decreased slightly from the last survey, while one outcome area (confidence) saw an increase.



RESULTS – Wellbeing

» PHYSICAL HEALTH

81% of respondents reported feeling satisfied with their level of physical health in their current home.

- + 52% reported an improvement in their physical health between their previous accommodation and their current home
- + 42% reported no change
- + 6% reported a negative change

What residents had to say:

- » I'm much more confident. My mobility has got better. I require less 1:1 support and this makes me feel independent.
- » I feel living in a smaller property has helped me in my recovery.

» SOCIAL CONNECTIONS

71% of respondents reported that they are in contact with family or friends at least once a week in their current home.

- + 28% reported an improvement in their social connections between their previous accommodation and their current home
- + 58% reported no change
- + 14% reported a negative change

What residents had to say:

- ” I was unable to go out when I was in hospital and my family were unable to visit. I am able to go out when I want now that I am living here.
- ” I like it here. I’m happy to have more company and think the house is very nice.

» CONFIDENCE

89% of respondents reported being satisfied with their level of confidence in their current home.

- + 66% reported an improvement in their level of confidence between their previous accommodation and their current home
- + 31% reported no change
- + 3% reported a negative change

What residents had to say:

- ” I feel I have regained my confidence, and am treated like a human being.
- ” I’m happy with my support provider. My confidence has grown and I am helped a lot. I am very happy here.

» SUPPORT NETWORK

96% of respondents reported being satisfied that when they need help in their current home, there are people there to provide support.

- + 60% reported an improvement in their support network between their previous accommodation and their current home
- + 39% reported no change
- + 1% reported a negative change

What residents had to say:

- ” The staff are available to resolve issues in an emergency. There are 16 residents here yet the staff are able to provide both care and support to a very high standard.
- ” I really like having my own room and still having the support from care providers.

» INDEPENDENCE


89% of respondents reported being satisfied with their level of independence in their current home.

- + 63% reported an improvement in their level of independence between their previous accommodation and their current home
- + 32% reported no change
- + 5% reported a negative change

What residents had to say:

- ” I like having my own flat.
- ” I get more freedom here.
- ” She has settled in really well and engages well with the staff. She is more confident than when she moved in and she seems to enjoy her independence away from home.

TARGET OUTCOME – Value for Money

TARGET OUTCOME	IMPACT METRICS	DECEMBER 2021
VALUE FOR MONEY 	Total Social Value	£105.8m
	Social Impact – the value of improved outcomes for residents	£21.0m
	Fiscal Savings – the savings generated for public budgets	£84.8m
	Social Return on Investment – the social value generated per year for every £1 invested by SOHO over the duration of the investment	£2.74

Independent evidence from the charity Mencap suggests SSH has the potential to generate value for money for public budgets.¹³ Mencap's research shows that SSH provides a cost-effective solution to housing people with complex care needs compared to the likeliest alternatives – residential care or inpatient facilities.

SOCIAL VALUE CALCULATION

To assess SOHO's contribution to value for money for public budgets, TGE calculates the total social value delivered. This includes:

- + **Social Impact** – the value of improved personal outcomes for residents resulting from improved wellbeing, health, confidence and aspirations.
- + **Fiscal Savings** – the savings generated for public budgets by residents moving into SOHO-owned homes from more costly alternative settings.

METHOD

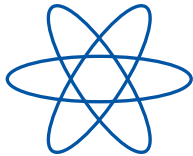
The methodology used to calculate the social value delivered by the SOHO portfolio this year has changed from the methodology used for previous impact reports [see page 11 for more detail]. Therefore, it is not appropriate to compare this year's figures with figures from previous SOHO impact reports. This updated methodology has been developed by TGE in partnership with Simetrica-Jacobs, who are specialists in social value analysis and wellbeing research.

Both the Social Impact and Fiscal Savings component are based on the answers provided by residents through an Outcomes Survey conducted from January to February 2022. This year's survey was completed with a large sample of 150 residents.

- + The **Social Impact** figure is calculated by using financial proxies to place a monetary value on the change in wellbeing outcomes reported by residents comparing their previous accommodation and their current SOHO-owned home.
- + The **Fiscal Savings** figure is calculated by estimating the cost to public budgets of housing people in their current SOHO home and comparing this figure with the estimated cost of housing them in their previous accommodation.
- + The Social Impact and Fiscal Savings figures produced are then extrapolated from the sample size to the total SOHO portfolio [occupied units]. These figures are then added together to produce an estimate for the **Total Social Value** for the SOHO portfolio.

13. Mencap & Housing LIN, 'Funding supported housing for all: SSH for people with a learning disability', April 2018.

SOCIAL VALUE



**FOR EVERY £1 INVESTED,
SOHO GENERATES £2.74
IN SOCIAL VALUE PER YEAR**
OVER THE DURATION OF THE INVESTMENT

RESULTS

The results reveal that the SOHO portfolio has delivered £105.8m of Total Social Value in the year to December 2021.

This is divided into:

- ⊕ £21.0m of Social Impact
- ⊕ £84.8m of Fiscal Savings

Using the values and total amount invested by SOHO as of December 2021, TGE calculates SOHO's Social Return on Investment (SROI) ratio to be £2.74. This means that, for every £1 invested by SOHO, the Fund will generate £2.74 in social value per year over the duration of the investment (based on the current portfolio of homes).

The results reveal that the SOHO portfolio has delivered £105.8m of Total Social Value in the year to December 2021.

Impact Risk

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 the potential impact risks relating to SOHO 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 four categories of risk as potentially material for SOHO. In the table below, TGE describes these risks, the level of risk to SOHO and its mitigating actions.

IMPACT RISK CATEGORY	RISK DESCRIPTION	SOHO RISK MITIGATION STRATEGIES
Execution risk The probability that the activities are not delivered as planned and do not result in the desired outcomes	<p>SOHO leases properties to housing providers, some, but not all of which are relatively small specialist organisations that have grown quickly through lease-based arrangements to meet high levels of underlying demand. In some instances, this has led to situations in which providers have been found by the Regulator of Social Housing (RSH) to have poor risk management and governance practices in place, increasing their risk. As a result of its concerns, the RSH has declared numerous providers to be non-compliant with its Governance and Viability Requirements. Of SOHO's 16 partner housing providers who are regulated by the RSH, nine have been declared non-compliant. These organisations manage 76% of SOHO's units. The Fund must ensure it has an ongoing dialogue with the RSH and continues to select partners with the management and operational capability to deliver high-quality services on a long-term sustainable basis.</p> <p>TGE categorises SOHO's level of risk in this area as High.</p>	<p>SOHO continues to undertake rigorous due diligence on all potential new partners, to ensure they have high service delivery standards and have appropriately assessed the risk of entering into lease arrangements.</p> <p>In addition to undertaking stringent checks when selecting housing provider partners, the Fund also has established systems in place to monitor the safety and occupancy of its homes on an ongoing basis. All housing provider partners provide quarterly compliance and occupancy data. As of December 2021, SOHO is 100% compliant on all mandatory compliance across its occupied properties.</p> <p>SOHO also regularly monitors rental income to ensure all providers are successfully providing 100% of the rent due. As of December 2021, SOHO's rent collection for the year 2021 was 99.8%.</p> <p>During 2021 SOHO also appointed a Director of Housing who brings experience from a housing association background, with over 38 years' of experience. This has strengthened SOHO's asset management depth and enhanced its continued emphasis on resident wellbeing, outcomes and partnerships.</p>
Stakeholder participation risk The probability that expectations and/or experiences of stakeholders are misunderstood or not taken into account	<p>SOHO's most important stakeholders are the residents living in its homes. Yet as the property owner, SOHO is several steps removed from their experiences. It is essential that the Fund puts in place processes to gather feedback from residents, and partners with housing providers and care providers that deliver a high-quality of service.</p> <p>TGE categorises SOHO's level of risk in this area as Medium.</p>	<p>SOHO aims to ensure the quality of its partners through a rigorous due diligence process. CQC data confirms that 89% of stated ratings of SOHO's partner care providers are 'Good' or 'Outstanding'.</p> <p>Also, SOHO has put in place processes with TGE to ensure that residents' experiences are considered. TGE looks to run a Resident Outcomes Survey annually, to inform the assessment in this Impact Report. This year TGE collected survey responses from 150 residents. TGE also aims to visit several schemes each year to gather feedback directly from residents and their support staff.</p>

IMPACT RISK CATEGORY	RISK DESCRIPTION	SOHO RISK MITIGATION STRATEGIES
<p>Alignment risk</p> <p>The probability that impact is not locked into the enterprise model</p>	<p>The RSH and other market observers have raised concerns that SSH lease terms have often been unfavourable for housing providers. Concern stems from the fact that housing providers are locked into long-term leases with only the ability to generate relatively small margins on a per-unit basis. The Fund must ensure it has an ongoing dialogue with the RSH and continues to work to ensure a fair risk-sharing framework with its partner housing providers.</p> <p>TGE categorises SOHO's level of risk in this area as Medium.</p>	<p>In responding to the concerns of the RSH, SOHO has updated its lease agreements to include a Force Majeure clause. This ensures that, in the event of a change in government policy that impacts the funding of SSH, SOHO and the housing provider will meet to create a contingency plan. These clauses have been included as standard on all of SOHO's recent transactions.</p> <p>Several housing providers operating in the sector told TGE that they would support a shift in lease terms which would allow them to respond to observations the Regulator has made publicly about the risks associated with leases in the sector. This has recently been addressed directly by SOHO who are proposing to amend the terms of its investment policy to enable the Fund to continue to evolve the lease terms it can offer and have the requisite flexibility to continue to be at the forefront of this evolving sector.</p> <p>SOHO is supportive of changes that will continue to improve the model's sustainability and allow housing providers to build up their financial resilience. It is in the Fund's interest for the sector to function effectively for the long term, since this will facilitate the consistent, low-risk, long-term returns it seeks.</p>
<p>Efficiency risk</p> <p>The probability that the impact could have been achieved with fewer resources or at a lower cost</p>	<p>Rent setting in the SSH sector is inherently subjective and individualised as a result of rents being assessed according to the underlying needs of the individual residents. Therefore, it is important that rents are set at the right level to ensure they are sustainable. SSH rents are usually paid directly through Housing Benefit, with local authorities ultimately funded through the Department for Work and Pensions. The Fund must ensure there are appropriate requirements within its standard processes to ensure that rents are therefore set at sustainable levels.</p> <p>TGE categorises SOHO's level of risk in this area as Low.</p>	<p>SOHO has well-defined processes in place to ensure its schemes provide fair value for money for local authority commissioners. All schemes require confirmation of commissioner support for the deal to progress as well as approval from the Housing Benefit officer, and comparisons of the proposed rent level with the LHA and with local comparable housing.</p> <p>In addition, SOHO's due diligence process requires a detailed cost breakdown from developers to allow the Fund to review the profit margin generated. This is an important step to ensure developers generate an appropriate level of profit and are not attempting to exploit the exempt rent legislation to generate excessively high margins.</p>

CASE STUDIES

KIRKDALE HOUSE

Support Provider
Community Integrated
Care (CIC)

Local Authority
Stockton-on-Tees
Borough Council

Housing Provider
Care Housing
Association

Number of Residents
23

Location: Stockton-on-Tees



It's really great to see Kirkdale House given a new lease of life. Bringing this building back into use will provide an excellent home for vulnerable adults with all the support and facilities they need to live independently for longer.

– Councillor Ann McCoy, Stockton-on-Tees Borough Council's Cabinet Member for Adult Social Care¹⁴

SCHEME OVERVIEW

Kirkdale House is a supported living property in Stockton-on-Tees for adults with a wide range of mental health conditions and learning disabilities. The site is made up of 23 individual flats, with communal space, including a private garden.

Residents of Kirkdale House are supported by Community Integrated Care (CIC), with current residents receiving between 15 and 35 hours of care per week. Residents are kept safe by having key fob access to only their parts of the building, as well as security cameras around the site. There is a secure private garden that all residents have access to. In the coming year CIC are hoping to get residents involved in community garden projects, which include growing vegetables.

DELIVERY PROCESS

Kirkdale House was formally an Alzheimers nursing home that had operated for over 25 years before being closed in January 2019 due to continued financial issues, and a lack of demand. Residents who were staying at the property had been gradually transferred out to alternative locations.

The developer, Safe as Houses, in partnership with SOHO, CIC and Care Housing Association secured planning permission in November 2020 to redevelop Kirkdale House into 23 supported living apartments aiming to provide specialist care for varying needs, such as mental health, autism and learning disabilities. The setup and development process was heavily commissioner-led, with Stockton-on-Tees Borough Council playing a key role during the design phase. Their involvement led to the Council committing to underwrite all voids, indicative of high stakeholder engagement.

OUTCOMES

Since the scheme opened in March 2021 residents have steadily been moving into their homes where they may stay for many years. TGE heard from the CIC care team that residents have mostly settled in well. One resident (aged 40-50) had previously been living in a nursing care home which was inappropriate for them due to their age and care needs. Moving to Kirkdale House, they are surrounded by people of a similar age and find it much easier to socialise.

14. <https://www.communityintegratedcare.co.uk/kirkdale-house-opens-in-thornaby/>.



It's a big happy family! Kirkdale is helping people become more independent. We are able to provide a wide range of support, if residents go into crisis we are here for them.

– Kirkdale House care worker, CIC



TUSSORE COURT		
Support Provider ISL	Local Authority Cheshire East Council	
Housing Provider Blue Square Residential	Number of Residents 10	

Location: Macclesfield

SCHEME OVERVIEW

Tussore Court is a supported living property in Macclesfield for people living with learning disabilities and mental health diagnoses. The property contains 10 self-contained apartments.

Housing management services are provided by Blue Square Residential and care and support services are provided by ISL. Development works were carried out by Rosewood Living and Challenger Group.

Previously, the building was a disused pub which had laid derelict for months and had become a source of antisocial behaviour within an otherwise quiet residential neighbourhood. It was redeveloped into a supported living scheme, including part new-build and part back-to-brick refurbishment of the original building. The property was opened in May 2021, and the service is fully occupied at the point of writing. Underlying demand is strong with a waiting list for future vacancies when they arise.

During a conversation with ISL, TGE heard that this is a very good quality property that is effectively meeting the needs of their clients. Support staff are on-site 24 hours a day while the property also contains various adaptations and assistive technology features to support people to be as independent as possible while remaining safe. This includes an internal call system, a speech module in every apartment, a platform lift and accessible hallways and doors. The scheme also includes 10 parking spaces and room for 10 bikes.

In addition, TGE were informed that a particularly positive feature of the property is that it has generous amounts of communal space for residents to socialise and enjoy. Commissioners confirmed that this is a real plus point which schemes are often lacking.

DELIVERY PROCESS

Macclesfield was identified by commissioners as an area where there was a gap in the provision of community-based supported living. A partnership then formed between ISL and Rosewood Living to deliver a scheme on the identified site. Plans and proposed specifications were presented by ISL to local commissioners to ensure the scheme had been designed appropriately to meet the needs of the target client group.

TGE is of the opinion that Tussore Court provides a positive example of a needs-led approach to the delivery of SSH. The process started with the identification of a need from local commissioners, and a partnership then formed to address that.



Tussore Court is an example of a high-quality scheme which is effectively meeting the needs of local people and commissioning teams.

– Katy Peters, Specialist Supported Housing Manager, Blue Square Residential



The ISL team at Tussore Court have done an excellent job in delivering some great outcomes with the people we support, in what has been a very challenging period during the pandemic.

– Sarah Bull, Director of Operations, Independence Support



We have found the experience of working with Triple Point to be very positive. They have a genuine focus on the social impact for clients and are receptive to our views as a support provider and work well across all partners which supports the development of new services from inception through to delivery.

– Andy Kenny, Director of Development and Communications, ISL

OUTCOMES

The individuals living at Tusmore Court have a range of support needs, including learning disabilities and mental health diagnoses. Care and support packages range from a few hours per week to up to 24 hours per day for people who have more complex needs.

These are individuals who have come from a variety of backgrounds, including residential care, hospital, and other shared living settings. ISL confirmed that the property has worked effectively so far, and several residents have achieved positive personal outcomes since moving in.

For example, ISL supported Lisa¹⁵ to transition from a shared setting which wasn't able to meet her current support needs. ISL worked closely with Lisa, her family and local professionals to develop a staged transition plan. This enabled Lisa to gradually get to know the new team and set up her new home with the support of family. Since moving to the service Lisa has enjoyed developing a wide range of community and wellbeing interests. Lisa is proud to welcome family and friends to her new home and is busier than she has ever been.

15. Not her real name.



CONCLUSIONS AND NEXT STEPS

Strengths

- SOHO provides supported housing for some of the most vulnerable members in society. There is a substantial level of underlying demand for these homes and the Fund's capital is playing an important role in its provision.
- SOHO continues to deploy capital to new schemes at a steady and consistent rate, with the portfolio growing by approximately 10% during 2021. This includes a high proportion of homes which are new to SSH at the point of acquisition. These homes provide the most significant demonstration of SOHO's additionality to the sector.
- The results of the resident survey show that generally SOHO's homes are positively impacting resident wellbeing. Residents reported particularly marked improvements in relation to their levels of confidence and independence since moving into their SOHO-owned home.

Potential Weaknesses and Mitigating Actions

- TGE received some negative feedback in respect of approximately 2% of a sample from a resident survey, relating to minor, specific repair and maintenance issues. Generally, this feedback had very specific drivers, for example a room needing to be better insulated, lighting issues, or leaking in the bathroom. TGE has fed this information back to the SOHO team and they have taken immediate action, engaging with the relevant partner to address the issues raised swiftly.
- As SOHO is committed to measuring and reporting on the impact of its operations, TGE recommends that it looks to report in future years on the greenhouse gas emissions associated with its portfolio of homes. This would provide an example of best practice impact measurement and would fulfil a core requirement of the Equity Impact Project, which SOHO is already a member of.
- The Regulator of Social Housing (RSH) continues to raise concerns over the level of risk faced by Registered Providers of Social Housing (RPs) who engage in lease-based deals. As a result of its concerns, five more of the Fund's partner RPs were declared non-compliant with the Regulator's Governance and Viability standards during 2021. In March 2022, SOHO proposed changes to its investment policy to its shareholders, which, if approved would enable it to enter into leases on more flexible terms. Of the three proposed changes, one change would be to remove its minimum lease term restriction. This would allow SOHO to enter into leases that are shorter than its current 15 year minimum term. The changes would also enable SOHO to selectively take on more risk in asset lifecycle maintenance, as well as having more flexibility in how rent increases change over time – to reflect either inflation or central Housing Benefit policy.

This increased flexibility will allow SOHO to enter into new lease structures and will potentially widen the cohort of potential RPs for SOHO to work with. It also has the potential to evolve the sector, allowing RPs working with SOHO to accommodate points raised by the Regulator and thereby for SOHO to remain an attractive partner. TGE is encouraged that SOHO is evolving its model to support the long-term stability of the specialised supported housing sector. SOHO is the first fund that TGE have seen that is looking to undertake this step to improve the flexibility of its lease terms.


APPENDIX

Appendix 1 – Data sources

DATA SOURCE / EVIDENCE	OVERVIEW	EVIDENCE RISK	LIMITATIONS
Property-by-property portfolio data	Portfolio data provided to TGE by SOHO every six months. For each property, this data provides the following info: acquisition date, investment amount, lease term, address, construct year, partner details, number of units, occupancy, care needs, whether new to SSH at point of acquisition.	Low	Reliant on accuracy of data provided by SOHO.
EPC data	Dataset showing distribution of EPC ratings in the SOHO portfolio. This is provided to TGE by SOHO.	Low	Reliant on accuracy of data provided by SOHO.
Housing provider monitoring data	Overview of the KPI data SOHO receive from partner housing providers on quarterly basis. This is provided to TGE by SOHO.	Low	Reliant on accuracy of data provided by SOHO.
Resident Outcomes Survey data	Survey data collected remotely from a sample of 150 residents between January and February 2022. Residents completed the surveys using either an online form or a paper survey which was completed and scanned 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 SOHO's Due Diligence questionnaire. This was provided to TGE to show the areas SOHO requires info on as part of their standard process on all deals.	Low	Reliant on SOHO requiring info on all the listed items in the DD template when considering deals.
Interviews with housing provider partners	Interviews carried out with SOHO's housing provider partners. Through these interviews, TGE aim to find out about the providers' general relationship with SOHO, as well as specific details in relation to selected schemes. For this report, TGE spoke to four of SOHO's partner housing providers.	Medium	TGE speak to at least one partner housing provider for each Impact Report. This means TGE have spoken to a portion of SOHO's partner providers since 2020.
Interviews with care provider partners	Interviews carried out with care providers who deliver support services to residents living in SOHO-owned homes. Through these interviews, TGE aim to find out about the CPs' general relationship with SOHO, as well as specific details in relation to selected schemes. For this report, TGE spoke to six of SOHO's partner care providers.	Medium	TGE speak to at least one partner care provider for each Impact Report. SOHO work with over 100 care providers and so TGE have had conversations with a relatively small proportion since 2020.
Interviews with local authorities	Interviews carried out with local authorities in which SOHO's schemes are located. Through these interviews, TGE look to find out about specific schemes, including the delivery process, details of nominations rights and the general view of the scheme from local authority perspective. For this report, TGE was not able to speak directly to any local authorities.	Medium	TGE try to speak to at least one local authority for each Impact Report. SOHO have properties across 156 local authorities nationally, so TGE have only had conversations with a small proportion since 2020.
Interviews with SOHO staff	Interviews carried out with various members of SOHO's staff, including the organisation's directors as well as those from investment teams and asset-management teams.	Medium	Reliant on the accuracy of the answers provided by SOHO 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.
Site visits to selected schemes	Site visits carried out by TGE to selected SOHO schemes. On these visits, TGE aim to speak to support staff and residents (and/or family members) to understand the real-world impact these homes are having on residents. For this report, TGE was able to visit one scheme.	Low	TGE aim to visit at least one scheme for each Impact Report (though this has not been possible for recent reports due to Covid). Once at a scheme, there are very few limitations, TGE can develop an accurate and in-depth understanding of the impact delivered. However, SOHO's portfolio consists of 488 properties and so TGE has only visited a small subset.


DATA SOURCE / EVIDENCE	OVERVIEW	EVIDENCE RISK	LIMITATIONS
Monetisation data calculated by TGE	Monetisation data calculated by TGE. This monetisation data is based on the wellbeing outcomes disclosed by residents through the Resident Outcomes Survey. TGE use a 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 relatively small sample of residents (150) whose experiences may not be representative of the wider portfolio. Also, there are different approaches to calculating the monetary value of an outcome, and different financial proxies that can be used. TGE's method was, however, developed in partnership with Simetrica-Jacobs (leaders in social value analysis) and so has aims to align with best practice in this area.
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 SOHO's 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.
CQC ratings of partner care providers	SOHO provide data on the CQC ratings of its partner care providers. The data provides a breakdown of all CQC ratings (including organisations with single ratings and multiple ratings across numerous sites). SOHO track this data systematically and share with TGE.	Low	The accuracy of the analysis carried out by TGE is reliant on the accuracy of the information provided by SOHO.

Appendix 2 – SOHO Impact Data


IMPACT OBJECTIVE	IMPACT METRICS	DECEMBER 2020	DECEMBER 2021
SOCIAL NEED 	Number of units	3,124	3,424
	Percentage of units in the 40% most deprived local authorities [based on the IMD]	74%	75%
	Residents' average weekly care hours [estimated based on survey sample]	62 hours*	43 hours**

*Based on survey data conducted with a sample of 60 residents from June to July 2020.

**Based on survey data conducted with a sample of 150 residents from January to February 2022.


IMPACT OBJECTIVE	IMPACT METRICS	DECEMBER 2020	DECEMBER 2021
FUND SUSTAINABLE DEVELOPMENTS 	Percentage of units with EPC rating C+	69%	72%
	Percentage of units with EPC rating E+	99.9%	100%
	Percentage of residents satisfied with the quality of their home	–	86%*
	Breakdown of total units by housing type		
	Supported housing	98%	98%
	Non-supported housing	2%	2%


*Based on a survey conducted with a sample of 150 residents between January and February 2022.

IMPACT OBJECTIVE	IMPACT METRICS	DECEMBER 2020	DECEMBER 2021
INCREASE SUPPLY 	Number of properties	445	488
	Percentage of units defined as 'new' to SSH ¹⁶	63%	61%
	Percentage of units forward-funded by SOHO	N/A*	9%
	Breakdown of units by Condition of Stock		
	Adapted	63%	61%
	New-build	30%	30%
	Purpose-built	7%	9%

*Data not available as of December 2020.


16. Note in the most recent Half-Year Impact Report, this figure was incorrectly stated as 67% as of June 2021 due to a data issue.

IMPACT OBJECTIVE	IMPACT METRICS	DECEMBER 2020	DECEMBER 2021
QUALITY SERVICES & PARTNERSHIPS 	Number of partner housing providers	20	24
	Of which are Registered Providers (RPs), regulated by the RSH	16	16
	Of which are care providers or housing managers, not regulated by the RSH	4	8
	Number of partner housing providers declared non-compliant with the RSH's governance and viability standards	5	9
	Number of partner care providers	97	114
	CQC ratings of partner care providers who have been inspected¹⁷		
	Outstanding	6%	4%
	Good	86%	85%
	Requires Improvement	8%	10%
	Inadequate	<1%	1%

TARGET OUTCOME	IMPACT METRICS	DECEMBER 2020*	DECEMBER 2021**
 IMPROVE WELLBEING	Percentage of residents who identified an improvement in the following areas between their previous accommodation and their current SOHO-owned home:		
	Physical health	58%	52%
	Social connections	33%	28%
	Support network	62%	60%
	Confidence	63%	66%
	Independence	65%	63%

*Results based on survey data conducted with a sample of 60 residents from June to July 2020.

**Results based on survey data conducted with a sample of 150 residents from January to February 2022.

TARGET OUTCOME	IMPACT METRICS	DECEMBER 2021
VALUE FOR MONEY 	Total Social Value	£105.8m
	Social Impact – the value of improved outcomes for residents	£21.0m
	Fiscal Savings – the savings generated for public budgets	£84.8m
	Social Return on Investment – the social value generated per year for every £1 invested by SOHO over the duration of the investment	£2.74

17. Breakdown of providers with individual and multiple CQC ratings.

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