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# Triple Point Social Housing REIT Plc Half Year Impact Report 2022

September 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.

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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, with a focus on specialised supported housing (SSH) for individuals who require care and support to enable them to live independently in their communities. 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 fourth 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 six-month period from January to June 2022. As of 30 June 2022, SOHO has invested £594 million in 493 properties, providing homes for up to 3,421 people.

Impact Assessment

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

IMPACT OBJECTIVES

- **Social Need** – SOHO’s homes provide for individuals who require a high level of support in their daily lives. This includes people with a range of needs, including learning disabilities, physical disabilities and mental health diagnoses. Many of these individuals are moving out of more restrictive settings, or out of family homes for the first time. There is a high level of demand for more SSH across the country.
- **Fund Sustainable Developments** – The Fund is currently undergoing the pilot stage of a retrofit programme to bring all properties up to at least an EPC rating C. Currently, 70% of the portfolio has an EPC of C or higher. This has decreased from 72% as of December 2021 owing to several reassessments and downgrades of existing ratings. The properties that this relates to will now be included in the retrofit programme.
- **Increase Supply** – The Fund acquired 10 new properties during the period, providing 71 new homes. The Fund took the decision to sell five existing properties, consisting of 72 homes. Three of these were sold during the period and two exchanged in August, after the period end. You can read more about the rationale for the sales on page 19. This resulted in the total capacity of the portfolio remaining relatively static, at 3,421 homes as of June 2022 (down slightly from 3,424 as of December 2021).
- **Quality Services and Partnerships** – In May 2022 SOHO received approval on a set of changes to its investment policy to enable the Fund to enter into more flexible leases. This is intended to widen SOHO’s cohort of potential partners, and the Fund is actively evaluating opportunities in its existing pipeline which will be reflective of some, or all, of the changes.

OUTCOMES

- **Improve wellbeing** – Site visits to two schemes by TGE in July demonstrated the positive impact that SOHO’s homes are having on the wellbeing of residents. Both schemes provide for very high-acuity residents, and we saw repeated evidence of the benefits to people’s lives from receiving quality housing and support. This includes residents feeling calmer and more comfortable, and demonstrating less challenging behaviour. In several instances, this has led to residents becoming more willing to go out and socialise, and undertaking a range of new activities.
- **Value for Money** – We assess the value for money delivered by SOHO on an annual basis. The latest calculation revealed that SOHO delivered £105.8m of Total Social Value in the year to December 2021. SOHO will be evaluated again in its next Annual Impact Report, due to be published in around March 2023.



STRENGTHS

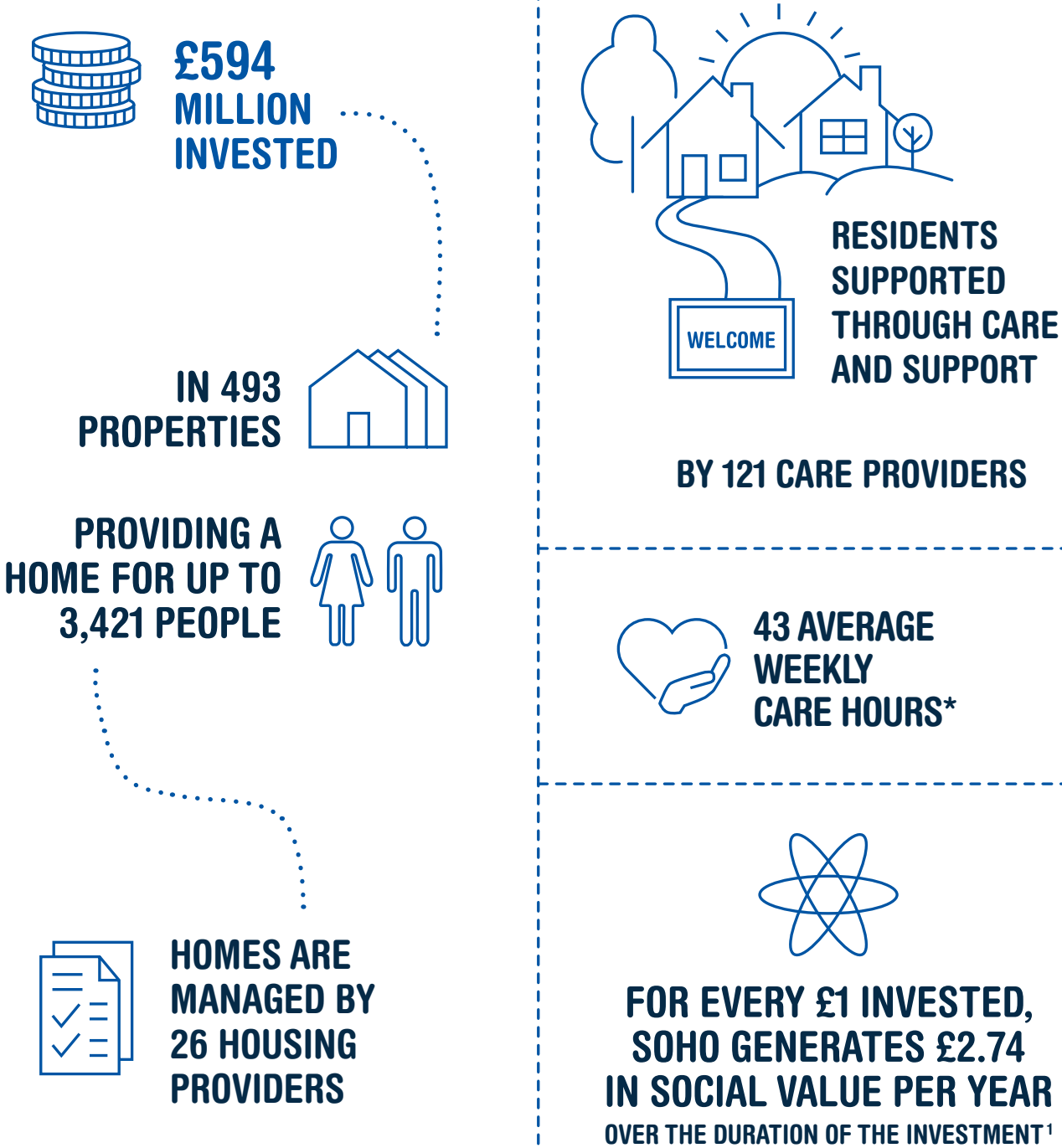
- We continue to see evidence of the positive impact that SOHO’s homes can have on the lives of residents, particularly those with high support needs who may have never considered moving into their own home. This was highlighted in particular on our most recent visits to two SOHO schemes.
- The updates to the Fund’s investment policy are positive changes which should lead to a fairer risk-sharing framework between the Fund and its partner housing providers. Making these updates shows that SOHO recognises the changes that are needed to support the long-term stability of the sector.
- It is encouraging to see evidence of SOHO being an active manager and responding to specific issues relating to repairs and maintenance. This is the responsibility of the Fund’s housing providers under the terms of their full repairing and insuring (FRI) lease. Nonetheless, this year SOHO has taken action when alerted to concerns, engaging with a specific provider to address issues raised by a small portion of respondents through a resident outcomes survey earlier in the year.

POTENTIAL WEAKNESSES AND MITIGATING ACTIONS

- There has been a decline in the proportion of known CQC ratings of SOHO’s partner care providers that are ‘Good’ or ‘Outstanding’. This may relate to changes in how CQC publish ratings on their website (as there has been a decrease in how many ratings are available). Nonetheless, SOHO should still look to engage with those providers who have received sub-standard CQC ratings in the last six months. We understand this process is already underway.
- We recommend that SOHO should look to report on the greenhouse gas emissions associated with its portfolio of homes. This would provide an example of best practice impact measurement and reporting. It would also fulfil a reporting metric of the Equity Impact Project, which SOHO is reporting against for the first time this year.

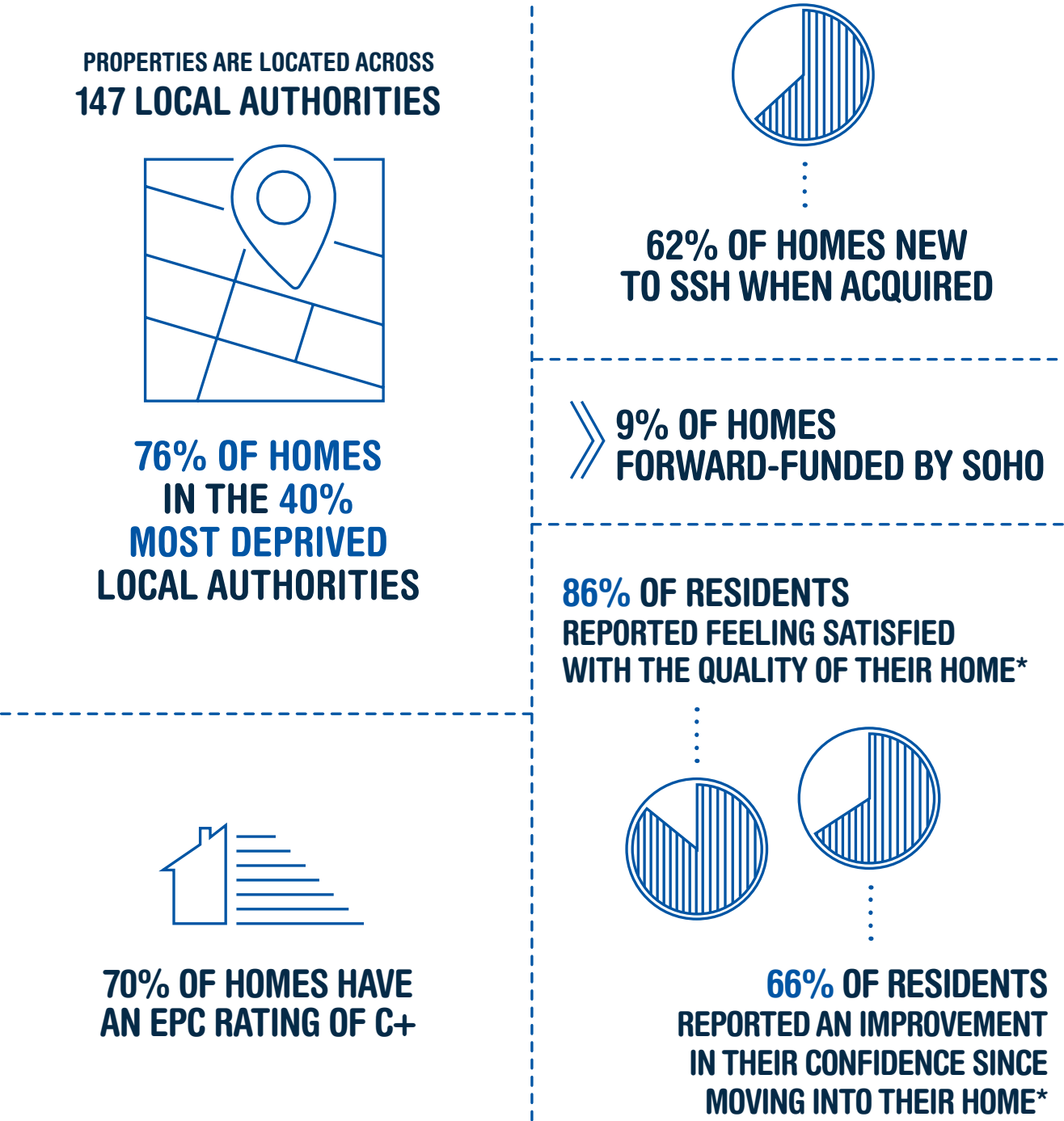


IMPACT REPORT – HEADLINE RESULTS AS OF 30 JUNE 2022



\*Based on a survey carried out with a sample of 150 residents in January and February 2022.  
1. Based on the portfolio as of December 2021.

TRIPLE POINT SOCIAL HOUSING REIT PLC



\*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 individuals with support needs.

SOHO operates by raising capital at scale from investors, using the funds to acquire SSH properties which are then leased back to housing providers to manage on, generally, long-term leases. This provides long-term equity to the social housing sector, increasing the supply of SSH while the rental income is used to fund investor returns.

SOHO is managed by Triple Point Investment Management LLP, an FCA-regulated investment manager with more than £2.8 billion in assets under management. SOHO sits under the Social Housing arm of Triple Point’s investment strategies. Overall, Triple Point has five investment strategies: Social Housing, Digital Infrastructure, Energy, Private Credit and Venture.

Specialised Supported Housing

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

Residents either have 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 aligns with government policy to prioritise community-based housing which aims to enable people to live as independently as possible. There is a high level of underlying demand among local commissioners across the country. 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.<sup>2</sup>



This Report

This is the fourth Impact Report produced for SOHO by The Good Economy (TGE), an independent advisory firm specialising in impact measurement and management. This report covers the six-month period from January to June 2022.

TGE has acted as the social impact advisor to SOHO since 2019. In this role, we designed an impact measurement and management (IMM) framework to enable the Fund to measure, manage and report on the impact of its investments.

This process involved establishing a set of impact objectives and identifying the target outcomes through which SOHO aims to contribute to positive impact creation. In addition, we outlined a detailed impact measurement plan and provided input on how to integrate impact considerations into the Fund’s investment process. On an ongoing basis, we produce bi-annual impact reports in which we assess SOHO’s performance against its impact objectives and target outcomes (see page 10).

Methodology

A mix of quantitative and qualitative data informs TGE’s independent 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
- Site visits to selected schemes
- A Resident Outcomes Survey conducted with a representative sample of residents.

Overall, we take a stakeholder-driven and outcomes-focused approach to assessing the impact of SOHO’s investments. This incorporates a focus on residents’ lives and aims to align with guidance outlined by the Impact Management Project (IMP).<sup>3</sup>

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

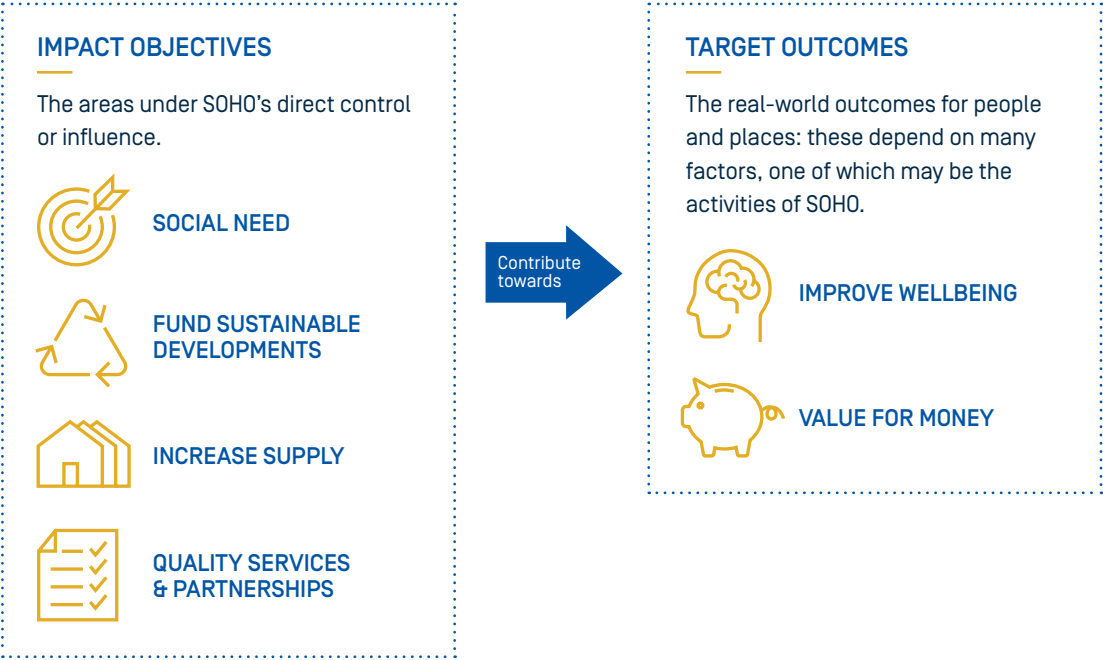
3. The IMP is a forum for building global consensus on how to measure, manage and report on impact performance – see <https://impactmanagementproject.com/>.



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 target outcomes:



This year, SOHO is also reporting for the first time against the Equity Impact Project (EIP). This is a sector-wide collaboration project led by The Good Economy and Big Society Capital.<sup>4</sup> The project aims to work towards a common impact reporting approach for equity investors in the social and affordable housing sector. SOHO has been involved throughout the consultation phase and has now become one of the first investors to disclose publicly according to the EIP framework (see Appendix 2).

4. In July 2021 The Good Economy and Big Society Capital, on behalf of the Equity Impact Project, published two reports explaining the project’s purpose and framework. Both reports are viewable via: <https://thegodeconomy.co.uk/collaborations/the-equity-impact-project>.

2 / IMPACT ASSESSMENT AND RESULTS

In the six months to June 2022, SOHO acquired 10 new properties, consisting of 71 homes. The overall portfolio remained relatively static in terms of overall capacity as five properties, consisting of 72 homes, were sold by the Fund. In May 2022, SOHO received approval from shareholders on a set of changes to its investment policy which will enable the Fund to enter into more flexible leases. In addition, work has continued on the pilot stage of a retrofit programme to improve the environmental performance of the portfolio.











OVERALL IMPACT GOAL	PORTFOLIO SUMMARY	DECEMBER 2021	JUNE 2022
Increasing the provision of high-quality supported housing that delivers positive outcomes for people with care and support needs	Value of capital deployed	£590 million	£594 million
	Number of properties	488	493
	Number of homes	3,424	3,421
	Number of local authorities in which properties are located <sup>5</sup>	148	147
	Number of housing providers	24	26
	Number of care providers	114	121



5. Note the December 2021 figure has been re-stated from the latest Annual Impact Report. This is due to several local authorities previously being incorrectly categorised within the dataset.




This table provides an overview of SOHO’s Key Performance Indicators (KPI) according to the Fund’s IMM framework. This includes a review of SOHO’s performance against agreed targets.

IMPACT OBJECTIVE / OUTCOME AREA	IMPACT TARGETS	DECEMBER 2021	JUNE 2022	TARGET MET?
PERFORMANCE AGAINST IMPACT OBJECTIVES				
<div>SOCIAL NEED</div> <div></div>	70% of homes in 40% most deprived local authorities	75%	76%	
<div>FUND SUSTAINABLE DEVELOPMENTS</div> <div></div>	95% of homes are Supported Housing	98%	97%	
	80% of homes have an EPC rating of C or higher	72%	70%	Retrofit programme is underway to improve entire portfolio to EPC grade C. Reassessments and downgrades of existing EPCs led to negative movement in six months to June 2022
<div>INCREASE SUPPLY</div> <div></div>	25% of homes are new-build	30%	30%	
	50% of homes are new SSH at the point of acquisition	61%	62%	
<div>QUALITY SERVICES &amp; PARTNERSHIPS</div> <div></div>	90% of stated CQC ratings of partner care providers are 'Good' or 'Outstanding'	89%	85%	SOHO close to meeting this target, however negative movement in six months to June 2022 with overall decrease in proportion of CQC ratings 'Good' or 'Outstanding' <sup>6</sup>
CONTRIBUTION TO OUTCOMES				
<div>IMPROVE WELLBEING</div> <div></div>	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 <sup>7</sup>
<div>VALUE FOR MONEY</div> <div></div>	£2.50 created in social value per year for every £1 invested by SOHO over the duration of the investment	£2.74	N/A	N/A

6. This has been driven at least in part by an overhaul of the CQC website, which has resulted in a reduction of the number of ratings available. Therefore, it is unlikely to be indicative of a real time issue in the performance of SOHO’s care providers.  
7. 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 as well as regular site visits to selected properties.

IMPACT OBJECTIVE – Social Need

IMPACT OBJECTIVE	IMPACT METRICS	DECEMBER 2021	JUNE 2022
<div>SOCIAL NEED</div> <div></div>	Number of homes	3,424	3,421
	Percentage of homes in the 40% most deprived local authorities (based on the IMD)	75%	76%
	Residents' average weekly care hours (estimated based on survey sample)	43 hours*	

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

SOHO’s portfolio has the capacity to provide a home for 3,421 people across the UK. These homes provide for individuals who require relatively high levels of support in their daily lives.

Occupancy rates across the portfolio continue to rise steadily over time. We began receiving and assessing SOHO’s portfolio data in 2020 and we have seen overall occupancy increase steadily during each period since then. As of June 2022, most of the Fund’s homes are at or relatively close to full occupancy. This demonstrates a high and increasing level of demand for SOHO’s properties.

There is a small portion of properties with lower-than-expected levels of occupancy over a sustained period. However, this is not necessarily a reflection of low demand in the area, as it is usually the result of specific resident- or operator-related issues (e.g. the need to source a new care provider or changing use of the property to a new client group). Such challenges are to be expected of a large portfolio, particularly given the complex needs of residents and number of counterparties involved.

SOHO has well-defined processes in place to ensure its homes meet the needs of people with an identified need for appropriate housing and support. During the Fund’s due diligence, all new schemes require confirmation of commissioner support to progress.

For this Impact Report, we undertook site visits to two SOHO schemes (see case studies on pages 28 and 30). On both visits, there was clear evidence of the schemes meeting an important social need. Residents across both schemes had very complex needs, with many requiring at least 1-to-1 support 24 hours per day. Most residents had moved from family homes or residential care, and overall their new homes are better meeting their needs.

The care providers at both properties confirmed that these are schemes for which there is a high level of underlying demand. Each scheme is fully occupied and plays an important role for commissioners in meeting the housing needs of the target residents.





RESIDENT DEMOGRAPHICS

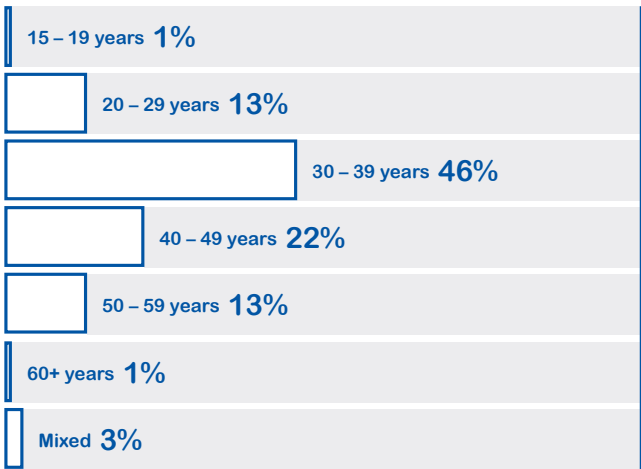
AVERAGE WEEKLY CARE HOURS



On average, residents receive 43 hours of care per week\*

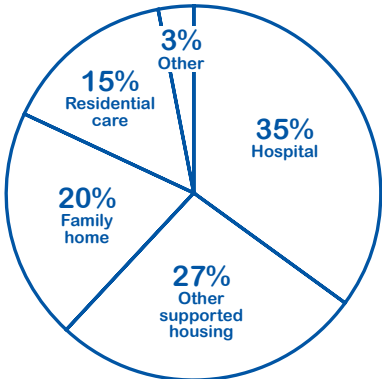
\*Based on resident survey with a sample of 150 residents.

AGE BREAKDOWN\*



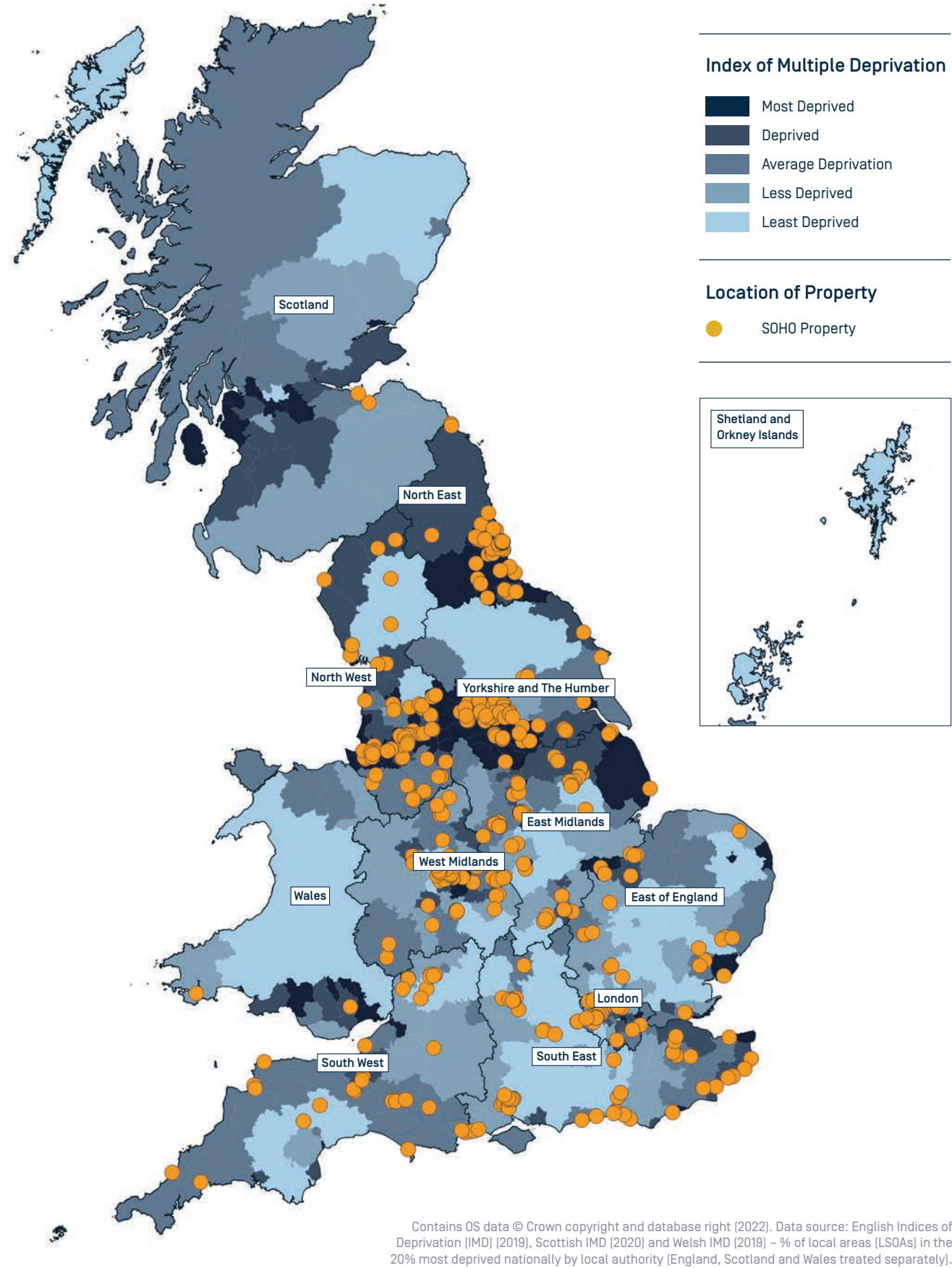
\*\*Age breakdown based on approximately 43% of the portfolio (as of December 2021) where age data is available. Note percentages do not equal 100% due to rounding.

PREVIOUS ACCOMMODATION\*




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

76% of SOHO's homes are in the 40% most deprived local authorities in the UK.





IMPACT OBJECTIVE – Fund Sustainable Developments

IMPACT OBJECTIVE	IMPACT METRICS	DECEMBER 2021	JUNE 2022
<div>FUND SUSTAINABLE DEVELOPMENTS</div> <div></div>	Percentage of homes with EPC rating C+	72%	70%
	Percentage of homes with EPC rating E+	100%	99.8%
	Percentage of residents satisfied with the quality of their home	86%*	
	Breakdown of total homes by housing type		
	Supported housing	98%	97%
	Non-supported housing	2%	3%

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

Environmental Sustainability

As of June 2022, 70% of SOHO’s homes have an EPC rating A-C.

This decrease in the proportion of properties rated A-C is the result of historic EPC ratings being reassessed and downgraded in the period. These reassessments also resulted in three properties being downgraded to an F and one to a G. These properties do not meet the minimum energy efficiency standard of an E rating. SOHO is committed to ensuring that these properties are brought up to meet the minimum energy efficiency standard as soon as possible.

SOHO continues to perform favourably in the context of the wider sector. SSH properties are often older buildings which have been repurposed and so their energy efficiency can be lower. Therefore, 70% of homes rated A-C is still a relatively high proportion and it is encouraging to see that SOHO is committed through its retrofit programme to bring this percentage up to 100% in the next four years.

The Fund continues to work to incorporate environmental considerations as a more central component of its strategy. When acquiring homes, refurbished properties must have a minimum EPC rating of C while new-build properties must meet at least a B rating.

In terms of its existing stock, SOHO is implementing a retrofit programme, due to be carried out over four years. Through the programme, SOHO has set aside at least £3.4m, which is to be used alongside available grant funding to improve the energy efficiency of homes with an EPC rating lower than C. SOHO is currently undergoing the pilot stage of the retrofit programme, involving 12 properties. This will inform a learning process which will enable the Fund to plan appropriately for how to roll out the wider retrofit programme across the rest of the portfolio. SOHO has specifically designed the programme with the needs of its residents as its focus, in both the works phase, but also in selecting materials and future technologies which will be used to ensure they are compatible and user friendly for the long term.

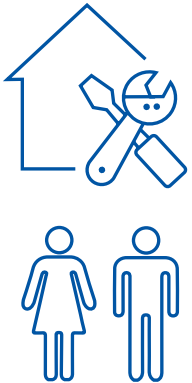
In addition, SOHO is undertaking work to ensure and improve the climate resilience of its portfolio. This includes working with specialist consultants to assess flood risk and overheating in a range of scenarios.

Quality of Homes

During site visits to two SOHO schemes (see case studies on pages 28 and 30), we heard positive feedback from residents and staff in relation to the quality of the homes. Care staff emphasised that the new-build nature of the properties means they are higher quality than other similar provision in the area, where properties are generally older. From our visits, it was evident that properties had been designed to a high standard, and they served residents well given their needs. In addition, there was adequate communal space to enable people to socialise, while residents were also able to decorate and personalise their space.

This feedback reflects the results from a survey of SOHO residents earlier in the year, where 86% of respondents reported being satisfied with the quality of their home.

In the last six months, SOHO has updated its set of Employer’s Requirements. These are used to provide a description of SOHO’s requirements in terms of building specification which are to be used at the outset of SOHO’s engagement with builders, developers and partners. The Fund hopes this will continue to drive up developer’s standards in relation to areas such as build quality, construction materials and green space.




**WHAT RESIDENTS HAD TO SAY**

During our most recent resident survey, conducted between January and February 2022, we received some negative feedback in relation to approximately 2% of the sample. This feedback related to isolated repair and maintenance issues.

We fed this information back to the SOHO team and the Fund took action, engaging with the relevant partner to address the issues raised. This involved SOHO having an initial call with the provider to run through each issue. A month later, SOHO then re-engaged with the provider and were advised that all necessary actions had been carried out. SOHO confirmed that all matters which were actionable were dealt with. There were some actions that were outside of the provider’s control.



IMPACT OBJECTIVE – Increase Supply

IMPACT OBJECTIVE	IMPACT METRICS	DECEMBER 2021	JUNE 2022
 INCREASE SUPPLY	Number of properties	488	493
	Number of homes	3,424	3,421
	Percentage of homes defined as 'new' to SSH	61%	62%
	Percentage of homes forward-funded by SOHO	9%	9%
	Breakdown of homes by Condition of Stock <sup>8</sup>		
	Adapted	61%	61%
	New-build	30%	30%
	Purpose-built	9%	9%

In the last six months, SOHO’s portfolio has remained relatively static. The Fund acquired 10 properties, but has sold five properties. Overall, this resulted in a reduction in the total capacity of the portfolio by three homes.

Despite this relatively static six-month period, SOHO remains a leading investor in the sector. Since inception in 2017, the Fund has invested over £594 million acquiring a portfolio which has the capacity to provide a home for up to 3,421 individuals. This makes SOHO one of the UK’s largest SSH landlords.

Across SOHO’s portfolio, 62% of homes are new to SSH at the point of acquisition. This is an increase from 61% as of December 2021. Overall, this is a high proportion of homes new to SSH which demonstrates the additionality SOHO brings to the sector.

In addition to acquiring stock upon completion, SOHO is also involved in forward-funding the development of a portion of new-build properties. As of June 2022, SOHO has forward-funded 9% of the homes in its portfolio. These schemes provide the most significant demonstration of SOHO’s contribution to increasing supply since the Fund takes on a greater share of risk. This increases additionality but there is a financial limit to how much forward-funding SOHO can provide at a given time.



RESPONSIBLE EXITS



Between January and June 2022, SOHO sold five properties, consisting of 72 homes. Where occupied properties were sold, SOHO’s priority has been ensuring that the sale proceeded in a way that ensured the continuous provision of the services at the property. SOHO’s focus remains on securing long-term, inflation linked income to generate sustainable financial returns and the proceeds from these sales will be reinvested into future property acquisitions.


When asked, SOHO confirmed that the Fund would not sell a property where the change of ownership will be likely to have a negative impact on residents. We are of the opinion that this provides evidence of SOHO aiming to conduct responsible exits.

8. ‘Condition of Stock’ refers to the condition of the property during the last 10 years. This means:

- An adapted property was adapted from an alternative use to SSH in the last 10 years
- A new-build property was constructed as SSH in the last 10 years
- A purpose-built property was specifically designed for a care purpose, not necessarily SSH, but was not constructed in the last 10 years.



IMPACT OBJECTIVE – Quality Services and Partnerships

IMPACT OBJECTIVE	IMPACT METRICS	DECEMBER 2021	JUNE 2022
<div>QUALITY SERVICES &amp; PARTNERSHIPS</div> <div></div>	Number of partner housing providers	24	26
	Of which are Registered Providers (RPs), regulated by the RSH	16	17
	Of which are care providers or housing managers, not regulated by the RSH	8	9
	Number of partner housing providers declared non-compliant with the RSH's governance and viability standards	9	9
	Number of partner care providers	114	121
	CQC ratings of partner care providers who have been inspected <sup>9</sup>		
	Outstanding	4%	3%
	Good	85%	82%
	Requires Improvement	10%	14%
	Inadequate	1%	2%

As the building owner, SOHO is several steps removed from the experiences of the residents living in its homes. To maximise positive outcomes, the Fund must ensure that it partners with housing and care providers that deliver a high standard of service.

We have seen evidence which shows that SOHO undertakes a rigorous organisational review when selecting housing providers to partner with. This includes a review of the providers' operational capabilities and track record, as well as steps to ensure strategic alignment between the businesses.

In terms of monitoring service standards on an ongoing basis, SOHO receives quarterly compliance information from all partner housing providers. This provides insight as to the extent to which SOHO's partner housing providers are keeping up with their obligation to maintain properties.

Across its portfolio, SOHO works with a total of 121 care providers. CQC data shows that 85% of known CQC ratings of these partner care providers are 'Good' or 'Outstanding'.<sup>10</sup>

This is a decrease from 89% as of December 2022. Here, it is relevant to consider that SOHO found there was a reduction in the overall number of CQC ratings available on the CQC website in June 2022 compared with December 2021. We are unsure of the reason for this. However, it is likely to be contributing in part to the overall reduction in the proportion of 'Good' or 'Outstanding' ratings of SOHO's partner care providers. Therefore, it is unlikely to be indicative of a real time issue in the performance of SOHO's care providers. It is also worth noting that this figure reflects the performance of all schemes operated by a care provider, not just SOHO-owned homes.

SOHO has leases with 26 housing providers across its portfolio. This includes leases signed with two new providers in the last six months – YMCA North Tyneside and Prime Calibre Care.

Of SOHO's 26 partner providers, 17 are Registered Providers (RPs) regulated by the Regulator of Social Housing (RSH). Nine of these 17 organisations have been declared non-compliant with the RSH's governance and viability standards. These instances of non-compliance are a result of the RSH's concerns with the level of risk faced by RPs who are engaged in lease-based deals.<sup>11</sup>



In addition to these 17 providers, SOHO also has leases with nine organisations that are not RPs. This includes registered care facilities which are leased straight to the care provider, as well as SSH leased to a housing manager that is not regulated by the RSH. Though they represent approximately a third of SOHO's partners, these non-RP partners represent only a small portion (approximately 4%) of the Fund's total homes. All are regulated by an independent regulatory body such as the CQC, CIC Regulator or Charities Commission.

Both properties visited by TGE for this Impact Report were managed by non-RP partners. We can confirm that both properties appeared well-run, and we received positive feedback from residents in terms of the standard of service.

In May 2022 SOHO proposed a set of changes to its investment policy which would enable the Fund to enter into more flexible leases. These changes received overwhelming approval from shareholders.

- The approved changes to SOHO's investment policy are set out below:
- The removal of minimum lease term restrictions
  - Enabling the Fund to selectively take on more risk in asset lifecycle maintenance
  - Allowing more flexibility in how rent increases change over time, to reflect either inflation or central Housing Benefit policy.

In future, SOHO hopes that this increased flexibility will enable it to enter into new lease structures, and potentially widen the cohort of providers it can partner with. The Fund has not yet had the opportunity to implement any of these changes to the investment policy. This is a result of the relatively short period for possible implementation between the date the changes came into effect and the period end (2 months). Therefore, TGE will aim to assess this more closely in future reports.

During the early months of 2022, SOHO also actively engaged with the RSH in order to get feedback on the changes to lease terms that it had proposed. Overall, we are encouraged that SOHO is taking steps to evolve the lease-based model to support the long-term stability of the sector. These are positive changes which should lead to a fairer risk-sharing framework between SOHO and its partner housing providers. However, the true impact of these changes will only become evident once they are implemented. In our view, it would have a beneficial impact on SOHO's partners if the Fund was to consider, together with its lessees, changes to existing leases which could facilitate more proportionate risk sharing which this flexibility would allow.

9. Breakdown of providers with individual and multiple CQC ratings. Note June 2022 figures do not equal 100% due to rounding.  
10. The Care Quality Commission (CQC) is the regulatory body responsible for regulating health and social care services in England. SSH schemes do not receive CQC ratings at the property level, however providers do receive ratings according to the geographies they operate in.  
11. RSH, Lease-based providers of specialised supported housing, April 2019.



3 / CONTRIBUTION TO OUTCOMES

This section aims to assess the change in outcomes experienced by SOHO’s key stakeholders – the residents living in its homes as well as central government and local authorities.

These outcomes are influenced by many factors, including those that are beyond SOHO’s control. Therefore, the Fund’s activities only contribute in part. Nonetheless, it is important to assess outcomes since they provide insight into the ultimate real-world impact that SOHO is contributing towards.

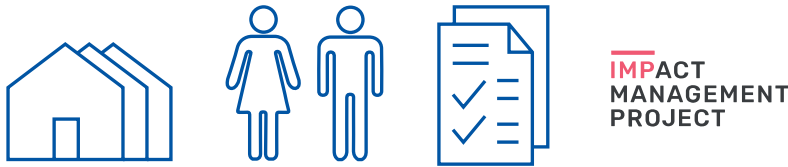
TGE has identified two main target outcomes for SOHO:

- + 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 support needs	Local authorities / Central government
HOW MUCH impact is SOHO creating?	Scale	Large scale – 3,421 homes as of June 2022 [at full occupancy]	Large scale – 3,421 homes as of June 2022 [at full occupancy]
	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 is widely held to offer positive wellbeing benefits for residents with care needs. Therefore, resident wellbeing is <b>likely better</b> than what would have occurred without availability of SOHO property	SSH is 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 is <b>likely better</b> than would have occurred without SOHO funding
What is the RISK of the impact not happening?		<b>Execution / stakeholder participation risks:</b> <ul style="list-style-type: none"><li>– Homes do not meet residents needs as effectively as hoped</li><li>– Housing and/or care providers do not deliver sufficiently high quality services</li></ul> <b>Alignment risk:</b> <ul style="list-style-type: none"><li>– Long-term, inflation-linked leases may lead to housing providers struggling to provide a high level of service over the long term due to the relatively small margins generated on a per-home basis</li></ul>	<b>Efficiency risk:</b> <ul style="list-style-type: none"><li>– Social care cost associated with SOHO homes turns out to be more expensive than alternative housing options</li></ul>

CLASSIFYING THE IMPACT OF SOHO’S INVESTMENTS



TGE judges that SOHO’s assets can be classified as ‘Contributing to Solutions’ according to the IMP’s classification of impact performance. This reflects SOHO’s potential to provide housing for people who may otherwise be underserved (i.e. lacking access to appropriate housing which meets their needs).

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.

TGE judges that SOHO’s assets can be classified as ‘Contributing to Solutions’ according to the IMP’s classification of impact performance.



An aerial photograph showing a residential development. On the left, there are traditional brick houses with grey tiled roofs. To the right, a modern building with a blue roof and vertical wooden cladding is visible. A large, well-maintained green lawn occupies the center, with a gravel path winding through it. A large, leafy tree stands near the modern building. A person is walking on the path. In the background, more trees and a wooden fence are visible.

## TARGET OUTCOME – Wellbeing

SOHO ultimately aims to provide specialist housing which delivers positive wellbeing outcomes for individuals who require support.

To assess SOHO's contribution to improving resident wellbeing, we carried out a Resident Outcomes Survey between January and February 2022. This gathered responses from a sample of 150 residents. The full results of that survey can be found in [SOHO's 2021 Annual Impact Report](#), which was published in March 2022.<sup>12</sup>

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.

Overall, the results of the survey were positive. Residents reported the most substantial improvements in terms of their feelings of confidence and independence, as well as the quality of their support network.

For this report, we conducted site visits to two of SOHO's schemes. The feedback gathered from residents and staff on those visits echoed the findings from the resident survey. We heard several specific resident stories which demonstrate the positive impact that their home has had on their lives (see case studies on pages 28 and 30 for more details).

<sup>12</sup>. We intend to carry out another Resident Outcomes Survey across SOHO's portfolio in the coming months. The results of that survey will be reported in SOHO's next Annual Impact Report.



TARGET OUTCOME – Value for Money

SOHO aims to deliver value for money for public budgets by providing a cost-effective solution to housing individuals with support needs.

To assess SOHO’s contribution to delivering value for money, we carried out a social value calculation for the portfolio as of December 2021. This calculation produced a total social value figure, which included:

- + **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.

This calculation was based on the answers provided by residents through a Resident Outcomes Survey. Responses were gathered from a sample of 150 residents. The methodology for the calculation was developed by TGE in partnership with Simetrica-Jacobs, who are specialists in social value analysis and wellbeing research. Full details of the method and results can be found in [SOHO’s 2021 Annual Impact Report](#), which was published in March 2022.<sup>13</sup>

RESULTS (AS OF DECEMBER 2021)

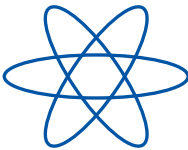
The results revealed that the SOHO portfolio delivered £105.8m of Total Social Value in the year to December 2021.

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, we calculated 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 portfolio of homes as of December 2021).

SOCIAL VALUE



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

RENT INCREASES

Inflation in the UK is currently at a historically high rate [9.4% as of June 2022]. This means that rent increases are especially important from an impact perspective. This is particularly true for funds such as SOHO who aim to deliver value for money for public budgets through their housing provision.

Across SOHO’s portfolio, the lease contracts dictate that rents will be increased in line with inflation, either the Consumer Price Index [CPI] or the Retail Price Index [RPI].

Some of SOHO’s leases have an index ‘premium’ under which the standard rental increase is based upon CPI or RPI plus a further percentage point, reflecting top-ups by local authorities. These account for 8.4% of SOHO’s leases. A small portion of the SOHO’s leases, [4.3%] contain a cap and collar on rental increases between [1%]-[4%].

To date, SOHO has maintained an approach of raising rents in line with inflation. Currently, SOHO’s housing partners can offset this rent increase by increasing their Housing Benefit claim. This is because the government has publicly acknowledged and supported Housing Benefit inflationary increases in line with existing policy of CPI +1%. Therefore, these rental increases are absorbed by central government or the local authority rather than the housing partner.

We will continue to monitor SOHO’s rent increases to ensure they remain aligned with best practice within the affordable housing sector.

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.

On an annual basis, we analyse the potential impact risks relating to SOHO using the [IMP’s impact risk assessment framework](#). Under this framework, the IMP identifies nine types of impact risk that enterprises and investors may face.

During our most recent assessment, we classified four categories of risk as potentially material to SOHO. These risks were:

- **Execution risk** – the probability that the activities are not delivered as planned and do not result in the desired outcomes
- **Stakeholder participation risk** – the probability that expectations and/or experiences of stakeholders are misunderstood or not taken into account
- **Alignment risk** – the probability that impact is not locked into the enterprise model
- **Efficiency risk** – the probability that the impact could have been achieved with fewer resources or at a lower cost.

The full impact risk assessment can be found in [SOHO’s 2021 Annual Impact Report](#), which was published in March 2022.

13. We intend to carry out another social value calculation for SOHO’s portfolio. The results of that calculation will be reported in SOHO’s next Annual Impact Report.



CASE STUDIES

QUEEN'S ROAD		
Support Provider Forge House Care	Local Authority Medway Council	Location: Gillingham 
Housing Provider Forge House Care	Number of Residents 6	

SCHEME OVERVIEW

Queen's Road is a supported living property in Gillingham for adults with a range of learning disabilities, mental health conditions, and challenging behaviours. The site consists of five homes, four of which are single-occupancy homes and one which is occupied by two residents who share.

At Queen's Road, housing and care services are delivered by Forge House Care, a local organisation who deliver services across Mid and North-West Kent. The scheme is located on a normal residential street but sits as a gated community separate to the other houses.

On the site, residents' homes are spread across several buildings. Two of the homes are located side-by-side in a single three-storey building, while the other three homes are each located in a separate bungalow. The site also contains a separate block for staff, including a sensory room for residents, as well as ample outdoor space, communal outdoor seating and a caravan which operates as a café and is opened once a week.

The property opened in August 2021 and was fully occupied almost immediately. We understand there is a high level of demand for these homes. Forge House Care informed us that there are no similar schemes in the area that provide such a high standard of accommodation for this client group. Due to the high level of underlying demand, Forge House Care feel they could have easily filled the property twice over.



The quality and finish of the property is very high compared to other supported living schemes I've seen. This really makes a difference to the lives of both residents and their families.

– Ian Christie, Area Manager, Forge House

The residents at Queen's Road are aged from 19 to 44. For most, this represents their first move into their own home. This is likely to offer wellbeing benefits to residents through providing them with a sense of independence and pride in their home. In addition, it is likely to offer benefits to family members, through reducing dependence on their support.

WHERE DID RESIDENTS MOVE FROM?

- + 4 – Family home
- + 1 – College placement
- + 1 – Residential placement



OUTCOMES

The residents at Queen's Road have very high-acuity needs. Most require round-the-clock 1-to-1 care. Physical interventions can be required at times due to the nature of residents' challenging behaviours. Therefore, all homes contain a spare bedroom for staff to sleep in.

We heard from Forge House Care that all six residents have made real progress since moving to Queen's Road. Many of the residents were previously unwilling to leave their homes, had trouble with crowds, and expressed aggressive behaviour more often. However, there have already been noticeable improvements for a number of residents since moving in (see resident case studies below).

During a site visit to the scheme, we were able to speak and interact with several residents to hear direct feedback from them on how they feel about their home. We heard that speaking to strangers would not have been possible for many of the residents only a few months ago, and so this is a demonstration of the personal progress that has been made.



RESIDENT CASE STUDIES\*

Chris

Prior to coming to Queen's Road, Chris had been living in a cluster flat within a scheme for people with learning disabilities. However, this was not working for him – he did not receive appropriate support and as a result his behaviour had deteriorated. He hadn't left his flat for three years and was prone to breaking things within the flat.

As they do with all residents, Forge House Care undertook a four-week transition period with Chris. This involved support workers going to meet with him to build the relationship and to show him pictures and videos of what would be his new home. Chris was wary of moving at first, but through the transition period he was convinced. Since coming to Queen's Road, Chris is now less aggressive, and his OCD is far more manageable. In addition, he goes out two to three times per week for drives, walks and other activities. Overall, we heard that Chris now seems much happier, and his behaviour has improved dramatically.

Hamish

Hamish had been living in his family home before coming to Queen's Road. During this period, he was not comfortable being in crowds and therefore rarely went out.

Hamish has now moved into his own flat for the first time, and we heard from staff they have seen a noticeable improvement in him during that period. Hamish has a car and goes out several times a week. In addition, he now helps run the on-site sweet shop, which is opened once a week in the communal outdoor area. This sweet shop is opened alongside the on-site café and the area is often populated by 10-20 people including other residents, family members and staff. The fact that Hamish now feels suitably comfortable to inhabit this environment provides a tangible demonstration of the progress he has made since moving in.

\*Not their real names.



MYVOD HOUSE

Support Provider Sandwell Community Caring Trust	Local Authority Sandwell Metropolitan Borough Council
Housing Provider Sandwell Community Caring Trust	Number of Residents 18

Location: Wednesbury

SCHEME OVERVIEW

Myvod House is a supported living property in Wednesbury, in the West Midlands. The scheme provides a home for 18 individuals with a range of learning disabilities, physical disabilities and acquired brain injuries.

At Myvod House, housing and care services are delivered by Sandwell Community Caring Trust (Sandwell CCT). The scheme is a single three-storey building, consisting of six separate apartments, each of which provides a home for three individuals. Each apartments contains three bedrooms (each with an en-suite) as well as a large lounge, dining area, kitchen and bathroom. Residents also have access to a large communal garden, and several internal communal areas.

The property opened in 2017 but was acquired by SOHO in 2020 as an existing operational asset. Sandwell CCT informed us that the property is of a very high quality, noticeably higher than other similar schemes in the area. This is recognised by commissioners, and therefore there is a high level of demand for the homes.

Sandwell also emphasised that a key element which makes the scheme feel particularly high quality is the fact that residents are able to put their own stamp on it. We can confirm that the apartments feel homely and there is a real sense that they belong to residents, with lots of decorations and pictures on display. This is also the case in hallways, with resident photographs and other decorations adorning the walls.

WHERE DO RESIDENTS COME FROM?

- + 13 – Family home
- + 5 – Residential care

Most residents at Myvod House come from family homes, with many having been cared for by parents for a long period of time. This therefore represents their first move away, which can be a daunting prospect for both residents and parents. It is a source of pride for Sandwell CCT as an organisation that so many residents move from family homes. This is because it demonstrates that families have sufficient confidence in the quality of the service being provided.

In addition, where residents have moved from residential care, Sandwell CCT have done lots of work with residents and their families to educate them about supported living. This includes informing them about the additional choice they will have over their daily routines, support package, finances and general life choices. Sandwell feel this is an important element of ensuring a smooth transition to supported living which has benefited residents.



OUTCOMES

At Myvod House, residents have very high-level care needs. There is 24-hour care in each apartment, with a mix of sleeping and waking nights. Some residents with particularly high-acuity needs also then have additional 1-to-1 support packages on top.

For most residents, Myvod House therefore represents a home-for-life should they want it. It is unlikely they would be able to transition to a more independent setting, and so the emphasis is on providing residents with as much independence as possible and to enable them to have the same life choices as everyone else.

On a site visit to the scheme, we saw evidence of residents being supported to live as normal a life as possible. There are regular communal activities on-site, while residents are able to go out into the surrounding area to enjoy things such as shops, gym and cinema. In addition, many of the residents go on regular holidays, with Sandwell CCT staff accompanying them on their trips.



At Myvod House, we aim to support residents to live a normal life just like you and me. We try to reduce restrictions, giving them more independence and every day we see the benefit that this has on residents' mental health.

– Tracy Hickman, Scheme Manager, Myvod House

RESIDENT CASE STUDY\*

Mark and Ellen

Mark and Ellen are brother and sister who live together in an apartment at Myvod House. They previously lived at home with their parents. However, as they got older, Mark and Ellen's parents decided they wanted to move their children into a supported living service so they would be settled before the point came when they would be unable to care for them.

This was a difficult decision, but one that they felt had to be made. Despite this slight reluctance, Sandwell CCT informed us that both Mark and Ellen have achieved positive outcomes since moving in. In the family home, Mark had often dominated the lounge by screaming, and not allowing others into the room. He slept on a mat on the floor in the lounge and would not go to his bedroom.

Since being at Myvod House, Ian has had lots of specialist support, including physio and speech therapy. He is now much calmer, he allows others into the lounge, and he sleeps in a specialist bed in his own bedroom, which is much better for him with his level of physical disability.

Ian's behavioural difficulties (among other things) had also contributed to his sister Ellen becoming extremely quiet. Prior to coming to Myvod House, she had not spoken for ten years. However, staff at Myvod House have supported Ellen to become more assertive, and she now speaks and communicates. In addition, support staff engaged with medical professionals, and advocated a reduction in Ellen's medication. This has helped to contribute to an improvement in Ellen's condition and she is now working towards several key personal goals.

\*Not their real names.





## CONCLUSIONS AND NEXT STEPS

### Strengths

- We continue to see evidence of the positive impact that SOHO's homes can have on the lives of residents, particularly those with high support needs who may have never considered moving into their own home. This was highlighted in particular on our most recent visits to two SOHO schemes.
- The updates to the Fund's investment policy are positive changes which should lead to a fairer risk-sharing framework between the Fund and its partner housing providers. Making these updates shows that SOHO recognises the changes that are needed to support the long-term stability of the sector.
- It is encouraging to see evidence of SOHO being an active manager and responding to specific issues relating to repairs and maintenance. This is the responsibility of the Fund's housing providers under the terms of their full repairing and insuring (FRI) lease. Nonetheless, this year SOHO has taken action when alerted to concerns, engaging with a specific provider to address issues raised by a small portion of respondents through a resident outcomes survey earlier in the year.


### Potential Weaknesses and Mitigating Actions

- There has been a decline in the proportion of known CQC ratings of SOHO's partner care providers that are 'Good' or 'Outstanding'. This may relate to changes in how CQC publish ratings on their website (as there has been a decrease in how many ratings are available). Nonetheless, SOHO should still look to engage with those providers who have received sub-standard CQC ratings in the last six months. We understand this process is already underway.
- We recommend that SOHO should look to report on the greenhouse gas emissions associated with its portfolio of homes. This would provide an example of best practice impact measurement and reporting. It would also fulfil a reporting metric of the Equity Impact Project, which SOHO is reporting against for the first time this year.




APPENDIX


Appendix 1 – SOHO Impact Data

IMPACT OBJECTIVE	IMPACT METRICS	DECEMBER 2021	JUNE 2022
<div>SOCIAL NEED</div> <div></div>	Number of homes	3,424	3,421
	Percentage of homes in the 40% most deprived local authorities [based on the IMD]	75%	76%
	Residents' average weekly care hours [estimated based on survey sample]	43 hours*	

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


IMPACT OBJECTIVE	IMPACT METRICS	DECEMBER 2021	JUNE 2022
<div>FUND SUSTAINABLE DEVELOPMENTS</div> <div></div>	Percentage of homes with EPC rating C+	72%	70%
	Percentage of homes with EPC rating E+	100%	99.8%
	Percentage of residents satisfied with the quality of their home	86%*	
	Breakdown of total homes by housing type		
	Supported housing	98%	97%
	Non-supported housing	2%	3%

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

IMPACT OBJECTIVE	IMPACT METRICS	DECEMBER 2021	JUNE 2022
<div>INCREASE SUPPLY</div> <div></div>	Number of properties	488	493
	Number of homes	3,424	3,421
	Percentage of homes defined as 'new' to SSH	61%	62%
	Percentage of homes forward-funded by SOHO	9%	9%
	Breakdown of homes by Condition of Stock <sup>14</sup>		
	Adapted	61%	61%
	New-build	30%	30%
	Purpose-built	9%	9%

14. 'Condition of Stock' refers to the condition of the property during the last 10 years. This means:

- An adapted property was adapted from an alternative use to SSH in the last 10 years
- A new-build property was constructed as SSH in the last 10 years
- A purpose-built property was specifically designed for a care purpose, not necessarily SSH, but was not constructed in the last 10 years.

IMPACT OBJECTIVE	IMPACT METRICS	DECEMBER 2021	JUNE 2022
<div>QUALITY SERVICES &amp; PARTNERSHIPS</div> <div></div>	Number of partner housing providers	24	26
	Of which are Registered Providers (RPs), regulated by the RSH	16	17
	Of which are care providers or housing managers, not regulated by the RSH	8	9
	Number of partner housing providers declared non-compliant with the RSH's governance and viability standards	9	9
	Number of partner care providers	114	121
	CQC ratings of partner care providers who have been inspected <sup>15</sup>		
	Outstanding	4%	3%
	Good	85%	82%
	Requires Improvement	10%	14%
	Inadequate	1%	2%

15. Breakdown of providers with individual and multiple CQC ratings. Note June 2022 figures do not equal 100% due to rounding.





Appendix 2 – The Equity Impact Project

EQUITY IMPACT REPORTING FRAMEWORK

Triple Point Social Housing REIT Plc [ SOHO ]

This Equity Impact Project (EIP) disclosure has been written by Triple Point with the support of TGE. It is based on the [EIP Framework](#).

	SOHO aligns to the Equity Impact Project <b>Social Care (Supported Housing)</b> theme. Seeking to meet the growing demand for specialist housing and support.
	SOHO aligns to the Equity Impact Project <b>Environmental Sustainability</b> theme. Seeking to help mitigate and adapt to climate change, protect and restore ecology and use resources sustainably.

STATEMENT OF PRACTICE ON FUND STRUCTURE AND IMPACT GOVERNANCE


<b>Statement on Fund Additionality</b>
<p>SOHO brings additionality to the sector by raising capital at scale from investors, using the funds to acquire Specialised Supported Housing (SSH) properties which are then leased back to housing providers to manage on, generally, long-term leases. This provides long-term equity to the social housing sector, increasing the supply of SSH.</p> <p>SOHO's level of additionality is greatest when the properties it acquires are new to the social housing sector at the point of acquisition. This includes new-build properties as well as conversions of existing properties from an alternative use to SSH. Of SOHO's portfolio of 3,421 homes, 62% are defined as new to SSH at the point of acquisition.</p>
<b>Statement on Approach to Impact at Exit</b>
<p>When the Fund sells properties, its priority is to ensure that the sale proceeds in a way which ensures the continued provision of services at the property. SOHO confirmed that the Fund would not sell a property where the change of ownership will be likely to have a negative impact on residents.</p> <p>This approach was brought into focus this year as SOHO sold five properties consisting of 72 homes. The Fund can confirm that there was no impact on residents at any of these properties as a result of the change in ownership.</p>
<b>Statement on Impact Risk Management</b>
<p>SOHO has developed an Impact Measurement and Management (IMM) framework in partnership with specialist impact advisor The Good Economy (TGE). This framework identifies the impact objectives and target outcomes through which SOHO aims to contribute to positive impact creation. In designing this framework, TGE worked with SOHO, providing input into the Fund's due diligence process to ensure impact considerations (including considerations of potentially material impact risks) are incorporated into its standard investment process.</p> <p>In addition, TGE publish a bi-annual impact report, which assesses the Fund's impact performance. This report incorporates feedback from all relevant stakeholders, including partner housing providers, care providers and residents, and usually includes site visits to selected properties. The report also includes an impact risk assessment framework, which draws on guidance from the Impact Management Project (IMP) to identify relevant impact risks and outlines the steps SOHO is taking to mitigate those risks.</p>


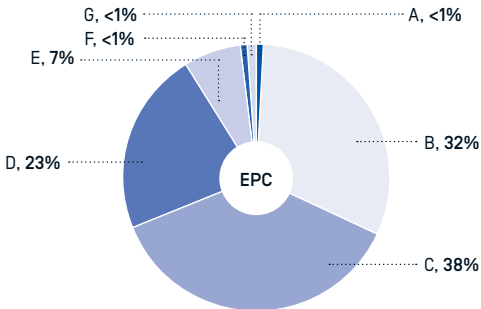
 SOCIAL CARE (SUPPORTED HOUSING) QUALITATIVE STATEMENTS	
<b>Asset Management Approach</b>	<p>At present, all of SOHO's leases are on a fully repairing and insuring basis, which means that its lessees are responsible for repairs and maintenance of the properties. Notwithstanding this, as a responsible landlord SOHO is committed to ensuring ongoing property quality through a robust and comprehensive approach to asset management which commences before properties are acquired. Properties are assessed and visited by members of the asset management team during the acquisition process, lessees are engaged with on capex and lifecycle planning, surveys and valuations are carried out by independent valuers and surveyors and full due diligence is completed.</p> <p>Once a property is acquired, SOHO's asset management team take over the day-to-day management and monitoring of the property. This is all done in-house.</p> <p>SOHO's asset management team is a resource dedicated to ensuring that homes are fully compliant with legislation, operating well and delivering good homes which are well maintained and receiving quality services from lessee housing managers and care providers.</p> <p>The asset management team undertake routine property inspections, quarterly financial, operational and compliance surveys and conduct routine meetings with the senior management teams of SOHO's lessees as well as having ad-hoc interactions on a weekly and sometimes daily basis if issues arise.</p> <p>All of this ensures that SOHO is continually assessing and monitoring property quality.</p>
 ENVIRONMENTAL QUALITATIVE STATEMENTS	
<b>Mitigate Climate Risks</b>	<p><b>Flood risk:</b> Flood risk considerations are assessed in respect of every property during SOHO's diligence. Specifically, SOHO considers all flood affected areas adjacent, and in the vicinity and commissions a desktop analysis. SOHO is currently exploring options with other service providers to commission long term future flood risk reports and analysis and intends to incorporate this into its diligence next year.</p> <p><b>Risk of homes overheating:</b> SOHO is in the process of updating its Employers Requirements to take account of overheating risks, aligning to best industry practice.</p>
<b>Reach Net Zero</b>	<p>SOHO's investment manager, the Triple Point Group, is in the process of designing its Net Zero Roadmap with external support from specialists The Carbon Trust. The Manager intends to use a Science Based Target approach. As part of that process, a Net Zero Policy applicable to SOHO will be designed and adopted with Board approval.</p>



METRIC REPORTING

This is based on the EIP Framework.

SOCIETAL IMPACT AREA 1:  SOCIAL CARE (SUPPORTED HOUSING)		Those receiving care do so in quality, appropriate accommodation.	
<b>Increase Supply</b>	<div><div>■ 3,421 Specialist Housing units funded.</div><div><div><div><div><div>3,330 units Supported Housing</div></div><div>91 units Non-supported Housing</div></div><div><div>9% forward-funded</div><div>53% forward-purchased*</div></div><div><div>9% acquisition (converted to specialist)</div><div>29% acquisition (existing specialist stock)</div></div></div></div><div>■ 3,421 – Projected number of people housed.</div><div>*SOHO categorises forward purchased as acquisitions of newly-built, new to SSH stock.</div></div>		
<b>Target Need</b>	<p>SOHO assesses demand throughout its underwriting process. Typically, demand is established through SOHO's established network of Local Authorities, Registered Providers and care providers and supplemented by data analysis conducted in-house which establishes key market drivers and tracks data on demand levels in local areas.</p> <p>Critically when determining the need for a specific service SOHO engages with housing benefit officers and commissioners in the local authority to confirm there is a commissioning requirement for the property with a Local Authority or a health service. As part of this process, SOHO seeks formal confirmation of demand for a scheme from the local commissioner before a property is acquired.</p>		
<b>Deepen Affordability</b>	<p>Specialised Supported Housing schemes are specialist properties requiring higher levels of housing specification, adaptations and support services to cater for their residents who require care, support and supervision which allows them to live independently in their communities.</p> <p>Properties are therefore costlier to build and develop to meet these requirements when compared with general needs housing, for example. This is recognised by local authorities when determining rental levels which are exempt from the Local Housing Allowance cap. The lease rent and the service and maintenance charge are set in conjunction with the Local Authority housing benefit officer and are agreed (in principle) against the costs of developing the property. The rent in the lease between the housing provider and SOHO equals the lease rent that the housing provider claims from the Local Authority on behalf of its tenants, ensuring there is no mismatch between the housing provider's income and its liabilities.</p> <p>SOHO maintains a comprehensive database of rents across its portfolio which has been built up over the last five years and it is this database, along with updated evidence collected during diligence from Local Authorities and valuers on local rental comparables, which is used when SOHO assesses rental levels. Where it is possible, SOHO also seeks to compare costs from residents' previous setting. Residents are referred from a range of sources, not just traditional hospital settings and so this is not always possible. SOHO also undertakes an analysis on its lessee's profit margins during its due diligence process.</p>		
<b>Improve Home and Place</b>	<div><div>■ 85% of known CQC ratings are 'Good' or 'Outstanding'.*</div><div>*Note this is a breakdown of all SOHO care providers with individual and multiple CQC ratings. As SSH schemes do not receive a CQC rating at the property level, this figure reflects the performance of all schemes operated by a care provider, not just SOHO-owned units.</div></div>		

SOCIETAL IMPACT AREA 2:  ENVIRONMENTAL SUSTAINABILITY		Environmental Sustainability.
EPC Ratings		
INDICATOR NOT REPORTED	EXPLANATION	
Scope 1, 2 & 3 greenhouse gas emissions per m² (asset performance level)	SOHO does not currently collect the data required to report on these indicators. However, the Fund is currently working on a long-term environmental project through which it will be aiming to collect and report this information in future.	
Total capacity of renewable energy production		
Percentage of built portfolio meeting green building ratings standards		
Key areas of learnings or underperformance		
None of note.		



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