

Triple Point Social Housing REIT Plc Half Year Impact Report 2023

September 2023



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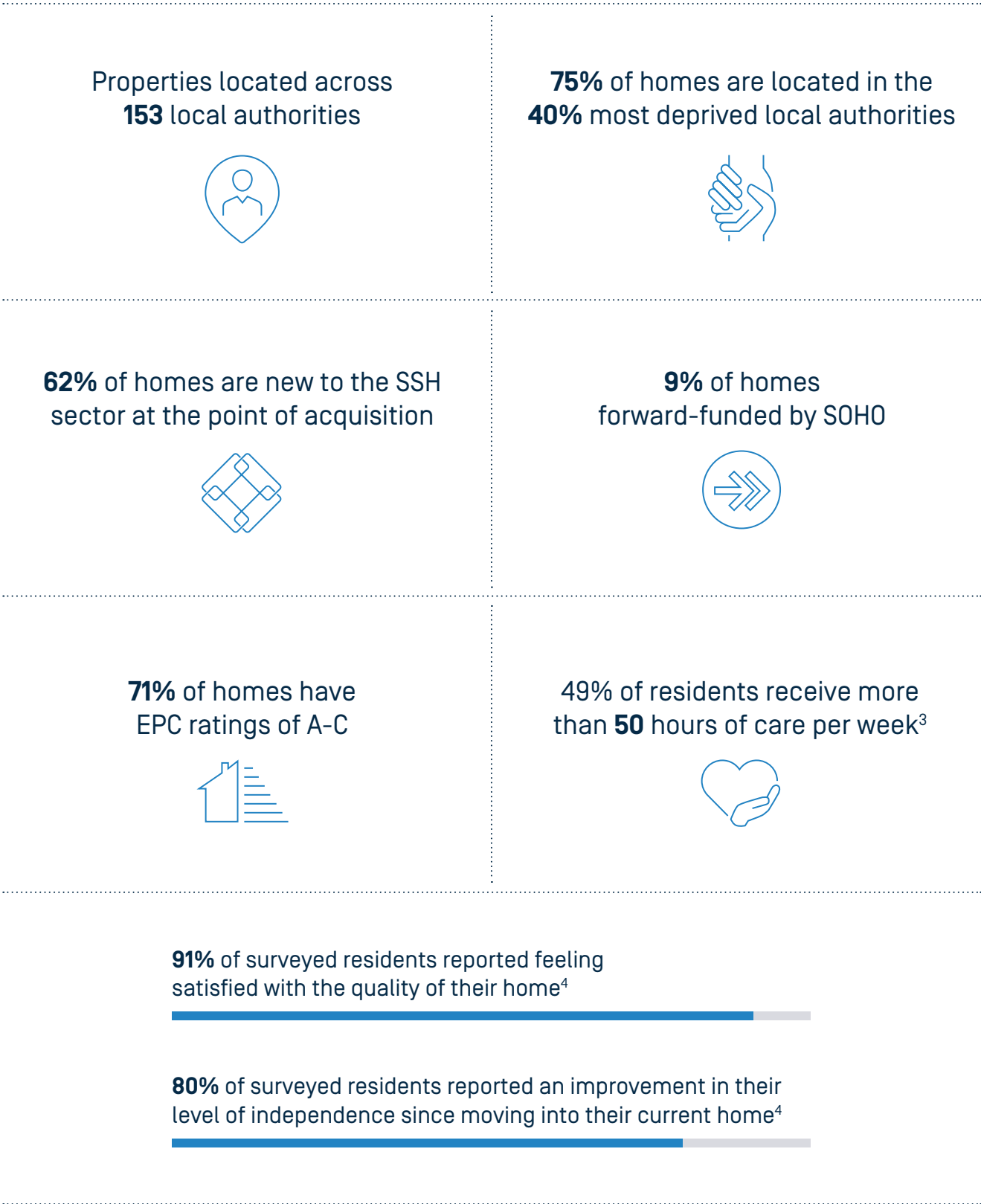
The information within this report is subject to change relative to new developments, facts and/or research. The Good Economy therefore reserves the right (but is under no obligation) to alter the conclusions and recommendations presented in this report in light of further information that may become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

Impact Report – Headline Results

As of 30 June 2023



1. This figure declined from £602m, as stated in the last impact report, due to stamp duty land tax reclaim from HMRC for stamp duty relief based on recalculations.
2. As of December 2022, when the last value for money calculation was carried out. We expect the figure to have remained at a similar level since the latest calculation. We are 90% confident that the Social Return on Investment (SROI) ratio is between £2.69 and £3.90 (based on the survey findings which underpin this calculation).



3. Based on resident info collected by partner RPs, covering approximately 49% of the portfolio.
4. Based on a survey carried out with a sample of 60 residents between January and February 2023.

Executive Summary

In 2017, Triple Point Investment Management LLP established Triple Point Social Housing REIT Plc (SOHO or the Fund). SOHO's primary objective is to invest in UK social housing, focusing on specialised supported housing (SSH). This type of housing allows individuals with diverse care and support needs to live independently in their communities. The goal of the Fund is to raise the provision of high-quality SSH, deliver positive outcomes for residents and provide stable, long-term returns to shareholders.

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

The report provides an independent assessment of SOHO's impact performance. It covers the period from January to June 2023. As of 30 June 2023, SOHO's portfolio stands at 497 properties, providing homes for up to 3,455 people.

Impact Assessment

TGE assesses SOHO's impact performance according to its stated impact objectives (the areas over which it has direct influence) and the real-world outcomes to which it aims to contribute (which are contingent on many factors).

IMPACT OBJECTIVES



Social Need

SOHO's properties help to meet a key social need, offering much-needed homes for individuals depending on a high level of support in their daily lives. SSH aligns with government policy to prioritise community-based housing, which encourages independence for residents, as outlined in the Transforming Care Programme. As a result, there is considerable demand from commissioners across the country against the backdrop of a continued lack of supply. This is largely evidenced through SOHO's steadily increasing operational occupancy rates across the portfolio.



Fund Sustainable Developments

SOHO has begun implementing the pilot phase of a retrofit programme, designed to enhance energy efficiency across the portfolio by improving all properties to a minimum EPC grade C. 71% of properties currently meet this standard, a relatively high proportion in the SSH sector where properties are often older buildings which have been repurposed. Regarding residents' perspective of quality of homes, 91% of respondents participating in a resident survey reported being satisfied with the quality of their home (survey conducted between January and February 2023).



Increase Supply

SOHO's portfolio has remained static in the past six months as the Fund has had limited capital to deploy. This means the portfolio has remained at 497 properties, with the capacity to provide a home for 3,455 people if fully occupied.⁵ Nevertheless, since its launch in 2017, SOHO has made a substantial contribution to increasing supply, with 62% of homes defined as new to SSH at the point of acquisition.



Quality Services and Partnerships

In the first half of 2023, two of SOHO's partner Registered Providers (RP) were issued with Enforcement Notices by the Regulator of Social Housing (RSH). To date, 10 out of 18 Registered Providers have been declared non-compliant with the RSH's viability and governance standards. The Fund is taking well-defined steps to mitigate the RSH's concerns with the lease-based model – in 2022 SOHO received approval on a set of changes to its investment policy from shareholders to enable it to enter more flexible leases. This gives SOHO more flexibility to respond to the evolution of the market in respect of risk sharing terms between landlord and tenant.

We are encouraged to see evidence that SOHO is in the process of capitalising on this flexibility as well as using it retrospectively, introducing new provisions to its existing leases with RPs which aims to rebalance risk, subject to a materiality threshold and allow its RP lessee's to respond to the Regulator's concerns. SOHO has shared this clause with all of its RP lessees with the aim of implementing it by the end of the year. SOHO worked with its largest tenant, Inclusion Housing (Inclusion), in developing the clause and expects that it will be implemented imminently across its portfolio of properties with Inclusion.

OUTCOMES



Improve Wellbeing

During site visits to two separate schemes, we heard positive feedback from residents and staff on aspects related to the wellbeing of residents. The residents mentioned being happy at their homes, getting along well with the staff, and a greater sense of independence since moving into the residences. This reinforces the findings of a survey conducted with a sample of 60 residents between January and February 2023.



Value for Money

A value for money calculation revealed that SOHO's portfolio delivered £128.4m in Total Social Value in the year to December 2022. This includes £27.4m of Social Impact and £101.0m of Fiscal Savings. Overall, these figures reflect a Social Return on Investment (SROI) ratio of £3.30. This means, for every £1 invested, SOHO generates £3.30 per year in social value over the duration of the investment.



STRENGTHS

New lease clause

Following engagement with stakeholders, including the RSH, SOHO has finalised a new lease clause to redress the balance of risk-sharing with partner housing providers. The implementation of the clause is intended to enhance the compliance of SOHO's partner housing providers in response to RSH concerns. SOHO is one of the first institutional landlords in the sector to have developed and committed to implementing risk sharing provisions throughout its portfolio.

Rent cap

SOHO set a voluntary rent cap of 7% from January 2023. This is in line with the government's 7% rent cap on social housing increases, though the Fund could have charged more, since all of its leases are linked to inflation and SSH is exempt from the social housing rent cap. This provides an example of SOHO acting as a responsible landlord and looking to ensure the long-term sustainability of its rents.

Occupancy

We consider it best practice from a transparency perspective that SOHO shares property-level occupancy data with us for the whole portfolio, including commentary on each property's current status. Over time, this data has shown occupancy rates continuing to increase steadily across the portfolio, demonstrating strong and increasing underlying demand for the Fund's homes.

POTENTIAL WEAKNESSES AND MITIGATING ACTIONS

Regulatory concerns

The RSH continues to highlight concerns with the level of risk faced by lease-based providers of SSH. Currently, 10 of SOHO's 18 partner RPs (accounting for 79% of homes) have been declared non-compliant with the RSH's Governance and Viability Standards. We note the new lease clause as a positive step to mitigate risk to RPs, addressing these concerns and allowing RPs to respond to RSH concerns. It is encouraging that SOHO expects to apply the clause to all of its leases with its largest landlord, and we understand there are plans for it to be rolled out across the rest of the portfolio by the end of the year.

Enforcement Notices

Two of SOHO's partner RPs were issued with Enforcement Notices during the reporting period. In both instances, the RSH has voiced serious concern over the financial viability of these organisations and raised questions around inadequate governance. Should either of these providers fail, residents could experience service disruption. In advance of such an occurrence, SOHO has stated it would proactively mitigate risk to residents by transferring leases to another provider.

5. Note total portfolio capacity has decreased by one unit between January and June 2023. This is due to one lettable room being converted to provide a bedroom for carers to provide waking-night support.

1 / Introduction

About Triple Point Social Housing REIT

Launched in 2017, Triple Point Social Housing REIT (SOHO or the Fund) is a Real Estate Investment Trust (REIT) with the aim of investing in social housing across the UK. The focus of the Fund is specialised supported housing (SSH), a form of community housing provision in which homes are built or specially adapted for individuals with support needs.

SOHO has to date, raised capital from investors through equity issuances on the public markets and arranging long term, fixed price debt facilities. This capital has been deployed to acquire SSH properties throughout the UK which are then leased to housing providers (typically, Registered Providers) to manage on, generally, long-term leases. This delivers long-term equity to the social housing sector, increasing the supply of SSH while the rental income funds returns to investors.

SOHO is managed by Triple Point Investment Management LLP, an FCA-regulated investment manager with more than c. £3.5 billion in assets under management. SOHO sits under the Social Housing arm of Triple Point's investment strategies. Broadly, 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 diverse care needs, ranging from learning and physical disabilities to mental health diagnoses. Properties are designed with modifications to support residents to live independent lives. The degree of modifications varies depending on the extent and type of residents' support needs.

Residents are accommodated in either self-contained apartments within a larger property, or private rooms within communal residences. Their support packages are personalised, ensuring they only receive and pay for the support they require, while there is typically the added security of having support staff on-site 24 hours a day.

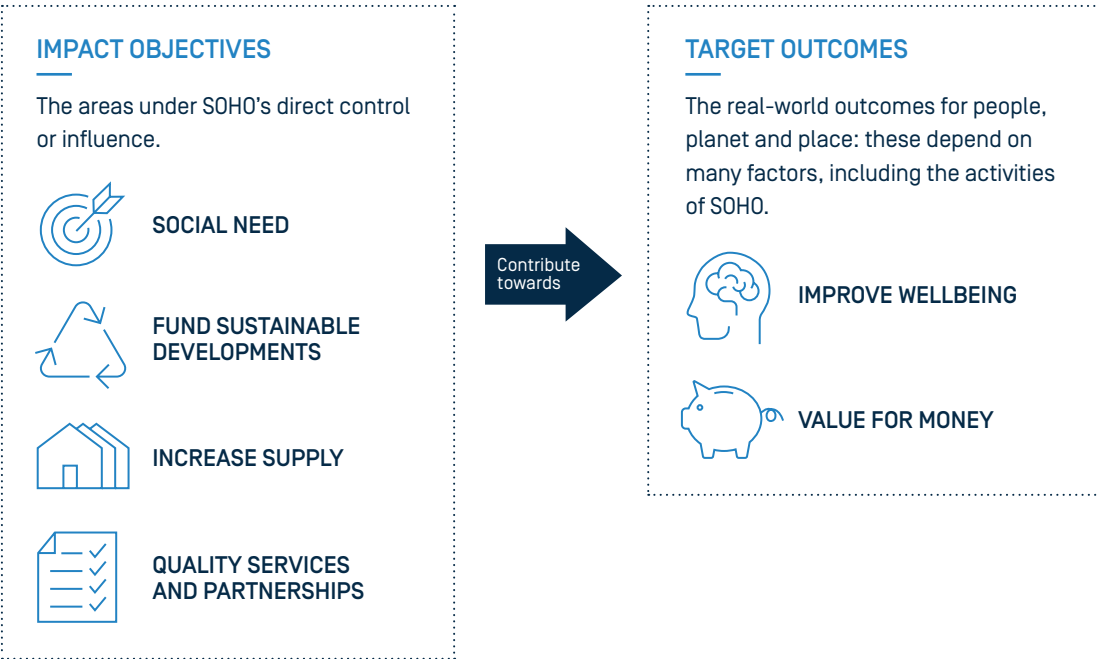
SSH aligns with government policy to prioritise community-based housing which aims to enable people to live as independently as possible. There is a high level of underlying demand among local commissioners across the country, with projections that the units of supported housing for working age adults will increase by 16% from 2015 to 2030.⁶

By encouraging greater independence than would be possible in alternative settings, it is broadly considered to offer wellbeing benefits to residents. Additionally, independent evidence suggests SSH has the potential to generate cost-savings for public budgets.⁷

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 Report

This is the sixth 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 2023.

TGE has served 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. Additionally, 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.

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
- Interviews with Registered Providers

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).⁸

6. Personal Social Services Research Unit, Projected Demand for Supported Housing in Great Britain 2015 to 2030, March 2017.
7. Mencap & Housing LIN, Funding supported housing for all: SSH for people with a disability, April 2018.

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

2 / Impact Assessment and Results

From January to June 2023, SOHO did not acquire any new properties, so the overall portfolio remained at 497 properties, with the potential to provide a home for 3,455 people.

In February 2023, SOHO publicly announced its intention to roll out a new risk-sharing clause into its existing leases with RPs, which it has since shared with all of these parties. We understand the clause has also now been shared more widely with other stakeholders across the sector in an effort to drive collaboration and progress within the wider sector.

SOHO has also implemented a voluntary rent cap of 7% from January 2023 until year end. This is in line with the UK government's 7% cap on social housing rent increases, even though this cap does not apply to SSH.



OVERALL IMPACT GOAL	PORTFOLIO SUMMARY	DEC 2022	JUN 2023	% CHANGE
Increase the provision of high-quality supported housing that delivers positive outcomes for people with care and support needs	Value of capital deployed ⁹	£602 million	£599 million	N/A
	Number of properties	497	497	0%
	Number of homes	3,456	3,455	-0.03%
	Number of local authorities in which properties are located	153	153	0%
	Number of housing providers	27	27	0%
	Number of care providers ¹⁰	122	116	N/A

9. The stated value of capital deployed declined between December 2022 and June 2023, due to stamp duty land tax reclaim from HMRC for overpaid stamp duty based on recalculations.

10. The number of care providers SOHO works with has decreased by 5% since December 2022. This is partially the result of SOHO consolidating the number of care providers, as some of them operate under different names but are in fact the same care provider or are part of the same group.

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


IMPACT OBJECTIVE / OUTCOME AREA	IMPACT TARGETS	DEC 2022	JUN 2023	% CHANGE	TARGET MET?
PERFORMANCE AGAINST IMPACT OBJECTIVES					
SOCIAL NEED 	70% of homes in 40% most deprived local authorities	75%	75%	0%	✓
FUND SUSTAINABLE DEVELOPMENTS 	95% of homes are Supported Housing	96%	94%	-2%	This decrease is largely driven by 26 properties being reclassified from 'Supported Housing' to 'Registered Care or Children's Services' between Dec 2022 and Jun 2023 as a result of an internal reclassification
	80% of homes have an EPC rating of C or higher	71%	71%	0%	Since setting this target, SOHO has set minimum standards for new acquisitions – it would not invest in any home with lower than an EPC C rating. The Fund is also now undertaking the pilot stage of its retrofit programme to upgrade the energy performance of existing stock by 2030
INCREASE SUPPLY 	25% of homes are new-build ¹¹	30%	30%	0%	✓
	50% of homes are new SSH at the point of acquisition	62%	62%	0%	✓
QUALITY SERVICES AND PARTNERSHIPS 	90% of stated CQC ratings of partner care providers are 'Good' or 'Outstanding'	85%	85%	0%	This is marginally below the average for England. However, we understand that SOHO engages with care providers that have received a sub-standard rating to create an action plan to improve upon this
CONTRIBUTION TO OUTCOMES					
IMPROVE WELLBEING 	SOHO's contribution to wellbeing outcomes is assessed through a Resident Outcomes Survey. The last survey was carried out from January to February 2023 and broadly showed positive and improved results across all areas. These findings were generally reinforced by site visits carried out to two schemes for this report.				No target ¹²
VALUE FOR MONEY 	£2.50 created in social value for every £1 invested by SOHO over the duration of the investment	£3.30	N/A ¹³	N/A	N/A

11. A new-build property was constructed or fully renovated as SSH in the last 10 years at the point of acquisition.

12. 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.

13. The most recent value for money assessment was carried out as of December 2022. We expect the estimate to have remained at a similar level.

IMPACT OBJECTIVE – Social Need

IMPACT OBJECTIVE	IMPACT METRICS	DEC 2022	JUN 2023	% CHANGE
SOCIAL NEED 	Number of homes ¹⁴	3,456	3,455	-0.03%
	Percentage of homes in the 40% most deprived local authorities (based on the IMD)	75%	75%	No change
	Breakdown of residents' average weekly care hours*			
	0 – 19 hours	31%	29%	N/A
	20 – 49 hours	50%	22%	N/A
	50 – 99 hours	8%	21%	N/A
	100+ hours	12%	28%	N/A

*Dec 2022 figures based on resident info collected by partner housing providers, covering approximately 50% of portfolio. June 2023 figures based on approximately 49% of the portfolio.

SOHO’s portfolio delivers much needed housing for people with an identified need for specialised community-based housing and care. Under the Fund’s due diligence, schemes can only progress once they have received confirmation of local authority commissioner support.

The Fund’s properties are designed to accommodate individuals with a wide spectrum of support requirements, varying from learning and physical disabilities to mental health diagnoses, and various other conditions. Nearly half of the Fund’s occupants receive 50 hours or more of care every week.

SOHO continues to be the landlord for a significant portfolio of housing for people living with support needs. As of June 2023, the portfolio has the capacity to provide a home for 3,455 people (at full occupancy). Of these, the majority of units (58%) are self-contained apartments within larger schemes. 28% are then located in shared properties (i.e. rooms within a shared house) and 14% are schemes with a mixture of self-contained and shared facilities.

We have continued to see occupancy rates increase steadily across the portfolio in the last six months. As of June 2023, most of the Fund’s properties are at or close to full occupancy.

A portion of the Fund’s properties are undergoing works or ramp up periods and as a result have lower-than-expected levels of occupancy, which is common for the sector. There are also a small portion of fully operational properties with relatively lower occupancy levels. This is generally a result of specific issues to resolve relating to the operator and/or residents (e.g. sourcing a new care provider, or sensitivities of existing residents preventing additional referrals). This is to be expected within a large portfolio catering for individuals with complex support needs. Overall, we are confident that SOHO’s steadily increasing operational occupancy rates demonstrate the strong levels of underlying demand that exists among commissioners for the Fund’s homes.

For this impact report, we collected detailed information on two schemes, conducting interviews with relevant partners and carrying out two site visits. On our visit to a scheme in Worcester, we heard there was a long waiting list for these types of homes, echoing previous conversations with commissioners in Worcestershire County which indicated a high level of demand for SSH. This implies that the Fund is meeting an important social need by providing these homes, supporting our findings from previous impact reports.

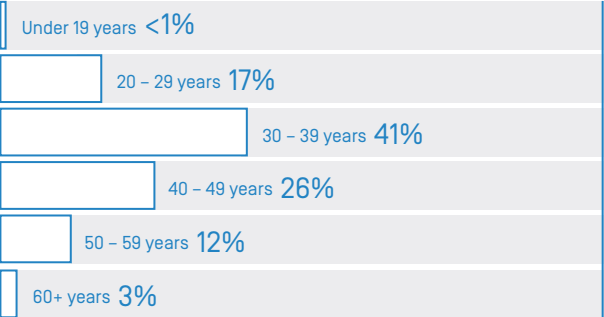
Resident Demographics

CATEGORY OF CARE NEED



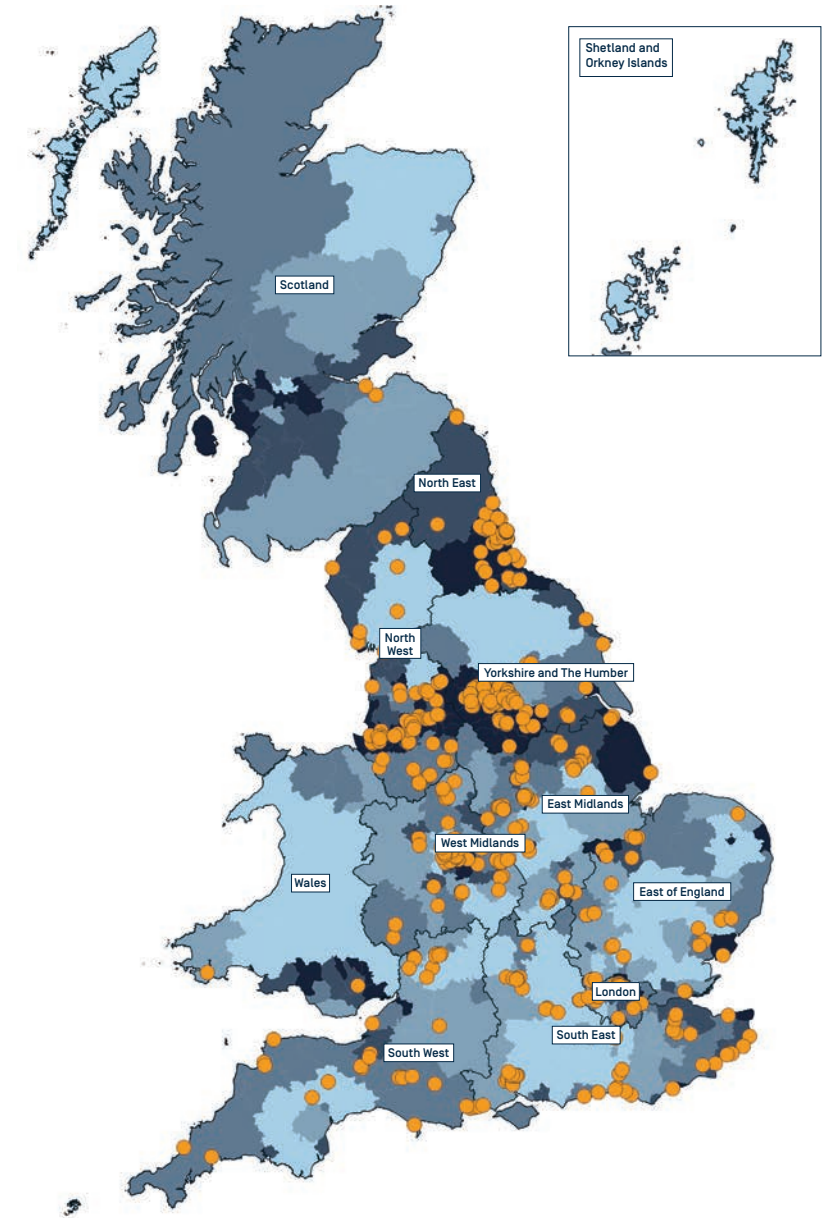
Based on resident info covering approximately 93% of portfolio.

AGE BREAKDOWN

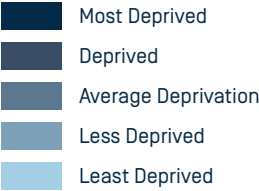


Based on resident info covering approximately 60% of portfolio.

The homes in SOHO’s portfolio are in 153 local authorities across the UK. In June 2023, 75% of the Fund’s homes are in the 40% most deprived local authorities.



Index of Multiple Deprivation



Location of Property



Contains OS data © Crown copyright and database right (2022). 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).

14. 'Number of homes' refers to the number of lettable units in SOHO’s portfolio (i.e. the potential number of people SOHO’s portfolio has the capacity to house). This includes a mixture of self-contained apartments, rooms within shared houses, and a mixture of the two.

CASE STUDY: BASKERVILLE HALL, WORCESTERSHIRE		
Support Provider Lifeways	Local Authority Worcester City Council	Location: Worcestershire 
Housing Provider IKE Supported Housing	Number of Residents 12	

SCHEME OVERVIEW

Baskerville Hall is an SSH scheme in Worcester for adults primarily with learning disabilities and autism. It consists of 12 self-contained flats, all of which are occupied.

The scheme is a refurbished Victorian house located on a residential street near Worcester city centre, close to transport links, shops, and restaurants.

Housing management, including intensive housing management, is delivered by IKE Supported Housing and support services are provided by Lifeways. IKE operates in the West Midlands, Yorkshire and the Humber, and Durham, while Lifeways delivers support across the UK. During our site visit, we heard positive feedback on the relationship between IKE and Lifeways. This was particularly surrounding the responsiveness of repairs and giving agency to Lifeways in evaluating whether potential new residents would be a good fit for the house.

On site, residents' homes are spread over three floors, with the ground floor flats designated for residents with physical disabilities. While there is no communal space indoor, the site has a large garden where the residents can socialise. The property has been fully occupied since it opened in October 2017. We understand there is a high level of demand from commissioners for these homes, with a considerable waiting list in Worcestershire County. Staff noted this property was unique in comparison to other schemes, with accessible transport links, high ceilings, spacious rooms, and the high overall quality of the building.



OUTCOMES

The residents at Baskerville Hall are aged 23 to 55, with an equal mix of men and women. Most of the residents have been there for four or more years, and it is a home for life for most. The newest resident moved in six months ago and is settling in well with the other residents. Many of the residents are involved in the local community, with most regularly going to the local daycentre and approximately a third volunteering in local charity shops. The level of care required by residents is varied, though generally the hours of care required has reduced for most residents since moving in. This indicates that residents have become more independent, which echoes what we heard during direct conversations with residents during our site visit to the scheme. They mentioned that they enjoyed having their own living space and felt a sense of freedom, as well as an improved social life, since moving into the scheme. This indicates that the wellbeing of residents has improved since living in the scheme and that SOHO is meeting an important social need.

RESIDENT CASE STUDIES


James*
Prior to coming to Baskerville Hall, James lived nearby in his own flat. While living there, he received some support in the form of domiciliary care, but was particularly vulnerable and experienced incidents of financial, emotional, and physical abuse. To receive more support, he moved to Baskerville Hall three years ago, and now has an independent financial appointee who manages his benefits and bills. James previously worked as a kitchen porter but was made redundant due to COVID-19. He now volunteers at Salvation Army three times per week, which he greatly enjoys. James also participates in household tasks with support staff and takes joy in cooking for other tenants during the weekly Sunday roast dinner club. James mentioned feeling quite lonely and sad in his previous home, and that he feels much happier at Baskerville Hall, where he would like to remain living for the long-term. According to James, his family and friends also echo this sentiment and say they have seen an improvement in him since moving in.



*Not their real name.



IMPACT OBJECTIVE – Fund Sustainable Developments

IMPACT OBJECTIVE	IMPACT METRICS	DEC 2022	JUN 2023	% CHANGE
<div>FUND SUSTAINABLE DEVELOPMENTS</div> <div></div>	Percentage of homes with EPC Rating C+	71%	71%	0%
	Percentage of homes with EPC Rating E+	99.8%	99.8%	0%
	Percentage of surveyed residents satisfied with the quality of their home	91%*	91%*	–
	Breakdown of total homes by housing type			
	Specialised Supported Housing	89%	88%	-1%
	Supported Housing	7%	7%	0%
	Registered Care or Children's Services	4%	6%	+2%

*This figure is taken from the latest annual resident survey, which was carried out in early 2023 with a sample of 60 residents (approximately 2% of the portfolio). We expect the satisfaction of residents to have remained at a similar level.

ENVIRONMENTAL SUSTAINABILITY

 As of June 2023, 71% of SOHO's units have an EPC rating A-C.

Overall, this means the proportion of homes with EPC ratings above C or E has not changed since December 2022. However, nine properties have had their EPC rating improved and one has been downgraded from a C to an E. This downgrade is due to a reassessment of an existing EPC. Despite the lack of overall movement during the reporting period, SOHO continues to perform well in the context of the wider sector. SSH properties tend to be older buildings that have been repurposed and so often have lower energy efficiency. As such, 71% of homes rated A-C is still a relatively high proportion with favourable energy efficiency ratings.

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.

SOHO has now completed the scoping of works, and the initial pilot phase of their retrofit program is being carried out, with 11 properties undertaking work over the next 12 months. Once the pilot has been completed, SOHO will be able to cost the program and commit to a target date for finalising the program more

accurately. SOHO is keen to use learnings from the pilot phase to inform the wider rollout of the program, and to share these learnings with any interested providers. SOHO's shorter-term target is to reach 80% of homes with an EPC rating C+, however the Fund's long-term aspirational target, and the ultimate goal of the retrofit programme, is to improve 100% of properties to at least an EPC grade C by 2030.

As part of its commitment to improving the accuracy level of its environmental disclosures, Triple Point disclosed estimates of the CO₂ emissions associated with the SOHO portfolio in their latest annual report.¹⁵ The CO₂ emission estimates were determined by an external, market leading carbon reporting organisation through carbon analysis on the portfolio. The methodology estimated the average annual CO₂ emissions from a single SOHO property to be 1.6 tonnes, and for the whole portfolio to be a total of 3,610 tonnes.

The Fund notes that this emissions data is based on estimates, calculated using various data sources. In the future, it will seek to deploy methods which will enable the Fund to report CO₂ emissions driven from actual consumption data. Triple Point Investment Management (the Fund Manager) also intends to set near-term Science-Based Targets for 2030 across all its assets as a first step towards reaching Net Zero emissions by 2050, and as part of their obligations as signatories of the Net Zero Asset Managers initiative.



QUALITY OF HOMES

During site visits to two SOHO schemes (see case studies on pages 14 and 25), we heard positive feedback from residents and staff in relation to the quality of the homes. This was particularly surrounding the spaciousness of the rooms and responsiveness in handling maintenance and repair requests.

This feedback reflects the results from a survey of 60 SOHO residents earlier in the year, where 91% of respondents reported being satisfied with the quality of their home.

In addition, the Fund collects quarterly operational surveys and biannual compliance surveys from all of its partner housing providers. In SOHO's last annual impact report, compliance surveys indicated a compliance rate of 96% for occupied properties across all mandatory areas. In cases of non-compliance (including where providers did not answer questions), the Fund followed up with the relevant providers to handle the point of non-compliance.


CLASSIFICATION OF PROPERTIES

During the last six months, SOHO has redefined the categorisation of their housing types. This has resulted in some changes in the number of homes previously defined as 'Specialised Supported Housing' and 'Registered Care or Children's Services.'

- **Specialised Supported Housing** now explicitly refers to properties which provide supported living where a care provider, regulated by CQC, provides care independently of the Registered Provider.
- **Supported Housing** refers to properties which are directly leased, managed, and supported by a Registered Provider, with no independent care being provided at the scheme. Generally, residents receive a form of support known as 'intensive housing management' at these properties, which are designed to be more transitional forms of supported housing (e.g. for those at risk of homelessness).
- **Registered Care or Children's Services** refers to properties which are directly leased, managed, and supported by a Registered Provider, with no independent care being provided at the scheme.

15. Triple Point Social Housing Annual Report 2022 (page 47).

IMPACT OBJECTIVE – Increase Supply

IMPACT OBJECTIVE	IMPACT METRICS	DEC 2022	JUN 2023	% CHANGE
<div>INCREASE SUPPLY</div> <div></div>	Number of properties	497	497	0%
	Number of homes ¹⁶	3,456	3,455	-0.03%
	Percentage of homes defined as 'new' to SSH	62%	62%	0%
	Percentage of homes forward funded by SOHO	9%	9%	0%
	Breakdown of homes by Condition of Stock			
	Adapted	61%	61%	0%
	New-build	30%	30%	0%
	Purpose-built	9%	9%	0%

In the past six months, SOHO's portfolio has remained stable. The Fund has not acquired any new properties as they have had limited capital to deploy, maintaining the size of the portfolio at 497 properties.


In addition, SOHO has successfully completed the sale of a portfolio of its properties. The sale was undertaken in order to provide support for the book value of SOHO's properties and demonstrate liquidity in the SSH market. Alongside achieving attractive pricing, SOHO's priority was to ensure that the exit took place in a responsible manner and that there was a continuous provision of services to residents.

Despite the lack of growth during the reporting period, SOHO continues to be a substantial investor in the sector. Since launching in 2017, SOHO has invested £599 million on a portfolio with the capacity to house 3,455 vulnerable individuals. This places SOHO as one of the UK's largest SSH landlords in the country.



Across the portfolio, 62% of homes are defined as 'new' to SSH. This is a high proportion of homes new to SSH, demonstrating the additionality SOHO brings to the sector.

IMPACT OBJECTIVE – Quality Service and Partnerships

IMPACT OBJECTIVE	IMPACT METRICS	DEC 2022	JUN 2023	% CHANGE
<div>QUALITY SERVICE AND PARTNERSHIPS</div> <div></div>	Number of partner housing providers	27	27	0%
	Of which are Registered Providers (RPs), regulated by the RSH	18	18	0%
	Of which are care providers or housing managers, not regulated by the RSH	9	9	0%
	Number of partner housing providers declared non-compliant with the RSH's governance and viability standards	10	10	0%
	Number of partner care providers	122	116	N/A
	CQC ratings of partner care providers who have been inspected			
	Outstanding	3%	3%	0%
	Good	82%	82%	0%
	Requires improvement	14%	14%	0%
	Inadequate	1%	1%	0%

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

HOUSING PROVIDERS

SOHO has a rigorous due diligence process for selecting housing provider partners, which TGE has reviewed and provided input to. The process involves a comprehensive organisational review including detailed discussions with management, assessment of regulatory compliance and risk, and a review of operational factors.

In terms of monitoring service standards on an ongoing basis, SOHO receives quarterly financial and operational information, and biannual compliance information, from all partner housing providers and performs routine property inspections. This provides insight as to the extent to which SOHO's partner housing providers are keeping up with their obligation to maintain properties. In addition, the Fund regularly meets with senior management teams of its housing providers and address issues as they arise. SOHO also periodically analyses most housing providers' management accounts.¹⁷

Regulation

SOHO has not signed any new leases since December 2022 and so continues to have leases with 27 housing providers across its portfolio.

Of SOHO's 27 partner providers, 18 are Registered Providers (RPs) regulated by the Regulator of Social Housing (RSH). 10 of these 18 organisations have been declared non-compliant with the RSH's governance and viability standards. Broadly, these instances of non-compliance stem from the RSH's concern at the level of risk incurred by RPs who have entered long-term leases.¹⁸

In the past six months, Auckland Home Solutions and My Space Housing Solutions have also been issued with Enforcement Notices by the RSH. For both providers, the RSH Enforcement Notices stem from serious concerns over their governance and financial viability. There is a risk residents could experience service disruption if either of these providers fail, though SOHO has stated it would proactively mitigate risk to residents by transferring leases to another provider if such a situation arose. SOHO has responded to the respective Enforcement Notices in detail and is working with both organisations to resolve the outstanding issues.

16. Since December 2022, the overall number of homes in SOHO's portfolio has decreased very slightly from 3,456 to 3,455. The change was the result of changing a room at one property from a lettable room to one that staff could use to sleep. This was deemed a necessary change to improve the staff's ability to care for the residents requiring 24-hour support.

17. For SOHO's annual impact report, we undertook a comprehensive review of the Fund's monitoring processes, including analysing a compliance report summary, a record of property inspection visits, and occupancy information.
18. RSH, Lease-based providers of specialised supported housing, April 2019.



On top of the 18 RPs, SOHO has leases with nine organisations that are not RPs. This includes registered care facilities which are leased directly to the care provider, as well as SSH leased to a housing manager that is not regulated by the RSH. Though they represent a third of SOHO's partners, these non-RP partners represent only a small portion (approximately 6%) of the Fund's total units. All are regulated by an independent regulatory body such as the CQC, CIC Regulator, or Charities Commission.

In the latter half of 2022, Parasol Homes, representing 9.6% of SOHO's rent roll, failed to pay rent in full due to SOHO. Since then, Parasol has strengthened its management team and SOHO is actively engaging with the Chair of the Board to address this issue. SOHO is working with Parasol and expects to agree a plan around future rent due and arrears. The payment obligations for these rents lie with Parasol but ultimately this means that, if Parasol fails to pay the rents, SOHO will experience a loss of income.

Investment Policy Update

To ensure the long-term viability of the model, the Fund has updated its investment policy to allow for more flexible leases – this was approved by shareholders in 2022. The expectation from the increased flexibility is to enable SOHO to enter new lease structures, addressing regulatory concerns surrounding long leases and the imbalance of risk between landlords and RPs. We note that the changes to the investment policy were principally driven by a desire to enable SOHO to invest in the best quality opportunities in the market, which itself has evolved since SOHO's launch – particularly with respect to lease terms.

The approved changes are:

- 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.

With the increased flexibility afforded by the changes to the Fund's investment policy, this year SOHO has undertaken a process to introduce a new lease clause to its existing leases. The clause aims to rebalance risk, subject to a materiality threshold and to respond to the RSH's concerns. While developing the clause, the Fund sought input from key stakeholders including the RSH, RPs, valuers, and lenders. In the interest of ensuring the model is improved across the sector, a summary of the lease clause has also been shared more widely with other relevant stakeholders in the sector.

All RP lessees have now received the clause and an explanation of how the Fund expects it to roll out across the leases. SOHO's largest RP, Inclusion, were positive about the clause, as well as the process of engaging with SOHO to design it. Inclusion regards the clause as tackling most of the Regulator's concerns, providing assurance to other stakeholders that landlords and lessees are aligned to a common goal, and implementing a formal structure to mitigate potential issues. Inclusion remarked that SOHO's work in developing this clause should be viewed as a positive step for the whole sector. They expect to see similar clauses implemented by other landlords seeking to formally demonstrate the mechanisms that are in place to ensure the long-term sustainability of their lease agreements.

SOHO expects the clause to be signed imminently on all of Inclusion's leases with the Fund. It has also been shared with the Fund's other lessees with the aim of implementing the changes by the end of the year.

CARE PROVIDERS



Across its portfolio, SOHO works with a total of 116 care providers. CQC data shows that 85% of known CQC ratings of these partner care providers are 'Good' or 'Outstanding'.¹⁹

In comparison to the average of 87% for England in 2022, this rating is marginally sub-standard.²⁰ However, evaluating providers' performance has become more difficult as there has been a decrease in the overall number of CQC ratings available on the CQC website. In addition, care providers in SSH are rated on a local or regional basis rather than receiving a rating at the individual property level. As such, the breakdown of CQC ratings reflects the performance of all schemes operated by a care provider, not solely those owned by SOHO.

Though SOHO cannot control the CQC re-evaluation process, where there are modifications to a care provider's rating, the Fund assesses the CQC report and actively engages with the care provider. The provider is placed on the Fund's enhanced care provider monitoring programme, in which SOHO speaks to the management team to understand what drove the downgrade and their plan to remediate it. This remediation plan is then put into the enhanced monitoring programme and ongoing progress is tracked.

19. 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.
20. CQC, [The state of health care and adult social care in England 2021/22](#).

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 solutions 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 – 3,455 homes as of June 2023 [at full occupancy]	Large scale – 3,455 homes as of June 2023 [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 likely better 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 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">– 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	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

CLASSIFYING THE IMPACT OF SOHO'S INVESTMENTS

IMPACT MANAGEMENT PROJECT The ABC is a form of impact classification which was designed by the Impact Management Project (IMP). It is a system which allows investors to classify the impact of their assets in a consistent and transparent manner.

Under the system, assets are classified into one of the following categories:

- Does Cause Harm
- May Cause Harm
- Act to Avoid Harm
- Benefit Stakeholders
- Contribute to Solutions.

SOHO is aware of these risks and has regular conversations with the RSH. To mitigate the risks to residents, the Fund will typically look to implement a change in lessee in a situation in which an RP runs into financial difficulties. This option is currently being explored in relation to SOHO’s properties with My Space. In addition, SOHO has demonstrated its commitment to protecting residents in a proactive manner, providing evidence of focused site visits to ensure resident safety and wellbeing in a timely fashion following an indication that an RP was facing financial hardship.

To further mitigate this risk, SOHO has also approved an updated lease agreement and has committed to begin the rollout of this clause across its portfolio. All RP lessees have received the clause along with a description of how the clause will be applied. Inclusion, SOHO’s biggest RP, reported an overall positive view of the clause, remarking that it is something they also wanted to see included in their leases. SOHO expects the clause to be signed imminently on all of Inclusion’s leases with the Fund.

Based on the Fund’s properties providing housing for a vulnerable population in need of support who may otherwise be underserved (i.e. lacking access to appropriate housing which meets their needs) we would assess SOHO’s activities as ‘Contributing to Solutions’.

However, we do recognise that this report highlights a number of risks that currently exist based on the model of the Fund. In particular, as previously discussed in this report, it is nearly four years since the RSH published its risk profile addendum outlining its concerns with lease-based providers of SSH. There has been no material change in the RSH’s view since 2019 and now ~75% of SOHO’s homes are managed by RPs that the RSH has declared non-compliant with the governance and viability standard. Such issues could eventually affect an RP’s ability to deliver services to residents effectively, and therefore there is a risk of causing harm to the Fund’s intended beneficiaries.

In order to continue its mitigating actions, and to prevent a downgrade in classification, we want to see the rollout of new lease clauses continue across the SOHO portfolio – both retrospectively and on new homes entering the portfolio – over the coming 12 months. We will continue to monitor the regulator and RP sentiment towards SOHO’s updated leases so that we can understand the RSH’s view of these changes, and the extent to which they address its concerns.

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 2023. This gathered responses from a sample of 60 residents. The full results of that survey can be found in [SOHO’s 2022 Annual Impact Report](#), which was published in March 2023.²¹

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.

These results are clearly based on a small sample size, however, since working with SOHO we have conducted three rounds of resident surveys, gathering feedback from 270 residents (approximately 8% of the portfolio). This is still not a large sample, but it is deemed sufficient given the difficulties of collecting direct resident feedback due to:

- The limited capacity of the residents
- The small and dispersed nature of the portfolio
- The number of counterparties involved and the need to engage with them to collect feedback.

For this report, we also conducted site visits to two of SOHO’s schemes. The feedback gathered from residents and staff on those visits suggested that the overall wellbeing of residents improved since moving into these homes. They mentioned having a greater sense of independence and being happy in their new homes.

CASE STUDY: BELLFLOWER WAY, EASTLEIGH

Support Provider Allerton Care	Local Authority Hampshire County Council	Location: Eastleigh
Housing Provider Parasol Homes	Number of Residents 4	

SCHEME OVERVIEW

Bellflower Way is an SSH scheme in Eastleigh for adults primarily with learning disabilities, autism, and mental health diagnoses.

It is a two-storey home with four individual bedrooms and shared common spaces. The house is fully occupied and located in a residential cul-de-sac.

Parasol Homes provides housing management and Allerton delivers support services. Both organisations operate nationally, providing services across England. The staff at Bellflower Way described a positive relationship between Parasol and Allerton, with the resident and housing manager meeting on a weekly basis.

In the house, the bedrooms are located on the top floor, with two bedrooms having an en-suite and two residents sharing a bathroom. The home has two large, shared living spaces, a spacious kitchen, and a garden – in effect, the home is a normal residential property which is operated as a shared supported living scheme.



OUTCOMES

There are three men and one woman residing at Bellflower Way, ranging in age from early 30s to early 50s. All the residents have lived at the property for over 10 years and want to stay there for the long-term. They get along very well, referring to each other as their family. Overall, there was a friendly, pleasant atmosphere in the house, and it was evident residents and staff were extremely comfortable with one another.

The care needs of residents vary, with hours of care support ranging from 35 to 57 individual support hours per week. Speaking to residents and staff, we heard that they enjoyed living at the house and enjoyed doing activities with each other. One resident struggled a lot after the COVID-19 pandemic, being very resistant to accepting support from the care staff. Following monthly meetings with staff and their brother, the resident has been engaging more in tenant activities, maintaining the tidiness of their room, and is generally in a more positive place.

21. 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 seeks to deliver value for money for public budgets by offering a cost-effective solution to housing individuals with support needs.

To evaluate SOHO's contribution to delivering value for money, we carried out a social value calculation for the portfolio as of December 2022. 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.

The calculation was based on answers provided by residents through a Resident Outcomes Survey. Responses were gathered from a sample of 60 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 2022 Annual Impact Report](#), which was published in March 2023.²²

RENT INCREASES

Across SOHO's portfolio, lease contracts dictate that rents are increased in line with inflation, either the Consumer Price Index (CPI) or the Retail Price Index (RPI). However, given the current high inflationary environment in the UK (CPI was 7.9% as of June 2023), this has the potential to squeeze RPs' margins and to limit the value for money this type of housing can deliver.

Therefore, SOHO took the decision to implement a temporary rent cap of 7% for the financial year ending in December 2023. This is in line with the UK government's 7% cap on social housing rent increases, though SSH is not included in the cap. SOHO felt that this was clearly the correct action to take, in looking to act as a responsible landlord and to ensure the long-term sustainability of the rents. In addition, as a major landlord, SOHO hope that setting such a cap will enhance the negotiating position of its partner housing providers to push for similar caps in their agreements with other landlords.

RESULTS

The results revealed that the SOHO portfolio delivered **£128.4m of Total Social Value** in the year to December 2022. This was divided into:

- £27.4m of Social Impact
- £101.0m of Fiscal Savings.

Using the values and total amount invested by SOHO as of December 2022, we calculated SOHO's Social Return on Investment (SROI) ratio to be £3.30. This means that, for every £1 invested by SOHO, the Fund will generate £3.30

in social value per year over the duration of the investment (based on the portfolio of homes as of December 2022).

Confidence intervals were included in this calculation to account for the fact that the social value calculation is based on survey samples, which represent a relatively small proportion of the overall portfolio. Based on the survey findings which underpin this calculation, we are 90% confidence that the SROI ratio is between £2.69 and £3.90.

4 / 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 2022 Annual Impact Report](#), which was published in March 2023.

22. 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.



5 / Conclusions and Next Steps



STRENGTHS

■ New lease clause

Following engagement with stakeholders, including the RSH, SOHO has finalised a new lease clause to redress the balance of risk-sharing with partner housing providers. The implementation of the clause is intended to enhance the compliance of SOHO's partner housing providers in response to RSH concerns. SOHO is one of the first institutional landlords in the sector to have developed and committed to implementing risk sharing provisions throughout its portfolio.

■ Rent cap

SOHO set a voluntary rent cap of 7% from January 2023. This is in line with the government's 7% rent cap on social housing increases, though the Fund could have charged more, since all of its leases are linked to inflation and SSH is exempt from the social housing rent cap. This provides an example of SOHO acting as a responsible landlord and looking to ensure the long-term sustainability of its rents.

■ Occupancy

We consider it best practice from a transparency perspective that SOHO shares property-level occupancy data with us for the whole portfolio, including commentary on each property's current status. Over time, this data has shown occupancy rates continuing to increase steadily across the portfolio, demonstrating strong and increasing underlying demand for the Fund's homes.

POTENTIAL WEAKNESSES AND MITIGATING ACTIONS

■ Regulatory concerns

The RSH continues to highlight concerns with the level of risk faced by lease-based providers of SSH. Currently, 10 of SOHO's 18 partner RPs (accounting for 79% of homes) have been declared non-compliant with the RSH's Governance and Viability Standards. We note the new lease clause as a positive step to mitigate risk to RPs, addressing these concerns and allowing RPs to respond to RSH concerns. It is encouraging that SOHO expects to apply the clause to all of its leases with its largest landlord, and we understand there are plans for it to be rolled out across the rest of the portfolio by the end of the year.

■ Enforcement Notices

Two of SOHO's partner RPs were issued with Enforcement Notices during the reporting period. In both instances, the RSH has voiced serious concern over the financial viability of these organisations and raised questions around inadequate governance. Should either of these providers fail, residents could experience service disruption. In advance of such an occurrence, SOHO has stated it would proactively mitigate risk to residents by transferring leases to another provider.

Appendices

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 compliance report	Overview of the compliance information SOHO receive from partner housing providers on biannual 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 60 residents between January and February 2023. 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. This is mitigated to an extent by the fact we have now run three surveying cycles, gathering 270 responses in total, with generally similar results provided.
Resident demographic information	Resident demographic information collected by SOHO through its partner housing providers on care needs, weekly care hours and age distribution. Coverage ranges from approximately 50% to 90% of operational units across these areas. This is provided to TGE by SOHO.	Medium	Information not representative of the whole portfolio, as this data is not available for all properties. Reliant on the accuracy of the information collected by housing providers and shared by SOHO.
Due Diligence questionnaire overview	Blank template of SOHO's Due Diligence questionnaire for new partners. This was provided to TGE to show the areas SOHO requires info on as part of their standard process.	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.	Medium	TGE speak to at least one partner housing provider for each Impact Report. Since starting working with SOHO, this means TGE have spoken to approximately 8 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.	Medium	TGE speak to at least one partner care provider for each Impact Report (sometimes many more, if running a survey). SOHO work with over 100 care providers. Since starting working with SOHO, TGE have had conversations with approximately 20 of the Fund's partner care providers.

DATA SOURCE/EVIDENCE	OVERVIEW	EVIDENCE RISK	LIMITATIONS
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.	Low	TGE aim to visit at least one scheme for each Impact Report. 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 497 properties and so TGE has only visited a small subset.
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 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 aims to align with best practice in this area.
Property inspection records	Details of property inspections carried out by the SOHO asset management team in relation to a specific provider. This provides evidence of SOHO's monitoring of its partners. This is provided to TGE by SOHO.	Medium	Information only shared for one partner as an example of SOHO's monitoring processes. Reliant on the accuracy of the records provided by SOHO.
Trading Updates	Trading Updates issued by SOHO. As a publicly listed fund, SOHO must issue regular trading updates to the market. These are reviewed by TGE when producing impact reports, and any relevant information is incorporated within the report.	Low	Reliant on the accuracy of the information disclosed by SOHO.
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.
New Lease Clause Overview	SOHO provided a flow chart demonstrating the structure of how different trigger events lead to various possible outcomes depending on the actions taken by SOHO and its lessees.	Low	Reliant on the accuracy of information disclosed by SOHO.

THE GOOD ECONOMY

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