Everyone In Social Investment Pilot: Implementation Report

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List of Abbreviations

1	BSC	Big Society Capital
2	CJS	Criminal Justice System
3	DLUHC	Department for Levelling Up, Housing, and Communities
4	GLA	Greater London Authority
5	GMCA	Greater Manchester Combined Authority
6	NHPF2	National Homelessness Property Fund
7	ONS	Office of National Statistics
8	PERU	Policy Evaluation and Research Unit
9	REIF	Resonance Everyone In Fund
10	SASC	Social and Sustainable Capital
11	SASH	Social and Sustainable Housing
12	SHG	Stockport Homes Group
13	SIP	Social Investment Pilot

Executive Summary

The first cases of COVID-19 in Great Britain were documented in late-January 2020. On 26 March 2020, the UK Government instituted its first national lockdown that closed all non-essential businesses.[7]

People sleeping rough were identified as a particularly vulnerable group that needed to be protected. The UK Government issued a call to arms called "Everyone In" to shield that subpopulation from COVID-19.[8] It directed local authorities to shelter households who were rough sleeping in accommodation where they could self-isolate.[9]

Everyone In included a social investment pilot (SIP), which was designed to pilot longer-term and more sustainable solutions to providing accommodation for people who are homeless. The UK Government's Department for Levelling Up, Housing, and Communities (DLUHC) partnered with Big Society Capital (BSC), now "Better Society Capital," to pool public and private resources for charity groups to purchase units and rehouse people who were rough sleeping.

The SIP was implemented by three fund managers (i.e., Bridges Fund Management, Social and Sustainable Housing (SASH), and Resonance) who collaborated with local housing providers including charities and Housing Associations. The funds operate different models and four distinct theories of change are discernible:

1. **A leasing model for charities** based on leasing from a social investor.
2. **A leasing model for small, specialist Housing Associations** based on leasing from a social investor.
3. **A property ownership model** based on debt finance from a social investor for charities who wish to grow their property ownership portfolio.
4. **An equity investment model** that involves investors owning a stake in an ethical lettings company and sharing in the risk of failure and proceeds of company profits.

In 2022, DLUHC and BSC asked the Policy and Evaluation Research Unit (PERU) at Manchester Metropolitan University to evaluate the SIP over three years (2022–2025). The evaluation analyses the SIP's implementation and impact to create an evidence base that can be used to motivate private investment firms to allocate resources to social investments in the future.

This report is the first output from that evaluation and thus analyses the SIP's implementation. It is based on research by PERU staff that was undertaken in 2023. It uses interview and administrative data to answer four questions:

1. Has the programme has been implemented as intended? (Fidelity)
2. Did the programme reach its intended recipients? (Reach)
3. What accommodation and support was received by programme recipients? (Dosage)
4. How does the process of delivering social investment schemes compare with traditional government grant funding streams? (Differentiation)

[7] Institute for Government: timeline-coronavirus-lockdown-december-2021
[8] Crisis UK: https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/england/homelessness-monitor-england-2020-covid-19-crisis-response-briefing/
[9] Coronavirus: Support for rough sleepers (England)

Key Findings

The report's main findings are described below:

Key findings	
Aims	• *Everyone In* was designed to limit the spread of COVID-19 by housing people experiencing homelessness, the SIP aimed to develop a more sustainable, longer-term model. • Establish a new social investment product to finance affordable housing for homeless households. • Give homeless charities a resource to help clients sustain their tenancies and become self-sufficient.
Risks	• Delegating implementation responsibility to third parties to a greater extent than a traditional grant added complexity and limited DLUHC's control over public resources, thereby making it vulnerable to political and reputational damage. • Failing to produce expected returns would discourage private investors from financing this asset class as a social investment and undermine the reputation of service providers with investors/grantors. • Market shifts could discourage private investors from supporting this kind of social investment.
Implementation strategies	• BSC persuaded ministers, government department, local authorities, pension funds, and private foundations to finance the SIP. • BSC performed due diligence on fund managers and service providers to select capable partners. • Fund managers adjusted policies and timescales to deal with property market barriers. • Fund managers monitored implementation through quarterly reports and discussed those reports with BSC. • BSC and fund managers created new policies and procedures to procure units, measure performance, and report from/to various stakeholders. • Fund managers regularly met with housing partners to discuss implementation (i.e., procurement, repairs, complaints, and tenancy challenges). • BSC incrementally released tranches of money to ensure fund managers met benchmarks. • Investees (service providers) used evidence-based interventions like person-led, trauma-informed, and strengths-based care to build rapport with clients and motivate service utilisation. They modified service interventions to meet the evolving needs of clients. • Service providers rarely dissolved tenancies. Caseworkers made several interventions to address anti-social behaviour.

		• Service providers hired new staff, modified existing roles, and/or adopted new policies to implement the SIP. • Investees mediated conflicts between clients and neighbours to prevent eviction.
	Enablers	• COVID-19 made new resources available for homeless assistance and reduced logistical barriers to communication. • BSC had designed the SIP before COVID-19 started. This let proponents propose a fully-formed idea when government officials were looking for solutions. • Network ties helped SIP proponents plan, promote, and implement the pilot. • Their existing organisational assets meant stakeholders did not have to hire new staff, create additional roles, or design new policies/procedures. • Some property markets and expectations of service providers eased procurement. • Delegated discretion allowed fund managers to deal with unexpected barriers during implementation. • KPI data helped fund managers enhance staff morale, update DLUHC on programme performance, raise private funding for future investments, and advise investees. • SIP properties helped investees engage clients and motivate service usage. • Professional advice from fund managers helped service providers implement the SIP. • Service providers gave fund managers market knowledge that they used to procure units. • SIP properties helped investees build relationships with other service providers that they used to access essential resources.
	Barriers	• Proponents had to convince sceptical government officials to finance the SIP. • Investors had different reporting requirements. Lack of standardisation made it harder for fund managers to work with investors. • Some investees have produced KPI data inconsistently. • SIP novelty meant best practices and timelines for implementation were unfamiliar to some organisations. • Property market barriers made it hard to procure suitable units in some local authorities. • Local politics sometimes slowed the formation of contracts between key stakeholders. • Quality expectations of some service providers slowed procurement in tight rental markets. • Limited staff prevented some service providers from diversifying into neighbourhoods where they purchased units.

	• High rents made it harder to move-on some clients from SIP properties. • Several caseworkers struggled to engage clients with complex needs who were unready to change. • Assessment processes sometimes failed to select “housing ready” tenants who could manage sustainable tenancies.
Fidelity	• **All** investees have accessed units, offered clients long-term supported housing, and in/directly provided wraparound support to them. • Braided funding limited **Nacro’s** ability to use evidence-based practices because the GLA put time restrictions on wraparound support and thus caseworkers had to prepare clients for move-on before their two-year lease ended. • Property market constraints limited the range of units that **P3** could buy. This hindered it from meeting the diversity of needs expressed by applicants. • Stockport’s tight housing market slowed procurement for **SHG**. Resonance ultimately adjusted its eligibility criteria to expedite procurement and serve clients who would be appropriate for larger properties. • **SHG**’s relationship with Manchester’s combined authority was expected to quicken contract negotiations; however, disagreements between commissioners slowed the process and delayed procurement. • **Target** faced housing constraints that limited its procurement of diverse properties. This reduced the range of people it could rehouse. • High rents in Sheffield made it hard for some clients in **Target**’s ex-offender programme to positively move-on from SIP properties.

Reach	• **Resonance** has purchased properties in the targeted city regions (Greater Manchester and Greater London) and served the populations that it prioritised.
	    o Property data said it bought units in councils with medium-to-high number of homeless assessments, people in temporary accommodation, rates of income deprivation, and size of affordable housing stock.
	    o Resonance tenants were more likely to have lived in temporary accommodation or emergency shelter; been either unemployed or ineligible for work; been an individual or single parent; and required little or no additional support.
	• **SASH** properties have been allocated to the targeted populations.

	◦ KPI data showed SASH tenants have been primarily single households and sharers, rough sleepers or temporary accommodation residents, and scattered across the UK.
Dosage	• **Nacro** leased 56 high-quality properties from Resonance. Those properties were mostly flats located in the south (east) of London. The units were furnished; situated on 0, 1, 2, or 3 floors; and varied in neighbourhood quality. ◦ Caseworkers made intensive interventions at the beginning of the lease that were adjusted over time to meet the needs of clients. ◦ They used some evidence-based interventions to motivate service usage by clients. ◦ The agency offered clients who needed supported housing beyond the two-year limit an additional 12-to-18-month lease. • **P3** was given a loan from SASH to buy 36 properties. They are a mix of self-contained one-bedroom and some shared properties. Those furnished units were both flats and houses. ◦ After someone was deemed appropriate, P3 accepted them as a SIP tenant. ◦ Its caseworkers used evidence-based interventions to build rapport with clients and motivate service usage. • **SHG** leased 18 properties from Resonance that varied from one-bedroom flats to two-to-three-bedroom houses. SHG struggled to find one-bedroom units that met its quality standards. It consequently worked with Resonance to buy two-to-three-bedroom houses. It outsourced wraparound support to a third party. • **Target** purchased 20 high-quality properties that were spread out across Sheffield. It bought a range of units that varied between two-to-three-bedroom houses and one-bedroom flats. ◦ **Target** caseworkers used evidence-based practices such as person-led, strength-based, and trauma-informed interventions to support clients.
Differentiation	• **Advantages** of social investment financing: ◦ Service providers accessed higher quality units in better neighbourhoods than they typically got in the private, social, or public rental market. ◦ Gave clients more choice of properties than they had in standard rental markets ◦ Allowed investees to quickly buy properties at once rather than the piecemeal approach that traditional mortgage financing allowed. This in turn helped them rehouse applicants faster.

- Had more flexibility to conduct longer and better assessments because clients were in secured tenancies instead of temporary accommodation or precarious housing where they could be evicted at any time.
- The secured leases facilitated evidence-based interventions by letting caseworkers tolerate anti-social behaviour. This built stronger rapport with service recipients that caseworkers could use to stablise tenancies.
- Expanded the type of services that investees delivered, compared to clients that they worked with in standard rental units.
- Reliance on a fund manager gave investees more stability and enhanced strategic planning than they would have otherwise had.
- Strengthened the position of some investees in the third sector by expanding their property portfolio. This would have been impossible without the social investment financing that let the service provider quickly buy multiple properties.
- Enhanced the ability of some investees to compete for traditional grants by giving them ownership of properties.

- **Disadvantages** of social investment financing:
  - Opened some investees to financial risk that they did not shoulder whilst delivery services to clients housed in private-, social-, or council-owned properties.[10]
  - May disincentive some clients from using supportive services because they have a secured tenancy.

[10] There was disagreement amongst stakeholders about this point.

1. Introduction

Background

The UK Government announced "Everyone In" in March 2020 to rehouse people who were sleeping rough during COVID-19.[11] Of the £161 million that the UK Government allocated for pandemic housing assistance, £15 million was set aside for the SIP. This was an opportunity for BSC to test a social investment product that it had designed before the pandemic started.

The UK Government's Department for Levelling Up, Housing, and Communities (DLUHC) partnered with BSC to pool public and private resources for charity groups to purchase units and rehouse people who were sleeping rough. The pilot was implemented by three fund managers (i.e., Bridges Fund Management, Social and Sustainable Capital, and Resonance) who partnered with local housing providers, including charities and Housing Associations.

Property was the asset class that BSC's new product relied on. It sought a modest financial return for investors, to create new housing opportunities for homeless households, and to establish a sustainable source of social investment for affordable housing. The SIP was finalised after DLUHC staff convinced government officials and BSC recruited three fund managers operating five funds into the pilot. The five funds operate to several different models and four distinct theories of change are discernible:

1. **A leasing model for charities based on leasing from a social investor.** The fund manager acts as a social landlord for the period of the lease-term (7-10 years). Example: Resonance with Nacro in London.

2. **A leasing model for small, specialist Housing Associations based on leasing from a social investor.** The fund manager acts as a social landlord for the period of the lease-term (7-10 years). The structure and terms of the lease relationship are more friendly towards housing associations than commercial lease arrangements. Example: Resonance with LetUs in Manchester.

3. **A property ownership model based on debt finance from a social investor for charities who wish to grow their property ownership portfolio.** The fund manager provides a loan facility for a 10-year period for the charity to source and purchase properties and, at the end of the period the charity can return the property to the fund manager or buy on preferential terms. Example: SASC / SASH.

4. **An equity investment model that involves investors owning a stake in an ethical lettings company and sharing in the risk of failure and proceeds of company profits.** In this model, properties are owned by the company. Example: Bridges investment in the Ethical Housing Company in the North East.

This evaluation looks at the first three models and two fund managers: Resonance and SASH. It does not cover Bridges Fund Management.

[11] CBP-9057.pdf (parliament.uk)

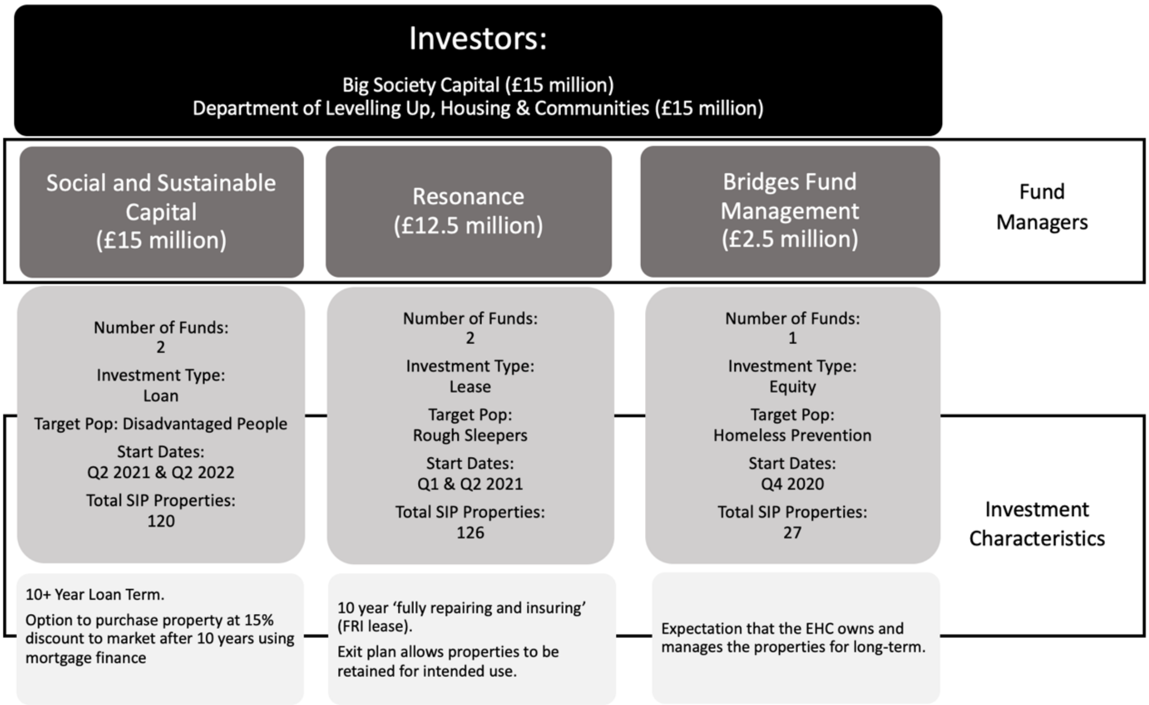


Figure 1. The Structure of the SIP Investment Funds.

Figure 1 presents the structure of the SIP. It shows DLUHC matched BSC's investment to yield £30 million for the SIP. After it performed due diligence, BSC selected three fund managers (SASH, Resonance, and Bridges) into the SIP who received different amounts of funding. Each fund manager used investor capital to create a financial mechanism to buy properties: loan, lease, and/or equity. All investment models targeted a different subpopulation, varied in the number of units that were procured, and offered the fund manager different options at programme termination.

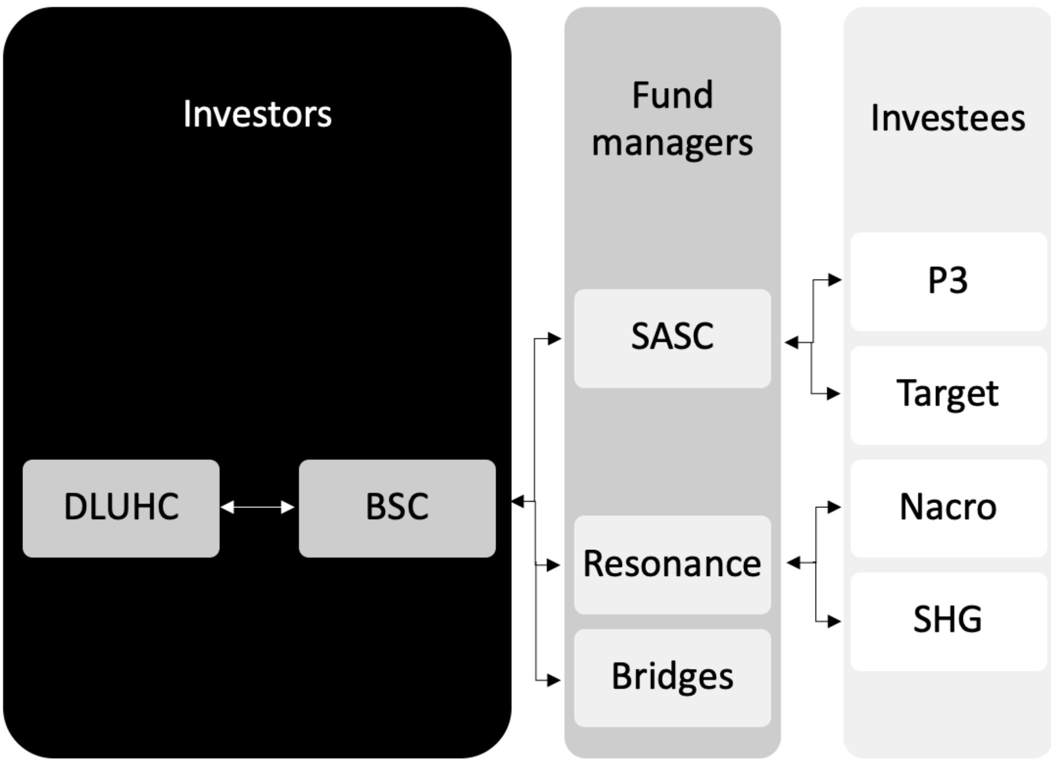


Figure 2. A Model of Information Flows Between the Stakeholders in this SIP.

Each fund manager collaborated with investees to purchase, let, and maintain units. A reporting system was created to help investors monitor SIP implementation. Figure 2 illustrates the flow of information between stakeholders. Investees collected KPI data about service delivery that was shared with fund managers. Fund managers used KPI data to write quarterly reports for BSC. BSC shared those reports with DLUHC. During these meeting, investors discussed progress, implementation problems, and policy changes that needed to be made.

Evaluation Study

DLUHC and BSC staff viewed the SIP as a chance to create a new vehicle for affordable housing finance. From their perspective, private capital is an untapped resource that can help the government end homelessness. Because this was an experimental product, the investors had a limited evidence base to recruit private investors into and guide implementation of the SIP. To address that problem, DLUHC and BSC commissioned the current evaluation study. As set out by BSC (2021) the aims of the evaluation are:

- To understand what role social investment has in bringing forward units of accommodation for people who have experienced rough sleeping or homelessness.
- To collate evidence on the delivery of accommodation through social investment, and outcomes for people supported through this mechanism.[12]

There are three strategic objectives:

1. To understand whether social investment as a mechanism can effectively channel private capital to increase the supply of social housing for people who were rough sleeping.
2. To assess the short- and longer-term outcomes social investment delivered accommodation and support can provide for people who were rough sleeping.
3. To assess and compare the Value for Money (Economy, Efficiency, Effectiveness) of social investment in bringing forward new units of accommodation for people who have experienced homelessness. This may also be in comparison to traditional funding mechanisms such as government grants.

The study is being conducted for three years by PERU. PERU's research team has partnered with housing researchers at the University of Glasgow, Heriot-Watt University, and the University of Cincinnati (originally University of Southern California)[13]; research staff at the Centre for Homelessness Impact; and community reporters at People's Voice Media.

A feasibility study initiated this evaluation. The researchers conducted a "theory of change exercise" with the fund managers. A theory of change identifies programme resources, activities, and intended outcomes, and specifies a causal chain to link resources, activities, shorter and longer-term outcomes with the programme's ultimate goals.[14] The theory of change covers inputs, outputs, short-term outcomes, long-term outcomes, mechanisms, and contextual information.

[12] Big Society Capital: https://www.evaluation.org.uk/app/uploads/2021/09/Evaluation-Project-Brief-Social-Investment-Pilot-Sep-2021.pdf

[13] Professor Gary Painter of USC moved to the University of Cincinnati during the evaluation.

[14] Evaluability assessment: Developing program theory - Wholey - 1987 - New Directions for Program Evaluation - Wiley Online Library

Because the SIP lacked a control group and large sample size, the research team could neither use a random control trial nor a quasi-experimental design to test these theories. The evaluation design therefore uses process tracing, most significant change, and economic evaluation to analyse the SIP's implementation and impact:

- **Process tracing** is a methodologically robust approach to evaluating impact without the need for a counterfactual. In each area we will assemble a wide range of qualitative and quantitative 'diagnostic' pieces of evidence to support or overturn alternative explanatory hypotheses. Central to this process will be identifying sequences and causal mechanisms.
- **Most significant change** is a dialogical, story-based monitoring and evaluation technique that involves the collection and selection of significant change stories which have occurred in the field. 'Significant change stories' are in most cases elicited directly from service recipients. They will tell their own stories and gather stories from other tenants and beneficiaries using a 'community reporting' methodology. Then, alongside a range of programme stakeholders, they will analyse stories to identify the 'most significant changes' the SIP has created, from their perspectives.
- **Economic evaluation** is an assessment of cost effectiveness or value for money of the 'Everyone In' social investment pilot. The pilot has two basic economic elements: the relative effectiveness of social investment in acquiring units of accommodation and second, the relative effectiveness of the pilot in operating and maintaining such accommodation and tenancies. We will consider benefits and costs to three groups of stakeholders: society at large, including the public purse; those housed; and social investors. The basic approach of the economic evaluation is to describe and monetise the 'additionality' of the pilot. By additionality we mean we must compare the benefits and costs of the outcomes of the pilot and compare these two realistic estimates of the benefits and costs which would have been accrued had the pilots not run.

This report is intended for a broad audience. PERU's research team designed the report to answer the evaluation questions listed below and provide a detailed account of the SIP's implementation process. The latter contribution is crucial because there is currently a dearth of research about the implementation of this social investment product. We therefore wanted to give practitioners that information whilst also answering questions for key stakeholders in the pilot.

For this reason, the report include a lot of information that may be more or less relevant to readers. If you are solely interested in answers to the evaluation questions, then we recommend jumping straight to the conclusion where we tie all of the components together. If you are also interested in the implementation process, then we recommend reading through the case study of each stakeholder before reading the conclusion.

2. Methodology

The evaluation will produce three annual reports. This is the first report from that series. It analyses SIP implementation. Overarching questions that guided research for this report were:

a) Has the programme has been implemented as intended? (fidelity)
b) Did the programme reach its intended recipients? (reach)
c) What accommodation and support was received by programme recipients? (dosage)
d) How does the process of delivering social investment schemes compare with traditional government grant funding streams? (differentiation)

The next two reports will concentrate on SIP impact and economics.

This report was conducted in 2023 by members of our research consortium. It relies on administrative and interview data.

Administrative data

Every SIP investee collected KPI data. One set of KPIs measures the demographic characteristics, well-being, satisfaction, service usage, and tenancy of SIP tenants. Another set of KPIs measures housing stock characteristics (i.e., type, amount, purchases/handovers, occupancy, size, and location) of units that were purchased with SIP financing. The research team used this data to answer the foregoing implementation questions.

Recall from above that SIP funding was spread across five investment management projects (Figure 1). In this report, we present KPI data from three of those projects: Resonance National Homelessness Property Fund (NHPF2, £25 million), Resonance Everyone In Fund (REIF, £7.5 million), and Social and Sustainable and Housing Sidecar (SASH, £4 million).[15]

The KPI data that we accessed for this report was incomplete. Tenant KPI data was only available for SASH-affiliated projects. Our report consequently lacks KPI data on Resonance tenants. When analysing the implementation experience of those organisations, we had to rely on key stakeholder interviews. This unfortunately means we provide a richer analysis of SASH tenants than Resonance ones.

That said, information about the location and number of units is available for each of the NHPF2, REIF, and SASH projects. This data comes from the Q2 (April - June) 2023 Social Investment Pilot (SIP) report. Due to its purpose, SIP properties are supposed to be located in local authorities with high levels of homelessness and rough sleeping, and more generally with substantial need for affordable housing.

Because we only accessed KPI data for three out of the five investment management projects, our locational analysis is incomplete. And we can thus only account for £36.5 million of the £50 million (73%) of the SIP's funding.

Below, the location and number of units within the NHPF2, REIF, and SASH projects, according to their Q2 2023 levels, are assessed against five key measures of need in each LA:

[15] SASH is only a portion of SASC's contribution to the SIP. We focussed SASH in this report because only the properties it financed were selected as case studies.

- The number of homelessness assessments.
- The number of people sleeping rough.
- The number of households living in temporary accommodation.
- The Income Deprivation Rate for local authorities.
- The number of units of 'affordable' housing owned by the local authority.

These indicators reflect the degree to which different forms of homelessness and material deprivation are experienced in each local authority and track the degree to which these needs are met by its affordable housing supply. Local authorities with higher levels of homelessness, as measured by statutory homelessness assessments, rough sleeping, and temporary accommodation, when combined with a limited stock of housing available at 'affordable' rent, should be considered optimal areas to target with BSC-funded units.

To assess the degree to which the units provided by each of the three funds are effectively targeted, all LAs in England were sorted into deciles according to these five indicators of need, with D1 representing the lowest tenth of figures (lowest need) and D10 representing the highest tenth of figures (highest need); note that this spectrum is flipped when assessing affordable housing stock, and higher deciles indicates more affordable housing available. The postcode of each unit was matched to the LA in which it is located and to the attendant decile for each indicator.

Interview data

Table 1 describes the number of interviews that we conducted across stakeholder type and organisations. For the investees, we interviewed three managers and two caseworkers at Nacro, five managers and two caseworkers at P3, four managers and seven caseworkers at Target, and two managers at SHG.

Table 1. The Number of Respondents Interviewed from Each Stakeholder Class and Organisation (n=31).

Stakeholder Class	Organisation	Frequency
Investor	DLUHC	2
	BSC	2
Fund managers	Resonance	1
	SASH	1
Investees	Nacro	5
	P3	7
	SHG	2
	Target Housing	11
Total		**31**

Team members conducted interviews on Teams in the summer and autumn of 2023. Each lasted between 40 and 120 minutes. All interviews were recorded and transcribed with Teams. We asked the interviewees questions about their role; engagement with, benefits from, and costs of the SIP; relationship with different stakeholders whilst implementing the pilot; issues that service providers face whilst working with clients; and the strategies caseworkers use to sustain tenancies. The transcripts were uploaded to NVivo where they were thematically analysed.

We were unable to recruit every contact from Nacro and P3. This means we under-sampled caseworkers from those agencies and provide a thinner analysis of their experience implementing the

SIP. Lastly, we could not recruit contacts from the agency who provided case management to SHG tenants. Our analysis of implementation in Stockport is thinner than other case studies.

3. Programme-level implementation: Investors and fund managers

This section analyses the SIP at the programme-level. Following an overview of the programme taking account of investor and fund manager perspectives, we draw on KPI data to describe the geographical distribution of the programme before giving a detailed analysis of the fund managers' perspective.

3.1 Investors

Investor overview		
Aim	*DLUHC*	• Reduce COVID-19 infections, stress on the NHS, and deaths during the pandemic. • Create a sustainable social investment market for affordable housing development. • End homelessness in Britain.
	BSC	• Reduce COVID-19 infections, stress on the NHS, and deaths during the pandemic. • Help service recipients access housing and become independent. • Provide charity groups resources that they need to end homelessness. • Create a sustainable social investment market for affordable housing development.
Risks	*DLUHC*	• Delegating responsibility for implementation to third parties. • Political consequences for "misuse" of public funds if the SIP failed. • Failure to create a vehicle for private investors to finance future social investment in affordable housing. • Perpetuation of homelessness.
	BSC	• Tarnished reputation amongst government officials and private investors if the SIP failed. • Failure to create vehicle for private investors to finance future social investment in affordable housing. • Market shifts could discourage private investors from supporting this social investment product.
Barriers	*DLUHC*	• Convincing Ministers and Department Heads to finance the SIP. • The SIP's prolonged timescale made it politically more challenging. • Lack of experience with this asset class meant best practices were uncertain to staff.
	BSC	• Convincing government officials and private investors to finance the SIP. • Lack of experience with this asset class specifically to address homelessness, as opposed to housing insecurity, meant best practices were uncertain to staff. • Property markets made it hard to buy properties in some areas. • Some fund managers have inconsistently shared KPI data.

Enablers	*DLUHC*	• COVID-19 created political opportunity to financially support the SIP. • DLUHC funding was matched by BSC.
	BSC	• Plans for the SIP were drafted before the pandemic. • COVID-19 created political opportunity to implement SIP plans and reduced logistical barriers to communication. • Trusted reputation amongst Ministers and Department Heads. • Robust risk management practices reduced concerns amongst government officials. • Connections with fund managers helped BSC access private capital. • Familiarity with charity groups allowed fund managers to choose capable partners.
Strategies	*DLUHC*	• Convinced Ministers and Department Heads to support the SIP. • Allocated £15 million to the SIP. • Selected KPIs for quarterly and annual reports. • Scheduled quarterly reports to monitor implementation process. • Adjusted timescales during implementation to help fund managers deal with property market barriers. • Financed an evaluation study to create evidence-base for implementation guidance and social investment promotion.
	BSC	• Convinced private investors and service providers to support the SIP by showing due diligence. • Persuaded DLUHC to finance the SIP by emphasising access to private capital and its ability to produce continued investment over time. • Obtained quarterly reports from fund managers. • Selected KPIs for reports. • Scheduled quarterly reports to monitor implementation process. • Financed an evaluation study to create evidence-base for implementation guidance. • Created new policies to procure properties, measure performance, and report from/to various stakeholders. • Modified terms and conditions to help fund managers who struggled to buy investment properties. • Incrementally released SIP cash to fund managers as they met benchmarks.

Barriers

Investors identified several barriers that complicated SIP implementation. We group those barriers into two categories: stakeholder characteristics and property markets.

The first set of issues related to the characteristics of stakeholders who participated in the SIP. The administrators we spoke to had to convince departmental and ministerial heads to support the SIP.

Because the SIP was novel to those stakeholders, proponents had to explain the SIP's comparative efficiency with finance models that government officials were more familiar with.

The inexperience that ministerial and department heads had with this social investment product meant they lacked policies to implement it. This fuelled concerns about ceding control over implementation to third-party organisations. Since DLUHC is a public entity accountable to voters, ceding control to a third-party posed political risks that administrators had to manage.

After they convinced DLUHC to finance the SIP, the administrators we spoke monitored its implementation through quarterly / annual reports that were submitted to them by fund managers. Their ability to monitor implementation was complicated by investees who failed to submit KPI data. As a result, investors were unsure if all investees were meeting their implementation benchmarks.

The second set of issues pertained to the dynamic of local property markets. The investors needed properties to be expeditiously purchased at a price that yielded a desirable return and met the unique needs of clients, but an unexpected spike in housing prices during COVID-19 made it hard for fund managers to do this. The impact of market pressures on procurement varied across local authorities because some were more affected by inflation than others.

While housing costs limited the number of properties that investees could purchase, COVID-19 restrictions slowed procurement by making it harder to view units that were financially accessible. The administrators we spoke to said those structural constraints interacted with organisational factors (i.e., flexibility) to slow or expedite procurement. Some fund managers and investees procured units faster than others. This made it more difficult for investors to achieve their goals within the timeframes that they initially set.

Enablers

The investors identified several enablers that helped them implement the investment pilot: external shock, organisational characteristics, and systemic factors.

COVID-19 jolted UK homeless systems. The pandemic put millions of households at-risk of rough sleeping. This motivated key stakeholders to take actions that limited the impact of COVID-19 on British society.

The investors' COVID-19 response was facilitated by characteristics of their organisation. BSC had planned the SIP before the pandemic started. Because COVID-19 made new resources available for homeless assistance, it gave BSC a chance to implement its existing plan. BSC's in-house team designed and implemented the SIP whilst the pandemic made government officials more receptive to policy innovations. .

That said, key stakeholders discussed systemic factors that facilitated SIP implementation. The first thing they talked about was network ties (i.e., local authorities, investors, charities, DLUHC, and BSC) their organisation had before the pandemic started. During the crisis, those relationships helped investors brainstorm ideas and coordinate action.

Established relationships however were not enough. DLUHC was motivated to join the SIP because BSC presented a detailed plan and offered to match funding for the pilot. In this regard, the promise of BSC to match DLUHC's £15 million contribution to the SIP meant the investors initially raised £30 million for the pilot.

Apart from that, communication between the organisations facilitated implementation. National governments in the UK adopted unprecedented restrictions to mitigate COVID-19 infection. This moved a lot of work online and allowed investors to connect with key stakeholders who were spread across the country. The administrators we spoke to also used that technology to monitor SIP implementation. This let them quickly update one another about and resolve implementation issues.

Strategies

Investors used multiple strategies to implement the SIP. Here, we discuss the way key stakeholders prepared, monitored, and adapted the pilot.

The first set of strategies helped investors prepare the SIP for implementation. Because DLUHC lacked experience with this social investment product, the administrators we spoke to had to convince its ministerial and department heads to participate. To this end, they performed due diligence on candidates whilst selecting low-risk partners. Practicing due diligence involved asking questions about the amount of money raised and social impacts that were previously created by different fund managers.

Aside from the characteristics of investees, ministerial and departmental heads were concerned about the implementation's timescale. Recall the political forces that influenced decision-making at DLHUC. A lengthy timescale may deny politicians a resource during election cycles. Investors speculated this may have discouraged ministers and department heads from supporting the SIP. To minimise resistance, the investors initially set narrow timescales that were subsequently expanded to deal with unexpected implementation barriers.

After they secured funding and initiated the SIP, BSC scheduled regular meetings with fund managers to monitor implementation progress. Reports presented at these meetings were based on key indicators about the performance of investees. The annual and quarterly meetings were supplemented by monthly ones to address issues that emerged during implementation.

Although those meetings were often used to solve implementation problems, they were also an opportunity for BSC to hold fund managers accountable. BSC could withhold funding if fund managers missed benchmarks; however, BSC rarely if ever used that strategy. One administrator that we spoke with thought this was because fund managers knew they would struggle to work with BSC in the future if they under-performed.

Investors faced unexpected barriers whilst implementing the SIP. For example, it was harder to procure units in some property markets than in others. BSC helped fund managers diagnosis and fix problems that they confronted in their local housing markets. This meant figuring out if the issue was rooted in property market dynamics, search strategies that the investee used to find properties, the quality criteria that investees used to select units for procurement, or some combination of these things.

BSC used KPI data to help fund managers overcome implementation problems. At other times, BSC adjusted timelines to help fund managers who struggled to buy properties. BSC also had regular meetings with DLUHC to update them on the progress of fund managers.

3.2 Fund managers

Fund Manager Overview		
Aims	*Resonance*	• Prove efficacy of SIP to normalise this social investment product. • Recruit more investors to finance future social investments like this one.
	SASH	• Obtain 5.7-6.0% return on investment. • Prove efficacy of SIP to normalise this social investment product. • Obtain 5.7-6.0% return on investment.
Risks	*Resonance*	• Not getting the financial return for investors. • Unable to demonstrate the SIP could produce returns desired by private investors.
	SASH	• Not getting the financial return for investors.
Barriers	*Resonance*	• Local authorities and investors worried market barriers would stymie procurement. • Property market barriers, housing partner expectations, and local politics slowed the procurement and letting of units. • KPI data was inconsistently provided by some investees. • Inconsistent reporting requirements made it hard for Resonance to work with different investors.
	SASH	• Inefficient decision-making process of investees slowed procurement. • Privacy concerns impeded data sharing by some investees. • Staff turnover amongst service providers challenged implementation. • Property market constrains in Oxford slowed procurement in that local authority. • SASH conflicted with some councils over the use of SIP properties.
Enablers	*Resonance*	• Discretion to change procurement policies to accommodate market barriers. • Procuring units was challenging in current housing markets. There were unique issues with procuring appropriate units in

		the Northwest and, generally more challenging to procure one-bedroom properties. • Existing organisational structure allowed some fund managers to quickly implement the SIP. • Information about clients that was provided by investees improved staff morale at the fund manager.
	SASH	• In-house expertise helped investees adapt their organisation to SIP demands. • An in-house team allowed the fund manager to implement the SIP. • Organisational partners delivered property consultancy to investees. • Software has reduced data errors by automating the cleaning process. • Longstanding relationship with BSC smoothed SIP implementation.
Strategies	*Resonance*	• Approached local authorities, pension funds, and private foundations for SIP funding. • Chose procurement policies that allowed investees to set rents at the Local Housing Allowance rate. • Eased procurement requirements to help investees access suitable accommodation. • Altered eligibility criteria to rehouse homeless households in available properties. • Performed due diligence on service providers to select trustworthy ones who could deliver returns. • Regularly met with investees to identify and resolve implementation problems. • Adjusted meeting schedule throughout implementation to accommodate the ebb and flow of procurement. • Took control of data management and clarified data collection requirements for investees.
	SASH	• Monitored procurement by investees through regular reports and meetings. • Referred investees to outside agencies who helped them procure properties. • Avoided complications by incrementally procuring properties over time. • Used collaborative problem-solving to solve with implementation problems. • Performed due diligence on service providers to recruit competent agencies into the SIP. • Hired new staff to implement the SIP.

		• Created a forum where investees could share information about best practices.

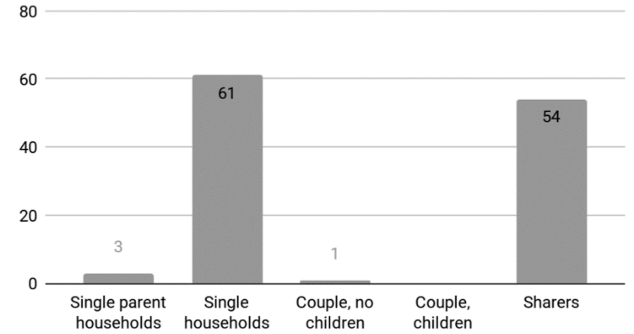
Programme Distribution

This section includes descriptive statistics detailing the composition and varied demographic characteristics of households living in both SASH- and NHPF2-funded units.

SASH Descriptive Statistics Overview

Number Housed and Household Composition

Figure 3. Number of People Housed by Household Type (SASC, Q2 2023).

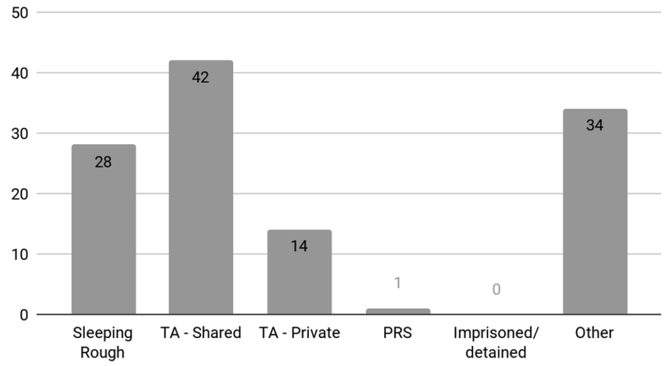


By the second quarter of 2023, the units funded by the investment enabled SASH to house 119 people in total, an increase of 12% compared with the previous quarter (see Figure 3). Approximately half of these units were allocated to single households (51%), while 45% were categorised as sharers. Only 3 households are classified as single parent households, and one couple with no children is listed.

Previous Housing Situation

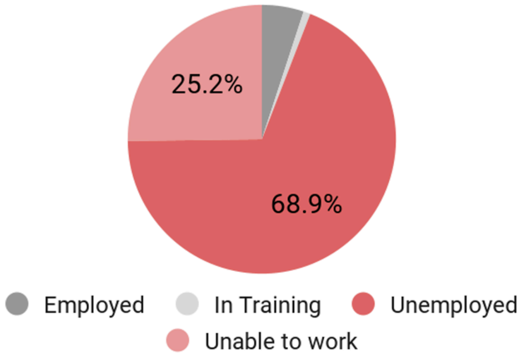
Many participants in the SASH programme reported having experienced different forms of housing insecurity (see Figure 4). As of Q2 2023, almost half of the households were previously in temporary accommodation (47%), with 35% in shared temporary accommodation and 12% in private temporary accommodation. Additionally, 24% of the individuals had experienced rough sleeping prior to the programme.

Figure 4. Number of People Housed by Previous Housing Situation (SASC, Q2 2023).



Employment Status

Figure 5. People Housed by Employment Status on Entry (SASC, Q2 2023).



Examining employment status on entry into SASH-funded supported housing, data reveals that only 5% of households included someone who was employed, while nearly 70% were unemployed, and a quarter faced barriers preventing them from working (see Figure 5).

Support Needs

Figure 6. People Housed by Support Needs (SASC, Q2 2023).

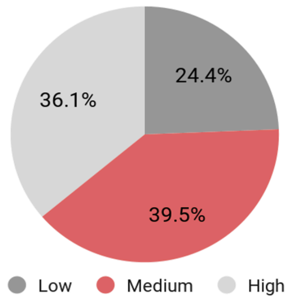
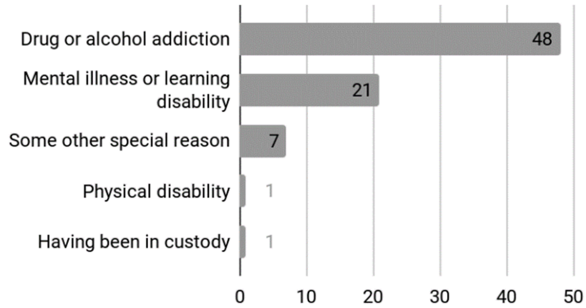


Figure 7. Number of People Housed by Beneficiary Type (SASC, Q2 2023).



By the second quarter of 2023, 36% of people housed in a SASH-funded unit reported having a high level of need for support or multiple such needs (see Figure 6). This group includes long-term rough sleepers and those that require extensive support through Housing First or supported housing with high-level management and support. Almost 40% of people housed in SASH units reported have medium support needs (see Figure 6), a category that includes those individuals with a significant or recurring history of rough sleeping and/or health, care, and support requirements that are most effectively addressed through supported housing or housing-led placements with sufficient floating support. Notably, less than a quarter (24.4%) of individuals have low support needs (see Figure 6), meaning they recently started experiencing homelessness and/or reported experiencing less significant health or support needs.

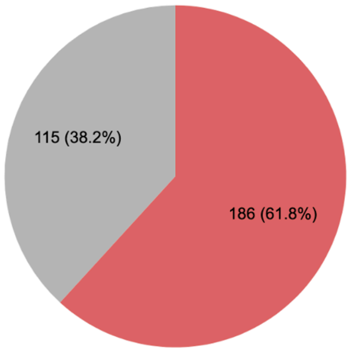
Length of Stay

Regarding the length of stay for people housed in SASH units, 81% of households have been in their accommodation for less than a year, and the remainder have been housed between 1 and 2 years. Furthermore, the percentage of abandonments was 3% in Q2 2023, compared with 8% the previous quarter. All households have reported being satisfied or more than satisfied with their accommodation.

NHPF2 Descriptive Statistics Overview

Number Housed and Participant Age

Figure 8. Number of People Housed by Age (2022–2023).

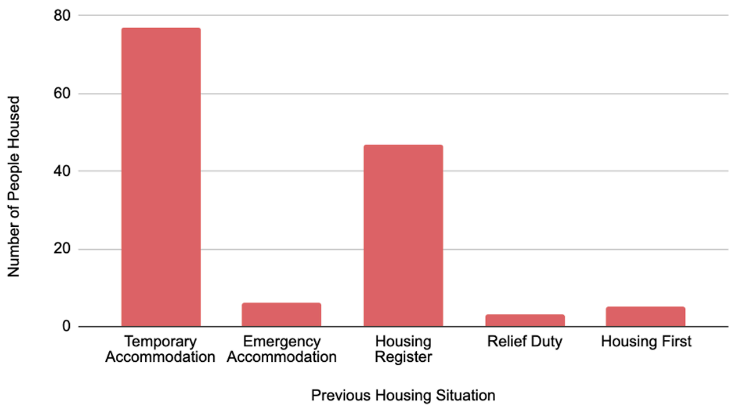


In the period spanning 2022-2023, the units funded by the NHPF2 investment housed 301 people in total. 186 (61.5%) were adults, and 115 (38.2%) were children (see Figure 8).

Previous Housing Situation

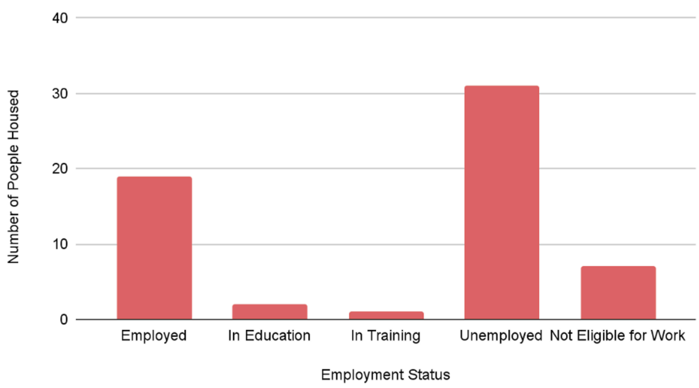
In the period spanning 2022-2023, people housed in NHPF2 units had varied previous housing situations, 140 of which were documented. 77 (55%) were previously housed in temporary accommodation (see Figure 9). 6 were housed in emergency accommodation. 47 (33.6%) were previously on the Housing Register. 3 (2.1%) were housed via the relief duty, and 2 (1.4%) were housed via out of area movements (see Figure 9).

Figure 9. Number of People Housed by Previous Housing Situation (2022–2023).



Employment Status

Figure 10. Number of People Housed by Employment Status (2022–2023).

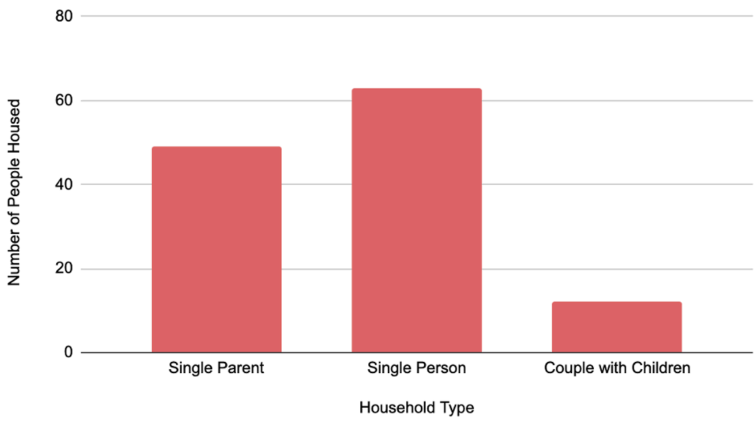


In the period spanning 2022-2023, people housed in NHPF2 units had varied employment statuses, 60 of which were documented. 19 people (31.7%) were employed (see Figure 10). 2 people (3.3%) were in education. 1 person (1.7%) was in training. 31 (51.7%) were unemployed, and 7 (11.7%) were not eligible for work (see Figure 10).

Household Type

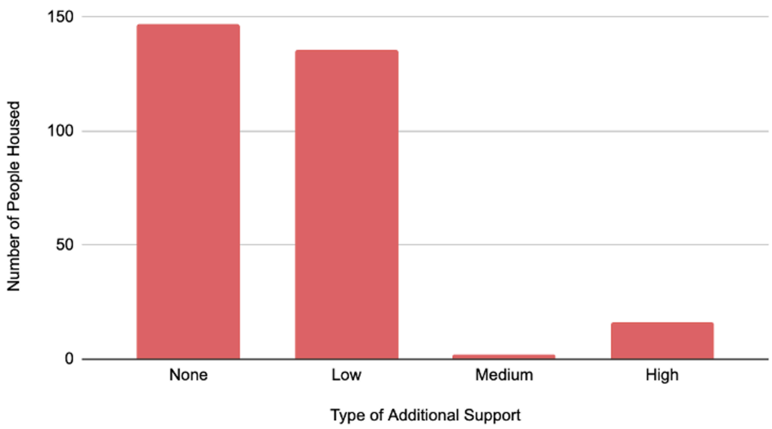
In the period spanning 2022-2023, people housed in NHPF2 units had varied household types, 124 were documented. 49 (39.5%) were single parent households (see Figure 11). 63 (50.8%) were single person households, and 12 (9.7%) were households comprised of a couple with children (see Figure 11).

Figure 11. Number of People Housed by Households Type (2022–2023).



Type of Additional Support Received

Figure 12. Number of People Housed by Type of Additional Support Received (2022–2023).



In the period spanning 2022-2023, people housed in NHPF2 units received varied types of additional support, which were documented for all 301 people. 147 (48.9%) received no additional support (see Figure 12). 136 (45.2%) received a low amount of additional support services. 2 (<0.7%) received a medium amount of support services, and 16 (5.3%) received a high amount of additional support services (see Figure 12).

Understanding Programme Targeting

Given the fund's objective to support people experiencing homelessness and rough sleeping, to be effectively targeted, a high number of units of affordable housing should be located in local authorities with high levels of homelessness and rough sleeping, and more generally with substantial need for affordable housing. In the following analyses, the location and number of units within the NHPF2, REIF, and SASH projects (as of November 2023), are assessed against five key measures of need in each LA:

- the number of homelessness assessments (January-March 2023 DLUHC Statutory Homelessness Statistics)
- the number of people experiencing rough sleeping (Autumn 2022 DLUHC Rough Sleeping Snapshot)
- the number of households living in temporary accommodation (January-March 2023 DLUHC Statutory Homelessness Statistics),
- Income Deprivation Rate, which 'measures the proportion of the population experiencing deprivation relating to low income' (2019 Office of National Statistics Indices Multiple Deprivation)

- The number of units of 'affordable' housing owned by the local authority [(2021-2022 DLUCH Housing Statistics)](#)

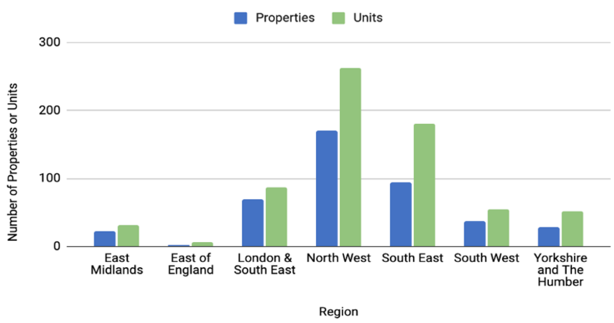
These indicators reflect the degree to which different forms of homelessness and income-related deprivation are experienced in each local authority and track the degree to which these needs are met by its affordable housing supply. Local authorities with higher levels of homelessness, as measured by statutory homelessness assessments, rough sleeping, and temporary accommodation, when combined with a limited stock of housing available at 'affordable' rent, should be considered optimal areas to target with BSC-funded units.

In order to assess the degree to which the units provided by each of the three funds are effectively targeted, all LAs in England were sorted into deciles according to these five indicators of need, with D1 representing the lowest tenth of figures (lowest need) and D10 representing the highest tenth of figures (highest need); note that this spectrum is flipped when assessing affordable housing stock, and higher deciles indicates more affordable housing available. The postcode of each unit was matched to the LA in which it is located and to the attendant decile for each indicator. The results are represented in ten graphs and discussed in the following sections.

Geographical Dispersion

The NHPF2, REIF, and SASH, when combined, include units across 56 LAs which represents 17.7% of the 317 total LAs in England (see Figure 13). There are a total of 467 properties, which comprise 771 units (or bedrooms) across the three projects; NHPF2 comprises the highest number of properties (297), followed by REIF (53), and SASH (73). These local authorities are spread across England, including several in each of the North West, South East, South West, and Greater London. Larger proportions of properties are located in the North West, South East, and London.

Figure 13. Number of Properties and Units per Region (All 3 Funds).



Targeting based on homelessness assessments

Figure 14. Number of Properties per LA by Decile of Total Homelessness Assessments (All 3 Funds).

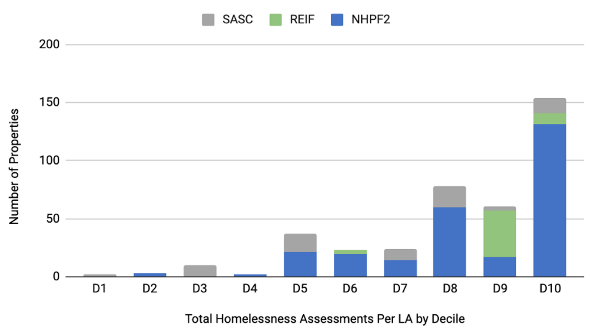


Figure 15. Number of Units per LA by Decile of Total Homelessness Assessments (All 3 Funds).

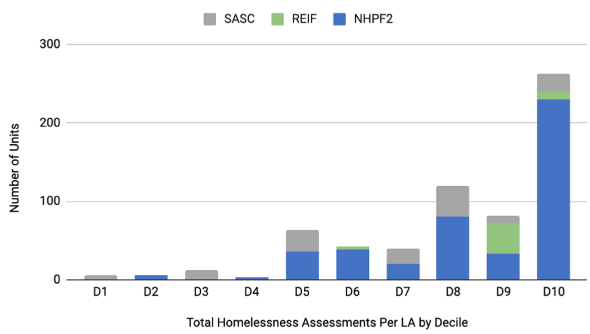


Figure 14 shows the number of properties in the three programmes combined per LA by decile of total homelessness assessments. Most properties and units are in areas with a high number of homelessness assessments.

154 properties (34% of total) are located in the 10% of areas with the highest number of homelessness assessments, and 317 (67.8% of the total) are located in the top 40% of LAs according to homelessness assessments. This is driven primarily by properties in the NHPF2-funded programme, which comprise 70% of the properties in the top 40% of LAs by homelessness assessments. Only 54 properties (11.5% of total) are in LAs with total homelessness assessments below the median level of homelessness assessments.

These proportions remain similar when the programmes are assessed by units in Figure 15: 33.9% of units are in the top 10% of LAs by homelessness assessments, and 65.3% of units are in the top 40% of LAs by homelessness assessments. Only 11.6% of units are in LAs with total assessments below the median.

Targeting based on rough sleeping figures

Figure 16. Number of Properties per LA by Decile of Rough Sleeping Count (All 3 Funds).

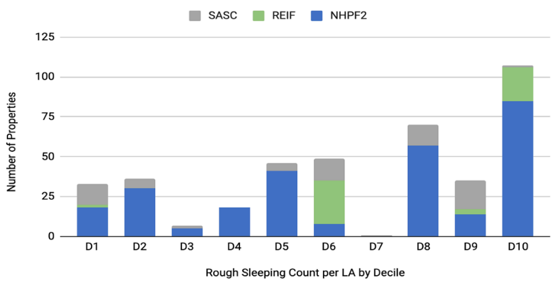


Figure 17. Number of Units per LA by Decile of Rough Sleeping Count (All 3 Funds)

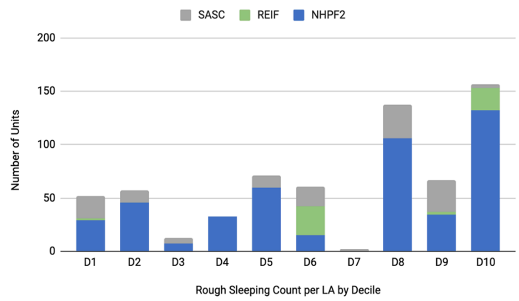


Figure 16 shows the number of properties per LA by decile of the number of people seen to be experiencing rough sleeping. Programme units are more spread out over the range of LAs according to this measure. Just 262 properties (56% of total) are located in the top half of LAs by rough sleeping figures. This is driven primarily by properties in the top 10% of LAs by rough sleeping, in which just over a fifth (22.9%) of the total properties are located; these LAs include Bristol, City of Croydon, Lambeth, Liverpool, Manchester, Newham, Oxford.

Notably, only one property is located an LA in the seventh decile by the number of people seen to be experiencing rough sleeping, in the City of Kingston upon Hull. In terms of the 10% of properties located in LAs in the bottom decile of LAs by rough sleeping, these include the areas of: Bromley, Forest of Dean, Knowsley, North Kesteven, Rotherham, Sefton, South Oxfordshire.

These proportions remain similar when the programmes are assessed by units in Figure 17: units are split nearly equally in LAs above and below the median rough sleeping count, and about a fifth (20.4%) of units are in the top 10% of LAs by rough sleeping.

Targeting based on Households in Temporary Accommodation

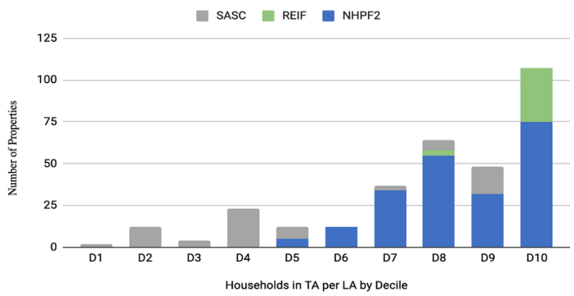


Figure 18. Number of Properties per LA by Decile of Households in TA (All 3 Funds).

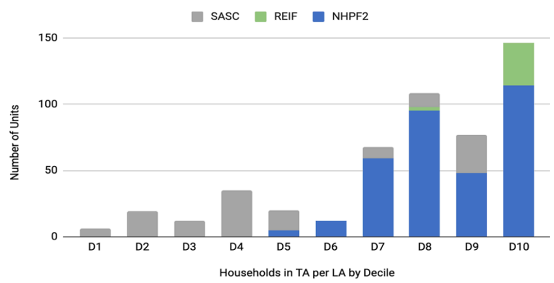


Figure 19. Number of Units per LA by Decile of Households in TA (All 3 Funds).

Figure 18 shows the number of properties in the three programmes combined per LA by decile of the number of households living in temporary accommodation. Most properties and units are in areas with a high number of households living in temporary accommodation.

107 properties (22.9% of total) are located in the 10% of areas with the highest number of households living in temporary accommodation, and 256 (54.8% of the total) are located in the top 40% of LAs according to households living in temporary accommodation. This is driven primarily by properties in the NHPF2-funded programmes, which comprise 64.8% of the properties in the top 40% of LAs by the number of households living in temporary accommodation. Only 53 properties (11.3% of total) are in LAs with total households in temporary accommodation below the median.

These proportions remain similar when the programmes are assessed by units in Figure 19: 31.3% of units are in the top 10% of LAs by temporary accommodation, and 51.7% of units are in the top 40% of LAs by temporary accommodation. Only 11.2% of units are in LAs with temporary accommodation use below the median.

Targeting based on Income Deprivation Rate

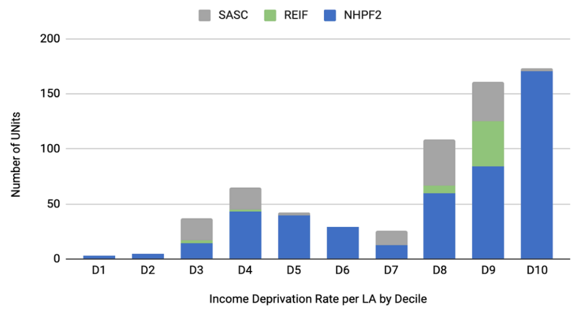


Figure 20. Number of Units per LA by Decile of Income Deprivation Rate (All 3 Funds).

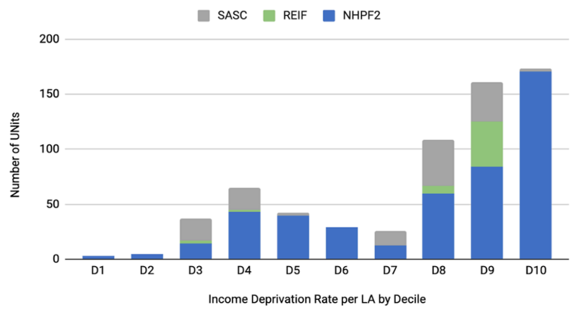


Figure 21. Number of Units per LA by Decile of Income Deprivation (All 3 Funds).

Figure 20 shows the number of properties per LA by decile of the income deprivation rate, which refers to the proportion of households deemed to be experiencing deprivation due to a low income. Most properties and units are in areas with high income deprivation rates.

119 properties (25.5% of total) are located in the 10% of areas with the highest income deprivation rates, and 281 (60.2% of the total) are located in the top 30% of LAs according to income deprivation rate. This is driven primarily by properties in the REIF and NHPF2-funded programmes, which comprise 86% of the properties in the top 30% of LAs by income deprivation rates. Only 89 properties (19.1% of total) are in LAs with an income deprivation rate below the median.

These proportions remain similar when the programmes are assessed by units in Figure 21: 22.4% of units are in the top 10% of LAs by income deprivation rate, and 57.5% of units are in the top 30%

of LAs by income deprivation rate. Only 11.2% of units are in LAs with an income deprivation rate below the median.

Targeting by Affordable Rental Housing Stock

Figure 22. Number of Properties per LA by Decile of Affordable Housing Stock (All 3 Funds).

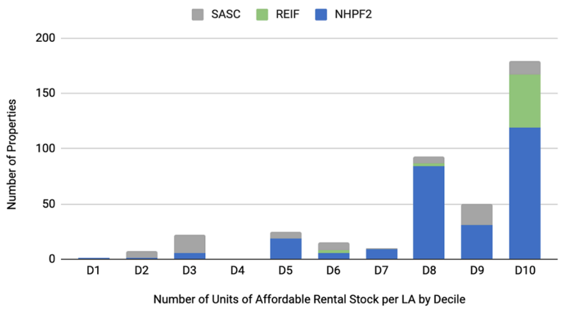


Figure 23. Number of Units per LA by Decile of Affordable Housing Stock (All 3 Funds).

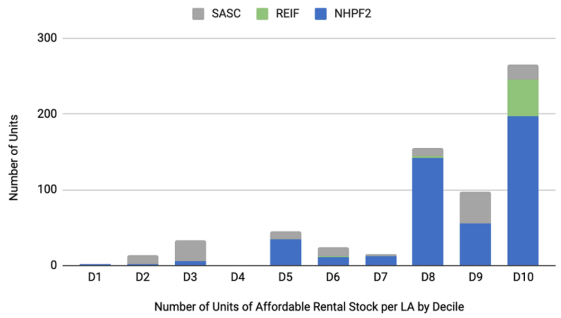


Figure 22 shows the number of properties per LA by decile of affordable housing units owned either by LA or private providers in each LA. Most properties and units are in areas with higher numbers of affordable housing units.

179 properties (38.3% of total) are located in the 10% of areas with the highest number of affordable housing units, and 322 (69% of the total) are located in the top 30% of LAs according to affordable housing units. This is driven primarily by properties in the REIF and NHPF2-funded programmes, which comprise 88.5% of the properties in the top 30% of LAs by affordable housing. Only 55 properties (11.8% of total) are in LAs with total units of affordable housing below the median.

These proportions remain similar when the programmes are assessed by units in Figure 23: 34.3% of units are in the top 10% of LAs by income deprivation rate, and 67.1% of units are in the top 30% of LAs by income deprivation rate. Only 12.2% of units are in LAs with an income deprivation rate below the median.

Fund manager perspectives

The team was only able to interview staff from Resonance and SASH for this study, but not Bridges Fund Management. The following more detailed analysis of funding manager implementation is therefore based on the experience of those fund managers.

Barriers

Both fund managers confronted barriers in local property markets, organisational partnerships, and data reporting whilst implementing the SIP.

The first set of barriers emerged from property market constraints. SASH, for example, sought a 6% yield on SIP properties.[16] It struggled to buy properties in tight housing markets where unit prices exceeded its budget. This prevented it from meeting procurement benchmarks in some property markets.

[16] To clarify, there were two tranches of SASH funding. Where SASH I sought a range of yields, SASH II set a 6% target for return. Because we only sampled properties from SASH II, we did not describe the range of yields pursed in SASH I.

In contrast, Resonance aimed to achieve a return of about 3% cash yield and this restricted the properties it could purchase. This was compounded by the goal to procure units that were suitable for the SIP's target group. Achieving that goal meant excluding some properties that were in difficult-to-let areas or located above the ground floor. Doing so extended the length of procurement by rejecting properties that could be purchased within the fund manager's budget.

Like SASH, Resonance faced different procurement barriers in different housing markets. The administrators we spoke to said it was easier to buy units in London than in Manchester. In part, this was due to different expectations of investees about the type and location of properties that would be purchased with SIP funds. The limited number of properties that met the investee's quality criteria slowed procurement in Manchester. As we will demonstrate below, Resonance had to modify its initial policies to deal with this unexpected problem whilst implementing the SIP.

The second group of barriers were related to organisational partnerships. Resonance had to convince investors to support the SIP. This was a long process that required engagement with intermediaries (i.e., investment consultants) and may havedelayed access to funding and unit procurement.

Resonance also faced difficulties whilst working with some service providers. For example, SHG was a new organisation that Resonance collaborated with. It is a Housing Association and therefore distinct from charities Resonance had previously worked with and its staff quickly learned collaborating with SHG would be different than other agencies. The new partnership forced Resonance to design new contracts that met SHG's expectations. Resonance also confronted problems with SHG's unit specifications. High, inflexible standards limited the units that Resonance could buy. Both impediments delayed unit procurement.

SASH identified additional barriers that were related to its organisational partners. Some of its investees were new to property management and lacked skills / policies to procure units. Procurement by those investees was consequently slow because their administrators had to develop new skills during SIP implementation.

Service providers were not the only partners that SASH faced difficulties working with. Local authorities also created problems when their vision for SIP properties conflicted with that of SASH. Such conflicts extended contractual negotiations and delayed the letting process once properties were purchased.

The third set of barriers pertained to data reporting. Investors required fund managers to deliver quarterly reports on SIP performance so they could monitor implementation. Those reports were based on KPI data that was collected by service providers.

Key stakeholders identified two data issues that have complicated reporting. The first problem was investors had different expectations for quarterly reports. As a result, Resonance lacked standardised performance measures. Even if Resonance had standardised performance measures, it would have still confronted data lags by some investees. In contrast, SASH said data production was generally smooth with its organisational partners. The only data issue that SASH mentioned about data pertained to privacy concerns. According to one key stakeholder, some service providers were slow to share sensitive data about their clients.

Enablers

That said, key stakeholders discussed several enablers—investee and fund manager characteristics—that helped fund managers implement the SIP.

The first set of enablers were related to the characteristics of investees. The fund managers selected investees based on assets relevant to SIP implementation. Resonance described due diligence that was performed on housing partners, covering a range of topics such as financial security, experience of tenancy management, ability to gather impact data, alignment with social investment aims and interest in growth. Assets like network ties and organisational experience were said to help fund managers implement the SIP.

The administrators we spoke to also cited the flexibility of investees as an implementation enabler. For example, Resonance said the willingness of Nacro to accept accessible units in London facilitated implementation and contrasted this with the challenge of working with a coalition of housing partners in Manchester who they perceived to be more risk-averse and less committed to the target cohort as their primary purpose. The proximity of housing providers to service recipients was also important for fund managers because it helped them better understand the impact of the investment and boosted staff morale at the fund manager by sharing stories about the SIP's implementation and impact on service recipients.

The next set of enablers were located within the fund manager. A key stakeholder at SASH said their in-house team had several members who helped the organisation implement the SIP. SASH's in-house team shared their expertise with investees to help them implement the SIP. If SASH's in-house team either could not or would not provide implementation guidance, key stakeholders said they referred investees to another service provider who helped them deal with the problem.

SIP funding was incorporated into larger property funds that fund managers were already operating. Although this evaluation focuses on the specific funding associated with the SIP, the larger funding vehicles the SIP is located within have likely impacted on programme implementation.

Fund managers described characteristics of investors that advanced the SIP's implementation. For example, an administrator that we spoke to said the inclusion of SIP funds in a larger fund supported by private capital expanded the resources that Resonance had to purchase properties and in a number of cases housing providers that participated in the SIP programme also participated in the wider social investment funding programmes being run by the fund managers. Access to private capital likely gave Resonance additional flexibility to deal with the procurement challenges it faced in Manchester.

Lastly, key stakeholders said the organisational changes they initially made to implement the SIP allowed their agency to scale-up the pilot with a top-up. For example, Resonance described both creating a new fund and a top-up fund.

Strategies

Fund managers used several strategies to navigate their institutional context.

Both fund managers worked closely with investees to implement the SIP. One of the first things Resonance did was create a division of labour with investees to facilitate unit procurement, property maintenance, and tenant selection. The initial division of labour was later modified to address unexpected challenges that emerged during implementation. For example, Resonance changed the way it initially managed KPI data to address the entry gaps that we previously discussed. To perform its role in the SIP, SASH had to hire new staff who helped manage implementation.

After a division of labour was established, both fund managers scheduled regular meetings with investees. A key stakeholder at SASH said these routine meetings facilitated procurement and occupancy. Joint meetings were essential because most investees lacked experience doing those things. Both fund managers adjusted the frequency of these meetings to address problems at different stages of implementation. For example, the team would meet more often whilst struggling to procure units and less once its procurement targets were met. During these meetings, Resonance learned a lot about best practices and shared that knowledge with other investees. SASH planned to take this strategy a step further by setting up a forum where investees could share knowledge about SIP implementation.

Buying properties was challenging for different reasons.

Because Resonance wanted to let them affordably to tenants whilst producing a financial return, it limited the amount that was spent on each unit. Resonance consequently struggled to purchase units in some housing markets. A stakeholder from Resonance previously said they dealt with this issue by changing their eligibility criteria and buying larger units, asking investees to lower specification standards, and purchasing large portfolios to decrease unit price.

In contrast, SASH adjusted the procurement process to accommodate the expertise of investees. One key stakeholder said they incrementally purchased units to prevent investees from getting overwhelmed during implementation. Although this may have slowed the initial stages of procurement, it could have reduced implementation problems later on.

4. Local implementation: Housing providers

In this section, we use interview data to analyse the experience of investees during SIP implementation.

4.1 Nacro

Nacro Overview		
Overview	*Fund Manager*	• Resonance
	Procurement process	• Resonance buys a property; • Nacro leases it from Resonance; and • Tenants sublet the unit from Nacro.
	Partnership Agreement	• Resonance collaborated with Nacro to select and procure properties. • Resonance owns each unit. • Nacro leases the properties from Resonance for 10 years. • Nacro is responsible for property maintenance. • The properties will get returned to Resonance after 10 years. • Resonance will then sell the properties to another social investor.
	Number of Investment Properties	• 56
	Property Locations	• East London • Southeast London
	Rent	• Average is £369 /week. • About £200 of that figure per unit is returned to Resonance.
	Risks	• Conflicting requirements with different timelines. • Two-year limit on wraparound support might not work for some clients. • Failure to maximise social return.
	Tenant characteristics	• History of rough sleeping • Currently homeless • At-risk of homelessness • Complex needs
	Length of tenancy	• Two years
Theory of Change	*Logic*	• A leasing model for charities based on leasing from a social investor.

	Mechanisms	• Use of strength-based and trauma-informed interventions to build rapport with and motivate change by service recipients. • Establish multi-agency partnerships with local stakeholders to provide support network for clients. • Developing capacity to collect and store standardised data on performance measures. • Facilitate virtuous cycle of social investment by achieving returns for fund managers.
	Inputs & Outputs	• Collaboration with a value-oriented housing provider will allow clients to access 2-year leases. • Access to long-term leases will let caseworkers do evidence-based interventions that foster independence by helping service recipients identify and achieve personal goals. • Evidence-based interventions will help caseworkers develop rapport with clients, motivate service engagement, and facilitate personal change.
	Output Pathways	• Providing case management that helps clients get off the street, reintegrate into mainstream society, and positively move-on to independent accommodation from supported housing. • Referring clients to healthcare professionals like GP surgeries, substance abuse treatment, and mental health counsellors where they can get physical and mental health needs met. • Access to longer leases will give clients the time to make personal change that they need to become independent and positively move-on from support housing.
Barriers	*Training requirements*	• Training requirements for staff serving clients in social investment properties initially slowed implementation.
	Property market	• Market barriers have hindered access to low-deprivation neighbourhoods. • The social investment properties charge higher rents than other ones. • Harder to move clients on from social investment properties because they are higher quality than those that are otherwise accessible in the standard rental market.
	High need clients	• Many clients are unmotivated to change. • Teaching formerly homeless people how to live settled accommodation is sometimes challenging.
	Grant requirements	• Local government (i.e., GLA) imposed time barriers on service delivery that conflicted with needs of some clients.

Enablers	*Unit characteristics*	• Access to SIP properties that let caseworkers practice evidence-based case management and give clients the time they need to make substantive personal changes. • Provision of high-quality furnished units has helped caseworkers build trust with clients that they use to facilitate service engagement and personal change.
	Information sharing	• Professional advice provided to Nacro staff by the fund manager facilitated implementation. • Regular contact with fund manager has allowed good communication.
	Network ties	• Local charities provided Nacro tenants furnishings for their apartments. • Building new relationships allowed Nacro to meet diverse needs of new clients.
Strategies	*Service Interventions*	• Used evidence-based interventions to build rapport and motivate progress toward personal goals. • Increased engagement with tenants who are struggling to sustain their tenancy. • Eviction only used as a very last resort in extreme cases. • Expedite unit inspections.
	Adaptation	• Hired more staff to deal with new responsibilities created by the SIP. • Created new roles within the organisation to implement SIP. • Adapted long-term strategic planning to seek out and exploit new social investment opportunities.

Theory of Change

Nacro partnered with Resonance to deliver wraparound services to investment property tenants. Nacro is a charity that primarily helped prison and care leavers (re)adjust to mainstream society before the SIP. Housing support was already one of the services that Nacro gave clients before the SIP began. The SIP has helped Nacro achieve its mission by allowing caseworkers to secure long-term accommodation for clients. In the theory of change, this was predicted to help caseworkers build rapport with service recipients, increase self-sufficiency by facilitating evidence-based interventions over time, grow relationships with various funding agencies, and develop new ties with other service providers by working with them to create sustainable tenancies.

Barriers

Nacro officials identified several barriers that made it hard to implement SIP: training requirements, property markets, high need clients, and grant restrictions.

The first set of barriers involved training requirements that Nacro staff had to meet to work with Resonance. To procure properties and deliver progress updates, Nacro had to regularly communicate with Resonance employees. The stakeholders we spoke to said communication with Resonance ebbed and flowed throughout the pilot. At the beginning, the two organisations communicated frequently to procure units. This changed over time as properties were bought and the need for communication lessened.

Resonance required Nacro to communicate through an electronic system. Nacro staff consequently had to get software installed on their computers and receive training to use that system. Some Nacro team members found that software difficult to learn. This slowed communication during early stages of SIP implementation and made it somewhat harder for Resonance to buy properties. Although some staff members noted this as a barrier, a senior administrator said it was a minor hurdle at the beginning that was quickly overcome.

Another issue Nacro faced was complying with Resonance protocols. Resonance adopted rules to regulate procurement, letting, reporting, and maintenance. As with any new system, Nacro had to get acquainted with and adapt itself to Resonance's policies and procedures. Property procurement was slowed as Nacro climbed this learning curve at the beginning of the pilot. Fortunately, this was a temporary inconvenience. After Nacro was onboarded, staff members were able to easily procure properties with Resonance staff.

The second set of problems were related to local property markets. Although every stakeholder we spoke to praised the SIP for letting clients access units that were higher quality than properties they usually accessed in standard rental markets, several properties were in highly deprived neighbourhoods. This exposed a portion of tenants to environmental stressors that complicated progress toward self-sufficiency and thus positive move-ons to independent accommodation. This problem was exacerbated by budgetary limits that Resonance put on unit procurement and the spatial constraints that caseworkers faced whilst delivering services to clients who lived in scattered-site units.

Regardless of the property's location, every stakeholder lamented higher rents that their clients paid to live in SIP vs. non-SIP properties. Devoting more monthly income to rent and support costs made it hard for tenants to save up for independent accommodation in a rental market that lacked affordable options for low-income tenants. At the time of this study, nobody had positively moved onto unsupported housing because the initial 2-year leases had not expired. Key stakeholders at Nacro were unsure how it would move-on Resonance tenants to properties once their lease ended because most tenants would either be unable to afford independent accommodation in the private rental sector or unwilling to accept available properties in the local social housing stock.

The last set of barriers pertained to needs of SIP tenants. Nacro caseworkers delivered services to clients with complex needs. Each caseworker was assigned multiple clients whose tenancy they tried to maintain. Because every SIP tenant was formerly homeless, caseworkers had to help clients adjust to life in settled accommodation. This task was more complicated for clients who had complex needs like severe mental illness and/or addiction. Some tenancies were thus easier to maintain than others. But generally caseworkers said it was easier to deal with tenancy problems in SIP properties because they could be more flexible whilst dealing with anti-social behaviour and landlord was not demanding an eviction.

The ability of Nacro to use evidence-based interventions with these clients was constrained by its funding sources. Although Resonance gave Nacro a 10-year lease on SIP properties, the local authority (i.e., GLA) who financed the services that Nacro delivered imposed a two-year limit on wraparound support. As a result, Nacro had limited time to work with SIP tenants. Key stakeholders said this timeframe was unproblematic for clients who were motivated to change, but it was an issue for clients who resisted change or had complex needs that required long-term support. This is a limitation of using braided funding to support SIP tenants.

Enablers

That said, the key stakeholders we spoke to identified enablers that helped them generate returns on Resonance's social investment: unit characteristics, information sharing, and network ties.

The first set of enablers were related to the units Nacro accessed through the SIP. The pilot allowed Nacro clients to get higher quality units than they usually accessed through the private or social rental markets. Although key stakeholders wanted to access better neighbourhoods, they also said the SIP helped some of their clients live in safer neighbourhoods than they would have otherwise accessed in the standard rental market.

Resonance properties were geographically dispersed across neighbourhoods. Some of the properties were located by services that clients regularly used. Proximity to these services let clients quickly access help that they needed. Benefits like this helped rehouse some clients in places that facilitated personal change.

Another set of enablers pertained to coordination strategies that Resonance used to help Nacro implement the SIP. Recall the onboarding problems that key stakeholders previously described. As Nacro settled into this new relationship, those difficulties lessened. The key stakeholders we spoke to identified things Resonance did to facilitate their relationship. They praised Resonance's support team for helping them access units, being flexible whilst buying desirable properties, giving professional advice to solve implementation problems, and helping them secure funding to deliver wraparound services.

Assistance however was not unidirectional. Nacro also gave Resonance information about properties during procurement. This helped Resonance quickly buy units in a property market that it was unfamiliar with.

Nacro's relationship with Resonance developed over time as the partners got acquainted with each another. After learning the new software, Nacro could expeditiously communicate with Resonance. This facilitated information sharing that Resonance needed to buy suitable properties for SIP tenants.

The third set of enablers were related to network ties that helped Nacro implement the SIP. A local charity that controlled access to social housing in GLA assessed and referred applicants to Nacro for SIP properties. Nacro also built ties with organisations who provided services to refugees, domestic violence victims, and substance misusers by giving those clients an essential resource (i.e., housing) that the agencies needed to deliver assistance.

The SIP thus gave Nacro a chance to develop new and strengthen existing relationships with various charities. This facilitated resource sharing that let clients access essential goods and services. Such resources helped caseworkers create sustainable tenancies for their clients that would produce the economic and social returns that Resonance wanted to achieve.

Strategies

Nacro used multiple strategies to implement the SIP. Here, we will talk about service interventions and organisational adaptations that Nacro staff discussed.

The first set of strategies were related to service interventions. When caseworkers got a new client, they conducted a needs and risk assessment. Based on those assessments, the caseworker created a support plan. The caseworkers reviewed and updated those plans throughout the clients' tenancy. Support plans were supposed to help clients become self-sufficient and able to manage a tenancy in unsupported accommodation.

To this end, Nacro caseworkers used evidence-based approaches like harm reduction, trauma-informed care, and person-led interventions. A secured lease created this opportunity by giving caseworkers more time to build rapport with clients, allow clients to recover somewhat at their own pace, and experiment with service interventions to meet the evolving needs of clients. Key stakeholders adapted these interventions to each client. For example, caseworkers visited new clients more often at the beginning of their relationship but reduced it over time as they got settled. Caseworkers increased visitations if clients experienced problems that threatened their tenancy.

Occasionally, caseworkers shifted to directive interventions whilst working with some clients. In this regard, caseworkers set clear boundaries of clients whose tenancy was jeopardised by their behaviour. At times, caseworkers referred clients to outside agencies that provided substance abuse and/or mental health treatment. At other times, they had to personally address anti-social behaviour. This helped caseworkers minimise abandonments and evictions for clients. Interventions like these helped sustain tenancies by addressing problems that facilitate rough sleeping.

The second set of strategies pertained to organisational policies. Because it collaborated with Resonance to buy properties, Nacro had to create a process for procuring units. This allowed it to create a new criterion for evaluating properties that Nacro staff now use to inspect properties in the private or social rental markets.

In addition, Nacro expanded the subpopulations it now targets for service delivery. Previously, Nacro predominately helped prison and care leavers (re)enter mainstream society. It has now expanded service delivery to include people who are rough sleeping.

To implement these new policies, Nacro had to hire and train new staff.

Recall the local governments' grant that limited service delivery to two years. The key stakeholders we spoke to said some of their clients required assistance longer than that. They planned to accommodate those clients by extending their tenancies for 6-12 months. Such flexibility allowed Nacro to navigate uncertainty whilst implementing the SIP. This helped Nacro create sustainable tenancies for service recipients.

At the time of this report, Nacro was trying to work out how it will positively move-on clients after their lease expires. Although Nacro planned to offer lease extensions that lasted up to 12 months, in reality some SIP tenants required longer term solutions in supported housing with open-ended leases.

4.2 P3

P3 Quick Facts		
Overview	*Fund Manager*	• SASH.
	Procurement Process	• SASH buys a property; • P3 loaned money from SASH to buy properties; and • Tenants sublet the unit from P3.
	Partnership Agreement	• P3 pays yield to SASH for 10 years. • It can then purchase the property from SASH for 85% of market value. • Yield payment not due until rent received and not received during vacancies.
	Number of Investment Properties	• 36
	Property Locations	• Gloucestershire. • Wolverhampton. • Lincolnshire.
	Rent	• Average is £280 /week.
	Risks	• Vacancies • Property damage
	Tenant characteristics	• Currently homeless • At-risk of homelessness • Complex needs
	Length of Tenancy	• Two years
Theory of Change	*Logic*	• A property ownership model based on debt finance from a social investor for charities who wish to grow their property ownership portfolio.
	Mechanisms	• Service interventions that promote self-sufficiency in clients and reintegrate them into mainstream society. • Motivate personal change by rehousing clients in secure accommodation that meets their wants and needs. • Alignment of interests and regular communication between investment partners.
	Inputs & Outputs	• Trained caseworkers who provide evidence-based interventions.

		• Screening and assessment process matches clients to appropriate housing that creates sustainable tenancy.
	Output Pathways	• Providing services to grow the self-sufficiency that clients need to independently sustain tenancies and reintegrate into society. • Make clinical service referrals to enhance physical and mental health of clients. • Encourage positive move-on by linking clients to charity organisations and fostering commitment to local community.
Barriers	*High need clients*	• Most clients have complex needs that have complicated their tenancy. • P3 caseworkers have to address anti-social behaviour to secure tenancies.
	Property Market	• Tight housing market slowed procurement and limited portfolio diversification. • Property gaps still prevent P3 from addressing the range of housing needs presented by clients. • High rents may prevent or delay positive move-ons. • Some clients may not want to move-on to lower quality units once their SASH lease ends.
	Organisational characteristics	• Some clients have been matched to a shared property and subsequently experienced interpersonal conflicts with their housemate. • The staff have had to carefully manage their conflicting role of landlord and caseworker.
Enablers	*Unit Characteristics*	• Allowed clients to access higher quality units in better neighbourhoods than usually accessed in the rental market. • Facilitated rapport with clients and motivate service usage. • Long-term secure leases have encouraged pro-social behaviour from clients. • Enhanced staff morale and reduced turnover.
	Investment characteristics	• The social mission of SASH allowed flexibility and resource sharing that a traditional bank lender would not grant/give. • A social investment provided the longer-term support that enhanced service delivery. • The investment pilot has let P3 expand into new local authorities.
	Organisational capital	• P3's experience with homeless service delivery meant it had the infrastructure and skills to implement the SIP. • Existing ties P3 had with other service providers helped it get essential resources for clients.

		• Multi-sector partnerships have allowed caseworkers to deliver wraparound services to clients. • The pilot has helped P3 strengthen ties with other agencies by giving them a new material resource that is needed for service delivery.
Strategies	*Service interventions*	• P3 caseworkers use evidence-based case management to build rapport with clients, motivate service utilisation, and address anti-social behaviour. • An in-house maintenance team has facilitated property procurement, maintenance, and adaptations for disabled clients. • Tenancy dissolution is a last resort that has rarely been used to deal with disruptive tenants.
	Screening applicants	• Administrators ensured sustainable tenancies with an assessment process that selects "housing ready" tenants who are ready to change.
	Information sharing	• Bidirectional knowledge exchange allowed partners to jointly identify and address implementation problems.
	Organisational changes	• P3 has hired new staff to implement the investment pilot.

Theory of Change

P3 predicted its experience with homeless services, human capital, and infrastructure would enhance the self-sufficiency and social integration of SIP tenants. The investment properties were expected to facilitate this by giving clients a safe environment where they could overcome barriers to independence. It was expected that the shared values of P3 and SASH would create a positive relationship, ease SIP implementation, and generate returns. The connections that P3 had to local service providers were predicted to meet the various needs of SIP tenants. After a SIP tenant's 2-year lease ended, the combination of quality housing and wraparound support was expected to have prepared them for independent accommodation.

Barriers

Key stakeholders identified three general kinds of barriers that they confronted whilst implementing the investment pilot: high need clients, property market barriers, and organisational characteristics.

The first set of problems pertained to issues clients faced as they transitioned into permanent housing. Because most clients experienced long-term homelessness and had complex needs, their behaviour sometimes complicated their tenancy. Although caseworkers helped clients address these problems, personal issues like these sometimes put their tenancy at-risk of dissolution. A disruptive tenant could stop P3 from letting SIP units in tower blocks if the property management prohibited other clients from living there.

The key stakeholders we spoke to said, although the SIP properties were higher quality than ones they usually accessed, this had advantages and disadvantages. On the one hand, they put clients in environments where they could thrive and were more likely to make personal changes. On the other hand, they could facilitate complacency if clients did not want to move-on to lower quality units once their lease at the investment property expired.

The second set of problems stemmed from the property market. Some stakeholders said the impact of COVID-19 on housing markets increased sale prices and slowed procurement. A tight housing market made it hard for P3 to diversify the properties like one-bedroom flats that it purchased. This in turn created portfolio gaps that constrained the range of clients that P3 could rehouse with the SIP. The tight housing market was also said to thwart positive move-ons because clients could not afford private lets.

The third set of problems related to organisational processes and roles that impeded SIP implementation. Because SASH struggled to buy self-contained properties, P3 sometimes had to put clients in shared accommodation. P3 staff occasionally matched clients in shared accommodation that subsequently conflicted with one another over lifestyle differences. This sometimes facilitated conflicts that the caseworkers had to mediate. Addressing disputes could be made more difficult by the fact that P3 had two roles. On the one hand, it was a service provider who helped clients get/stay rehoused. On the other hand, it was a landlord who held tenants to account for social investors. At times, these roles conflicted in ways that could strain the caseworkers' relationship with clients.

The internalisation of maintenance responsibilities could undermine the relationship that caseworkers had with clients. Caseworkers developed those relationships over time through interventions that built rapport. Failing to answer a maintenance request could thwart that process by creating conflict. Past research showed Housing First caseworkers in the USA develop bonds with helping clients defend their interests against negligent landlords.[17] Because P3 caseworkers were employed by their clients' landlord, they were unable to build rapport in the same way. This might weaken their relationship with clients if maintenance problems go unresolved. However, the close relationship that case managers had with maintenance workers meant they could quickly get maintenance issues addressed.

Enablers

Apart from these barriers, key stakeholders at P3 identified several things that enabled SIP implementation: unit characteristics, investment characteristics, and organisational changes.

The first set of enablers that key stakeholders discussed related to characteristics of SIP properties. All key stakeholders that we spoke to praised the SIP for letting clients access higher quality units in better neighbourhoods vis-à-vis those that they usually accessed in the social or private markets. Owning properties let P3 quickly refurbish the apartment to meet their clients' needs and address maintenance problems in their units. This was said to help caseworkers to build rapport with their clients by demonstrating their efficacy and reliability.

Key stakeholders also said furnished properties gave some clients stability and a sense of pride that motivated personal change as their tenancy progressed. This helped key stakeholders meet the needs of clients in ways that facilitated physical, mental, and social well-being. Tenants were not the only benefactor of high-quality properties. Key stakeholders said those properties also boosted staff morale and reduced turnover in their agency. This likely had trickle down effects if boosted morale improved services that were delivered to clients.

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[17] Grainger, Garrett L. (2024) "How Do Housing First Caseworkers Mediate Landlord-Tenant Conflicts?" *Housing, Theory and Society* 41(2): 147–168. https://doi.org/10.1080/14036096.2023.2268637

The second set of enablers pertained to the SIP's characteristics. The SIP was provided by a value-oriented lender. Key stakeholders appreciated the values that SASH shared with P3. A shared vision and common purpose helped P3 administrators communicate with SASH about the pilot's implementation. During these conservations, key stakeholders said they received valuable guidance and negotiated contractual changes that facilitated procurement despite unintended barriers.

Although some key stakeholders lamented the risk P3 shouldered if it did not generate the economic returns and social impacts that SASH expected, they appreciated the certainty of a social investment that traditional grants lacked. That certainty stemmed from the length of tenancies facilitated by P3's lease agreement with SASH. Longer tenancies were said to enhance service delivery by giving caseworkers more time to work with clients. It also allowed P3 to expand into new local authorities.

The last set of enablers stemmed from P3's organisational capital. Because it was an established organisation, P3 had an infrastructure that it used to implement the SIP.

P3 also had protracted experience managing supported housing units. This helped it secure, maintain, and let SASH properties.

The relationships that P3 had created with other service providers over the years allowed it to sustain tenancies by connecting clients to resources they needed to live in settled accommodation. This was aided by the multi-sector partnerships that P3 had established with local authorities. P3 used that partnership to furnish SIP units with goods obtained from local charities. The units also allowed agencies who did not own properties like mental health and substance abuse providers to deliver services to clients at their new home.

This suggests the SIP has strengthened P3's position in local communities whilst helping clients transition into permanent housing from homelessness. By moving clients into housing, the investment properties relieved pressure on P3's hostel system at time when homeless applications have increased and grown the ambition of local governments to grow and enhance the supported housing stock.

Strategies

Key stakeholders described several strategies that they used to navigate barriers and exploit enablers whilst implementing the SIP. This section is divided into four subthemes: service interventions, screening applicants, information sharing, and adaptation.

The first set of strategies were service interventions that helped P3 create sustainable tenancies for SIP tenants. Producing sustainable tenancies started with the cautious selection of applicants. P3 chose tenants based on 'housing readiness' to ensure an applicant could succeed in a SASH property. Mitigating risks created by unstable clients could also undermine future opportunities for P3 to receive social investment and expose the agency to financial liabilities if such clients damaged the property.

Aside from unit availability, one factor that influenced whether someone got a SIP property was alignment between the unit's characteristics and the risks that they presented. Applicants often had significant needs linked to poor mental health and substance abuse. P3 expected them to demonstrate readiness to change through service utilisation. Once an applicant was accepted as a SIP tenant, P3 delivered wraparound support. This involved caseworkers setting expectations at the beginning of their relationship with clients about service engagement and building rapport throughout the tenancy.

Key stakeholders developed rapport with clients through different means. For example, P3's maintenance team adapted properties to accommodate clients with physical disabilities. This was said to minimise property-related grievances that can undermine the caseworker-client relationship. P3 caseworkers continued building rapport with evidence-based interventions that helped clients set / achieve personal goals. For example, P3 managers referred clients to either self-contained or shared accommodation based on the person's preference.

After a client was rehoused in a suitable unit, caseworkers continued using evidence-based interventions so the individual could recover at their own pace. This helped caseworkers circumvent defensive responses from clients as they recovered from a traumatic life experience. The key stakeholders that we spoke to thought this was important because it reduced the likelihood that clients would disengage because they were overwhelmed by change. To this end, caseworkers regularly conducted home visits. During these visits, caseworkers gathered information that they subsequently used to support clients.

Home visits also allowed caseworkers to get information about the property and make maintenance requests for the client. This helped them monitor client behaviour, encourage service utilisation, and ensure the property was maintained. When repairs were needed, P3 caseworkers contacted their in-house maintenance team. By quickly answering maintenance requests, P3 legitimised itself to clients and allowed caseworkers to circumvent conflicts. This was an advantage of SIP properties because in-house maintenance was unavailable to tenants living in standard rental units.

Caseworkers also used home visits to deal with anti-social behaviour. Key stakeholders said some of their clients received complaints for property damage, hosting loud parties, using drugs, cuckooing, etc. Such complaints could lead to an eviction, if left unaddressed. P3 caseworkers prevented this outcome by addressing complaints during home visits.

Because P3 housed clients who sometimes lacked tenancy experience, caseworkers explained rental market norms so they could act like a responsible tenant and then made a referral to clinical services, if necessary. If the neighbours had made a complaint, caseworkers met with them to mitigate concerns. Although evictions were rare, they occasionally happened if prolonged interventions failed to change someone's behaviour.

P3 aimed to positively move-on clients to independent housing once their SASH tenancy ended. Key stakeholders realised some clients needed more than two years of supported housing. In such cases, clients were offered a one-time lease extension that lasted 6-12 months. Regardless of the clients' lease tenure, P3 provided them post-tenancy support to ensure their successful transition to independent housing.

The next set of strategies relate to ways P3 shared information with SASH. Mentioned above, the two organisations regularly met to discuss SIP implementation. During these conversations, both shared knowledge to deal with problems that they confronted. The relationship and implementation process were thus mutually beneficial. P3 gave SASH information and vice versa. This helped the partners deal with unexpected implementation problems. Regular conversations also provided P3 accountability from SASH that key stakeholders appreciated. Accountability was thus positive because it gave P3 a chance to ask SASH staff questions about procurement.

The last set of strategies describe organisational changes that P3 made to implement the pilot. The primary change that P3 made was hiring new staff like case managers and maintenance workers to deliver more services. Although P3 had purchased units before the SIP, it had not procured them at this scale. It thus had to adopt new policies about things like rent setting and void management to implement the pilot. It also had to create new procedures that facilitated communication during procurement. And adapted its strategic planning to build upon gains created by the SIP.

4.3 Stockport Homes Group

Stockport Homes Group (SHG) Quick Facts		
Overview	*Aims*	• Expand access to housing for homeless households.
	Fund Manager	• Resonance
	Procurement Process	• Resonance identifies property; • SHG approves it for purchase; • Resonance purchases it; and • SHG leases it.
	Partnership Agreement	• SHG leases properties from Resonance until 2030.
	Number of Investment Properties	• 18
	Property Locations	• Stockport.
	Rent	• Capped at LHA. • 80% goes to Resonance. • 20% goes to SHG for maintenance and management.
	Risk	• Vacancies • Property damage
	Tenant characteristics	• Formerly homeless • At-risk of homelessness
	Length of tenancy	• Indefinite for non-RSAP tenants. • Two years for RSAP tenants.
Theory of Change	*Logic*	• A leasing model for small, specialist Housing Associations based on leasing from a social investor.
	Mechanisms	• Knowledge of area and housing market. • Experience working with local stakeholders. • Ability to identify properties clients want in desirable neighbourhoods. • Identified early on what properties they wanted to purchase. • Strong ties with local authority.
	Inputs & Outputs	• In-house expertise that can be used to help fund manager buy properties. • Flexibility lets SHG select properties that are suitable for their clients.

		• Established ties with the local authorities helps agency circumvent barriers to multi-sector partnerships.
	Output Pathways	• Extensive knowledge of local housing market allows SHG to identify suitable properties, minimise evictions, retain stock, offer clients sustainable tenancies, and provide wraparound services that facilitate positive move-ons. • The size/capacity of SHG lets it unburden the local authority's duty to rehouse homeless households. This facilitates better multi-agency partnerships. • Minimise stress on landlords and tenants by internalising property management. This will in turn bolster service delivery by strengthening client-provider relationships.
Barriers	*Property Market*	• The tight housing market in Stockport has impeded property acquisition. • Limited access to one-bedroom units for single households.
	Local Politics	• Designing a lease that all partners, including the combined local authority, would accept.
	Assessment failures	• Information gaps about client needs that facilitate suboptimal referrals.
	High need clients	• Keeping clients with complex needs housed when they violated their lease.
Enablers	*Unit Characteristics*	• Property ownership has expedited unit inspections and property maintenance.
	Investment characteristics	• Fund manager has granted SHG flexibilities to overcome barriers to property acquisition.
	Organisational capital	• SHG delivers a range of housing services that it can use to assist clients.
Strategies	*Information Sharing*	• Sharing market information with fund manager to purchase appropriate units in good neighbourhoods.
	Adaption	• Expanded eligibility to homeless families who occupy the two- and three-bedroom units that SHG could access in the local market.
	Screening Applicants	• Screening applicants for housing readiness before accepting them as tenants. • Matching the characteristics of applicants to available units before offering tenancy.

	Conflict Mediation	• Speaking with neighbours about their clients' anti-social behaviour. • Making outside service referrals to support disruptive clients who violate their lease. • Pursue lease dissolution if clients refuse supportive services and violate their lease.

Theory of Change

SHG partnered with Resonance to purchase, maintain, and let properties to people who were sleeping rough. Prior to the investment pilot, SHG had owned and managed a large social housing stock in the target area (Stockport) for many years. This gave SHG staff detailed knowledge about the local housing market, longstanding ties with the local authority, and experience with property management. SHG believed its localised expertise would close information gaps and help it quickly purchase suitable properties. Purchasing high-quality units was predicted to allow sustainable tenancies, facilitate service engagement with clients, and generate positive move-ons to independent accommodation. Accommodating people who were rough sleeping was meant to strengthen SHG's relationship with the local authority by helping it meet its statutory duties.

Barriers

SHG confronted several barriers during implementation that contradicted its theory of change: property market, local politics, assessment failures, and high need clients.

Stockport's tight housing market slowed Resonance's ability to procure properties that SHG deemed suitable for clients. Although it helped Resonance identify suitable units, SHG's knowledge of Stockport's housing market did not overcome price barriers. They consequently could not purchase the number of one-bedroom units that Resonance wanted to buy and thus limited SHG's ability to rehouse single households.

In addition, SHG's longstanding relationship with the combined authority in Greater Manchester did not prevent delayed agreement on lease contracts. Key stakeholders speculated Resonance had not anticipated the legal issues that it would confront whilst negotiating the lease contract and perhaps overestimated the experience SHG had negotiating these legal documents with the combined authority. The lengthy process to gain consensus among multi-sector partners forced Resonance to change its implementation timeline.

Lastly, SHG's prediction that quality housing would facilitate service engagement was slightly contradicted during implementation. To implement this theory, it screened applicants for housing readiness, but this process did not always work. For example, one client's tenancy was dissolved after prolonged rejection of services. Key stakeholders said they usually selected housing-ready tenants and lease dissolutions were rare. But the assessment system sometimes failed leading to weaker returns.

Enablers

That said, SHG identified several enablers that helped it implement the SIP: unit characteristics, investment characteristics, and organisational capital.

The first set of enablers were related to SIP properties. Key stakeholders praised Resonance for helping SHG access high-quality units. After Resonance procured a property, SHG quickly inspected it and moved a client into it. Because they did not have to coordinate with a private landlord, SHG could inspect units on their own time.

Leasing the properties from Resonance also let SHG make speedy maintenance repairs. In-sourcing maintenance repairs meant SHG could fix problems in a timely fashion. This helped caseworkers establish and maintain rapport with clients that gets strained when private landlords ignore maintenance requests.

In addition, key stakeholders said Resonance granted SHG flexibility to procure suitable units. Recall it was hard for Resonance to purchase properties in Stockport. This flexibility may have delayed procurement, but it helped SHG facilitate stable tenancies. Although the partners initially wanted to rehouse single households, limits imposed by the property market prevented it from buying one-bedroom units that fit SHG's criteria. Resonance addressed this issue by changing the eligibility criteria. Flexibility helped partners address unexpected implementation barriers.

Lastly, SHG had capacity to deliver essential housing services to clients. In-house services let it immediately solve problems that could jeopardise someone's tenancy. When SHG's in-house resources could not solve an issue, it connected clients to another service provider in their referral network. This in turn helped SHG create sustainable tenancies by meeting the clients' essential needs.

Strategies

SHG used several strategies to produce economic and social returns: information sharing, adapting policies, screening applicants, and conflict mediation.

The first thing SHG did was share market information with Resonance so the latter could procure suitable properties in good neighbourhoods. This meant SHG sometimes brokered procurements by connecting Resonance with familiar landlords who had properties up for sale.

When the partners confronted problems buying units, Resonance expanded eligibility to homeless families who could occupy the two- and three-bedroom units that SHG could access in the local market. Although this strayed from the original goal to rehouse singles who were rough sleeping, it relieved a bottleneck that slowed procurement and consequently rehoused some homeless families. This suggests investment properties may be better suited to address family rather than single homelessness in tight housing markets.

The third strategy SHG used to create sustainable tenancies was choosing housing ready applicants for investment properties. This usually let SHG reject applicants with complex needs who were said to need treatment before getting independently housed. SHG believed some clients would be more successful in certain properties than other ones. For example, a person with a history of substance of abuse who was deemed housing ready might do better in a low-crime neighbourhood where they would be shielded from vice. For the most part, this strategy helped create sustainable tenancies.

Despite these successes, this approach was not always effective and some clients consequently got unsuitable accommodation. To keep those clients stably housed, caseworkers spoke with frustrated neighbours and property owners to reduce conflict. If repeated interventions failed to change the clients' behaviour, then SHG considered a lease dissolution. A lease dissolution did not mean SHG made the client homeless. They instead referred to client to a supported housing provider. That said, SHG staff stated lease dissolutions were very rare and they did everything possible to prevent a tenancy from getting terminated.

4.4 Target

Target Housing Quick Facts		
Overview	*Aim(s)*	• Increase Property Ownership
	Fund Manager	• SASH
	Procurement Process	• SIP funds was used by Target to purchase suitable housing.
	Partnership Agreement	• SIP funds were used in the same way as other funding from SASH. Clients are referred from LA.
	Number of Investment Properties	• 18
	Property Locations	• Sheffield • Rotherham • Doncaster • Hull
	Rent	• Not capped at LHA. • Includes maintenance and tenancy management.
	Risks	• Acquisitions are expensive and Target is a small charity, and therefore often have insufficient stock available relative to need. • There is a potential for higher repair maintenance costs with some tenants – There is a ten-year programme for refurbishing properties; there is also repair/replacement as damage occurs. • Some areas are relatively more costly, though that does not mean the need is any less there. • Because the LHA rate is 'too low' for the commercial sector, there is a difficulty with "move-on": Clients who may be ready to move-on have no affordable commercial accommodation to move into.
	Tenant characteristics	• Vulnerable w/ complex needs
	Length of Tenancy	• Indefinite for THRIVE recipients. • One year for One year for those in touch with the Criminal Justice System (CJS). • Six months for those fleeing domestic abuse.
Theory of Change	*Logic*	• A property ownership model based on debt finance from a social investor for charities who wish to grow their property portfolio.

	Mechanisms	• Access to secured housing for clients that is internally owned by Target. • Target sharing knowledge of the local housing market will help the fund manager buy properties. • Use of social investment funds to house clients in different housing initiatives. • The ownership model lets Target tailor properties to meet the needs of clients. • Tailored accommodation builds rapport with clients, helps caseworkers engage clients with supportive services, and facilitates personal change.
	Inputs & Outputs	• Use of evidence-based interventions that address the needs of service users. • Flexibility offered by fund manager allows Target to obtain properties that secure tenancies for difficult-to-let clients by meeting their unique needs. • Access to high-quality units improves staff morale. This will motivate them to provide better services to clients and reduce staff turnover. • The in-sourcing of property management allows Target to build rapport with clients and ensure long-term tenancies by immediately solving their maintenance requests.
	Output Pathways	• Secure tenancies will help clients engage with wraparound services. • Organisational growth will help Target internalise the delivery of more services and produce better life outcomes for clients. • Providing bespoke housing is key to improving client well-being because it gives them a proper place to rehabilitate and stop their cycle of homelessness.
Barriers	*Property Market*	• Limited access to ground floor units has made it hard to suitably house clients with disabilities. • Housing market barriers make it hard to positively move-on those in touch with the CJS.
	Adaptations	• Target had to quickly hire new staff to implement the SIP. • Adjusting organisational structures and processes to accommodate growth.
	High need clients	• THRIVE clients had complex needs that threatened tenant sustainability. • Some of those in touch with the CJS struggled to independently live in mainstream society.
	Privacy issues	• Sharing information with external service providers about clients can be difficult.

Enablers	*Unit characteristics*	• New funding opportunities opened to Target because it could access a secured tenancy for clients. • Investment properties let Target serve new subpopulations. • High-quality units enhanced the relationship between caseworkers and clients. • Access to secured tenancies allowed Target to strengthen its relationship with other service providers and grantors.
	Information sharing	• Target helped SASH procure properties by sharing knowledge of local housing markets. • SASH gave Target advice on how to buy properties.
	Network Ties	• Existing relationships to external service providers facilitated access to essential resources for clients. • The SIP created new funding opportunities for Target.
Strategies	*Organisational Adaptations*	• Hired more employees to implement the SIP. • Created new roles or modified existing ones to administer the SIP. • Updated allocation process to remove conditions and facilitate access for applicants with facing multiple disadvantage. • Created new processes to select, purchase, repair, and let properties. • Changed strategic plan to seek out and exploit new social investment opportunities.
	Service Interventions	• Caseworkers delivered person-led, strength-based, and trauma-informed interventions. • Anti-social behaviour was addressed by confronting clients, explaining consequences of continued disruption, and relocating clients to new units if the characteristics of a property make it hard for them to sustain the tenancy. • Caseworkers Increased the frequency of home visits for clients who are struggling.

Theory of Change

Target Housing predicted its knowledge of the local housing market would help SASH buy properties for the SIP. Access to secured tenancies was expected to end homelessness through the following mechanisms. First, access to secure tenancies would let Target make more evidence-based interventions that fostered independence of people they worked with. This would allow caseworkers to build rapport with clients, facilitate service utilisation, and enhance the self-sufficiency of clients. Second, the delivery of property management services by Target was expected to build rapport with clients by immediately solving maintenance requests, internally motivate clients to use wraparound services because they did not want to lose their accommodation, and put clients in a suitable property with amenities they needed to make personal changes. Third, access to quality accommodation was expected to improve wraparound services by boosting staff morale and reducing turnover. This in turn would let caseworkers build and sustain rapport with clients over time. A trusting relationship would theoretically give caseworkers leverage to motivate service usage by clients.

Barriers

Target confronted several hurdles whilst implementing the SIP: property market barriers, hiring new staff, client-related issues, and organisational policies.

The first set of problems were related to property market barriers. Although key stakeholders at Target praised SASH for helping it purchase ground floor flats, they also said housing market barriers prevented it from meeting demand expressed by applicants. This made it harder for Target to rehouse clients with disabilities who could not live in upper floor units.

Key stakeholders also lauded SASH for allowing it to purchase single occupancy units, but again market barriers prevented them from meeting demand from applicants. This both made it hard to suitably rehouse some clients and complicated Target's relationship with the local authority, who financed the wraparound services it provided SIP tenants.

In addition to that, the housing market continued to be expensive for SIP tenants. Private lets cost too much and there was a shortage of social housing. Because Target clients who accessed SIP properties through THRIVE could indefinitely live in the property, these market barriers meant it was hard to positively move-on those in touch with the CJS who no longer qualified for supported accommodation A bottleneck like this were obviously problematic because it prevented people who needed supported housing from getting it.

Target also confronted barriers whilst expanding its organisation to implement the SIP. For example, one key stakeholder said the pilot required Target to quickly grow and that administrators struggled to make the changes needed to provide new services. Delayed expansion may have slowed Target's progress toward SASH's benchmarks.

Target had to make these changes whilst it delivered services to clients. This was a significant issue. Caseworkers struggled to transition clients who had experienced prolonged homelessness into settled accommodation. They similarly confronted issues with those in touch with the CJS whilst transitioning from incarceration to independent housing. Target's caseworkers often served these clients by making programme referrals to outside agencies. This was complicated by confidentiality issues that discouraged those agencies from collaborating with caseworkers and high staff turnover at partnering agencies to which Target referred clients.

Enablers

Target identified several things that helped it implement the SIP: unit characteristics, information sharing, and network ties.

The first set of enablers related to the investment properties. Key stakeholders said the SIP expanded its property portfolio. In addition to rehousing more people, the expanded portfolio opened new funding opportunities that will let Target buy 18 more units.

The investment properties also let Target expand the type of services that it provided and the range of clients that it served. Before the SIP, Target largely worked with those in touch with the CJS. It has now expanded services to domestic abuse survivors and people facing multiple disadvantage.

To get these benefits, Target used its knowledge of the local housing market to buy SIP properties. This filled an information gap that prevented SASH from independently buying properties. The sharing of information was not one-way. SASH also gave Target advice about whether to procure properties. Key stakeholders said the efficiency, flexibility, and expertise SASH's facilitated procurement. The relationship that was created between SASH and Target has enabled them purchase properties and rehouse homeless households.

Key stakeholders said the procurement of high-quality units has helped caseworkers build rapport with clients. Because the SIP let Target buy better units, the clients were more likely to maintain them. This implies spending more on investment properties up-front may cost less in the long-term because clients are more likely to maintain higher quality units.

The properties also allowed Target to strengthen ties with outside agencies. The key stakeholders we spoke to said this facilitated resource sharing, enhanced services available to clients, and fortified Target's relationship with the local authority.

Strategies

Key stakeholders discussed several strategies they have used to implement the SIP. We broadly organised these into two themes: organisational adaptations and service interventions.

The first strategy involved organisational adjustments that were made to facilitate growth. Key stakeholders said they created new roles, modified existing ones, hired new employees, updated their allocation scheme, and made new procurement and letting policies. To expand the SIP's benefits, Target has adapted its long-term strategic planning to seek out and exploit new social investment opportunities.

That said, key stakeholders listed several ways they created sustainable tenancies. Target caseworkers used person-led, strength-based, and trauma-informed interventions to build rapport with clients. Key stakeholders said SIP properties helped them deliver those kinds of interventions. This helped caseworkers obtain information from clients, motivate clients to use supportive services, and intervene during crises to prevent eviction. The use of evidence-based interventions meant caseworkers had to sometimes work with their clients' risky behaviour and wait for opportunities to guide clients when they became willing to change.

At times, this meant caseworkers had to address their clients' anti-social behaviour. Caseworkers addressed these situations by increasing home visits to monitor and correct their clients' behaviour. They also established times with local service providers. Recall that caseworkers faced confidentiality issues that thwarted service access for clients. To overcome this hurdle, Target signed a release of information with these agencies to meet their clients' needs.

5. Conclusion

To recap, the SIP was one component of the UK Government's response to COVID-19. Social investment financing appealed to investors because it reduces public expenditures and created opportunities for private investment.

Social investment financing had not been used before COVID-19 to purchase properties for homeless households. Policymakers consequently lacked knowledge about the implementation and impact of this investment product for that subpopulation. Although this did not stop investors from financing the SIP, it was an obstacle to convincing private investors and public officials to finance similar investments in the future.

This evaluation helps build that evidence base. We used administrative and interview data to analyse implementation barriers, enablers, and strategies that were associated with this investment product. To this end, we analysed the experience of investors, fund managers, and investees.

There are still some organisations that have not fully engaged with the evaluation yet and this limited our analysis in some areas. However, we are pleased to report that organisations in the programme are continuing to increase their levels of engagement and so we anticipate filling these data gaps and refining our analysis over the following year.

Here, we discuss some of the recurrent themes that key stakeholders described. Common barriers that key stakeholders faced included:

- Proponents had to convince sceptical government officials to financially support the SIP and this was a long-term process with development of the ideas behind the SIP preceding Everyone In.
- Investors had different reporting requirements. Lack of standardisation made it harder for the fund managers to work with investors.
- Some investees have produced KPI data inconsistently and this has limited our analysis in some areas as well as raised questions about programme governance.
- SIP novelty meant best practices and timelines for implementation were unfamiliar to some stakeholders.
- Property market barriers made it hard to procure suitable units in some local authorities.
- Local politics sometimes slowed the formation of contracts between key stakeholders.
- The expectations of some service providers, particularly in relation to acquiring one-bedroom flats, slowed procurement in tight property markets.
- Slow data sharing, in some cases between service providers and fund managers, could have prevented fund managers from identifying implementation problems, and/or undermined their relationship with investors. Furthermore, delayed data collection made data vulnerable to errors that could weaken subsequent analyses that fund managers might use to attract new investors.
- Limited staff prevented some service providers from diversifying neighbourhoods where they purchased units.
- High rents made it harder to move-on some clients from SIP properties.
- Several caseworkers struggled to engage clients with complex needs.
- Assessment processes sometimes failed to select "housing ready" tenants who could manage sustainable tenancies.

The following enablers facilitated SIP implementation:

- COVID-19 made new resources available for homeless assistance and reduced logistical barriers to communication.
- BSC had designed the SIP before COVID-19 started. This let proponents present a formulated idea when government officials were looking for innovative solutions.
- Network ties helped SIP proponents plan, promote, and implement the pilot.
- Their existing organisational assets meant some stakeholders did not have to hire new staff, create additional roles, or design new policies/procedures.
- Some property markets and expectations of service providers eased procurement.
- Delegated discretion allowed fund managers to deal with unexpected barriers during implementation.
- KPI data helped fund managers enhance staff morale, update DLUHC on programme performance, raise private funding for future investments, and advise investees.
- SIP properties helped investees engage clients and motivate service usage.
- Professional advice from fund managers helped service providers implement the SIP.
- Service providers gave fund managers market knowledge that they used to buy properties.
- SIP properties helped investees build relationships with other service providers that they used to access essential resources.

Key stakeholders used the following strategies to navigate barriers and exploit opportunities:

- Persuaded ministers, department heads, local authorities, pension funds, and private foundations to finance the SIP.
- Performed due diligence on prospective fund managers and service providers to select trustworthy partners.
- Adjusted policies and timescales to deal with property market barriers.
- Monitored implementation through quarterly reports. Staff only discussed those reports with BSC.
- Created new policies and procedures to procure units, measure performance, and report from/to various stakeholders.
- Regularly met with housing partners to discuss implementation (i.e., procurement, repairs, complaints, and tenancy challenges).
- Incrementally released tranches of money to ensure fund managers consistently met benchmarks.
- Investees used evidence-based interventions to build rapport with clients and motivate service utilisation. They modified service interventions to meet the evolving needs of clients.
- Service providers rarely dissolved tenancies. Caseworkers made several interventions to deal with lease violations.
- Housing partners hired staff, modified existing roles, and/or adopted new policies to implement the SIP.

Our analysis of barriers, enablers, and strategies helps us answer the research questions that were presented in the methodological section:

1. Has the programme has been implemented as intended? (Fidelity)
2. Did the programme reach its intended recipients? (Reach)
3. What accommodation and support was received by programme recipients? (Dosage)
4. How does the process of delivering social investment schemes compare with traditional government grant funding streams? (Differentiation)

We answer those questions by first comparing/contrasting the experience of investees against their respective theory of change and then consider the theme (i.e., fidelity, reach, dosage, and differentiation) associated with each question. Before doing that, it is important to note that some predictions cannot be tested yet because the SIP is still in progress. So, some of the points that we make below pertain to future stages of implementation:

Evaluating Theories of Change for Each Investee		
Nacro	*Contradiction*	• High rents in the local housing market and insufficient benefits may prevent positive move-ons despite service interventions. • Higher rents of SIP units may prevent clients from saving up to move-on to unsupported housing. • Time limits imposed by GLA on service delivery thwart use of some evidence-based interventions. • Privacy issues with external partners may impede service referrals and delivery.
	Support	• Access to SIP properties helped caseworkers use evidence-based interventions with some clients. • Provision of high-quality units helped caseworkers build trust with clients, motivate service engagement, and facilitate personal change. • Nacro's network ties allowed it to get essential resources that caseworkers needed to meet the diversity of needs expressed by clients.
P3	*Contradiction*	• Property market barriers hindered access to appropriate units in undeprived neighbourhoods for some clients. • Assessment process sometimes produced inappropriate referrals. • Property ownership sometimes put caseworkers in contradictory position that threatened rapport with clients.
	Support	• SIP properties allowed some clients to access higher quality units in better neighbourhoods, facilitated rapport with some clients, helped motivate service usage, and encouraged pro-social behaviour by some clients. • P3's experience with homeless service delivery meant it had the infrastructure and skills to implement the SIP. • Established ties that P3 had with other service providers helped it get essential resources for clients.
SHG	*Contradiction*	• The tight property market in Stockport slowed procurement of one-bedroom units for single households.

		• SHG's relationship to the combined authority in Manchester did not expedite contract writing with local commissioners.
	Support	• In-house knowledge of local housing market facilitated unit procurement. • Property ownership expedited unit inspections and property maintenance. This helped reduce evictions and retain units. • SHG delivers a range of housing services that it can use to assist clients. This helped reduce evictions.
Target	*Contradiction*	• Limited access to ground floor units made it hard to suitably house people with disabilities. • High rents have made it hard to positively move-on prison leavers. • Sharing information about clients can be difficult. This has impeded service access for some clients.
	Support	• SIP properties have let Target serve new subpopulations. • High-quality units enhanced the relationship between caseworkers and clients.

We now consider each of the research questions in the order listed above: fidelity, reach, dosage, and differentiation.

Fidelity

The first question asked whether the SIP had been implemented as it was intended? Fidelity to original plans varied across investees, property markets, and local authorities.

Recall that **Nacro** leased properties in London from Resonance. This allowed Nacro to offer clients a two-year lease, facilitated evidence-based interventions by caseworkers, and helped it establish/strengthen ties with agencies that provide clients essential services.

That said, implementation deviated slightly from Nacro's plan for some clients because the GLA put a two-year time restriction on the case management. This limited Nacro's ability to use some evidence-based interventions with clients who had complex needs and needed supported housing for more than two years. Hence, the political strand of Nacro's braided finance hindered its implementation plan.

P3 used a property ownership model based on debt finance to grow its property portfolio. This allowed P3 to offer clients a two-year tenancy and gave caseworkers a resource they needed to deliver evidence-based interventions. For the most part, P3 created an assessment process that effectively matched clients to appropriate units.

That said, the property market prevented P3 from diversifying its property portfolio and meet the range of needs expressed by applicants. This meant some eligible applicants were denied housing because a suitable unit was unavailable, or clients were allocated an unsuitable unit that could destabilise their tenancy. Moreover, the assessment process sometimes failed to match clients with an appropriate unit. As a result, some clients have been offered tenancies that they were unable to maintain.

SHG leased units from Resonance that it helped procure. Unlike the other investees, SHG outsourced wraparound support to another agency. Its theory of change consequently focussed on procurement.

As planned, SHG used its knowledge of Stockport's property market to help Resonance buy high-quality units in desirable neighbourhoods. However, the local property market was very tight. This limited the options available to SHG. Resonance tried to overcome this barrier by purchasing units slightly below SHG standards. Because SHG contested lower quality standards, procurement took longer in Stockport than Resonance expected.

Furthermore, the relationship between SHG and the combined authority in Manchester did not expedite initial contract negotiations as expected. This interacted with property market constraints to expand the implementation timeline that was set at the beginning of the SIP.

Target used a property ownership model based on debt finance to grow its property portfolio. Target used its knowledge of Sheffield's property market to buy units with the loan it received from SASH. Access to SIP properties has allowed Target caseworkers to use evidence-based interventions, reduced staff turnover by increasing morale, and enhanced client-caseworker rapport.

That said, the dynamics of Sheffield's property market made it hard for Target to purchase ground floor units. This limited its ability to rehouse people with disabilities who could not live in upper-level units. Furthermore, high rents in Sheffield mean a subset of ex-offender clients will struggle to move-on from supported accommodation when their one-year lease ends. This unexpected barrier may require programme adaptation to ensure these clients do not re-enter homelessness.

Reach

The second question asked whether the SIP reached its intended populations. Recall the SIP was part of a broader effort by the UK Government to tackle homelessness during the COVID-19 pandemic. It was designed to rehouse people who were rough sleeping. Each fund targeted a different subpopulation.

One **Resonance** fund targeted individuals and families in Greater Manchester. Although that fund targeted people with low needs, a small portion of it supported those with complex ones. Another Resonance fund supported London households who were sleeping rough, staying in temporary accommodation, or residing in a hostel. That fund targeted households with medium or high support needs.

At the time of this study, we were unable to collect KPI data about the tenants of Resonance properties. We did however access data about the location of properties. That data showed Resonance purchased most of its units in targeted local authorities that had a medium-to-high number of homeless assessments, people in temporary accommodation, rates of income deprivation, and size of affordable housing stock. Although Resonance purchased more units in councils with higher rough sleeper counts, it bought units in councils that varied on this indicator.

Despite this, purchasing units in local authorities with a high number of homeless assessments, temporary accommodation residents, and rough sleepers suggests Resonance is serving its target population. However, the data limitations prevent us from answering that question with certainty.

Both SASC and **SASH** funds targeted vulnerable individuals in different parts of the UK. They were designed to help households with low, medium, or high support needs.

The KPI data shows SASH properties primarily housed single households and sharers; people who had been sleeping rough or living in temporary accommodation; persons who were either unemployed or unable to work; and who varied in both level and type of support needs. The units that SASH purchased were spread across the UK. They were located in councils that varied widely by homeless assessment, temporary accommodation residents, rough sleepers, income deprivation, and affordable housing stock size. This is evidence that SASH funds have reached their target population.

Dosage

The third question examined the type of accommodation and support that was given to programme recipients.

Nacro purchased 56 high-quality properties. These were mostly flats located in the south (east) of London. The units were furnished; situated on the ground, first, second, or third floors; and varied by neighbourhood quality.

That said, Nacro tenants were low-need because the agency selected housing ready applicants from temporary accommodation. Caseworkers provided intense support to clients at the beginning of their tenancy, which eased over time as they got settled and was adjusted to meet their evolving needs over time. They used evidence-based interventions to motivate service utilisation.

A support plan was initially made when a tenancy started and annually updated. Support plans were designed to connect clients with essential services, reintegrate clients into their community, and achieve goals that clients had set.

If clients disengaged from services, then caseworkers encouraged utilisation. Although caseworkers initially motivated clients by appealing to their goals, they eventually warned the clients would lose their housing if they remained disengaged from services.

The funding for case management came from GLA who imposed a two-year limit on assistance. Nacro staff nevertheless realised some clients needed longer support. It consequently extended tenancies for a brief period (12-to-18 months) to accommodate that subgroup.

P3 bought 36 properties. They are a mix of self-contained single and shared accommodation. Those furnished units were both flats and houses.

That said, the administrators at P3 facilitated sustainable tenancies by using an assessment process that selected “housing ready” tenants who are ready to change.

When someone got selected as a tenant, P3 caseworkers used evidence-based interventions. This helped build rapport with clients, motivate service utilisation, and address anti-social behaviour when they occurred.

P3 had an in-house maintenance team has facilitated procurement, maintenance, and adaptations for disabled clients. This was said to develop trust with clients by allowing P3 to quickly address maintenance complaints.

Tenancy dissolution was used a last resort that had rarely been used to deal with disruptive tenants.

SHG purchased 16 properties that varied from one-bedroom flats to two-to-three-bedroom houses. It has struggled to buy one-bedroom units that met quality standards. As a result, SHG unexpectedly bought two-to-three-bedroom houses.

In-house staff refurbished all of the units it bought and furnished them for clients. A third-party agency delivered wraparound services to SHG tenants.

Because the research team was unable to interview caseworkers from that outside organisation, we do not discuss here the support services that it provided clients.

Target purchased 20 high-quality properties that were spread out across Sheffield. It bought a range of properties that varied between two-to-three-bedroom houses and one-bedroom flats. They were mostly self-contained but some of them were shared units. A few of those properties were on the ground floor, but key stakeholders said they needed more of those to satisfy demand. Target refurbished and furnished the units that it bought.

That said, Target caseworkers used evidence-based practices like person-led, strength-based, and trauma-informed interventions to support clients. Although they initially met new tenants on a regularly basis, caseworkers adjusted their visits as clients got settled and/or experienced problems during their tenancy.

Caseworkers addressed anti-social behaviour by confronting clients and explaining the consequence(s) of continued disruptions. If that did not work, then they relocated clients to new units if the characteristics of a property destabilised their tenancy.

Differentiation

The last question compared/contrasted the SIP with traditional grants. Here, we discuss the general differences that investees mentioned during our conversation.

The key stakeholders that we spoke with described several advantages of social investment financing. Interviewees from every agency praised the SIP for giving them **access to higher quality units** than housing accessed with traditional grants or in the standard rental market. Participants said the SIP gave them **more choice over properties**. This let them **purchase a range of property types** (i.e., flats, houses, self-contained units, shared accommodation, ground floor apartments, and different bedroom sizes) and **adapt them to the unique needs of clients**.

SIP properties were more **geographically dispersed** than those obtained with traditional grants or in the standard rental market. This helped service providers rehouse clients in neighbourhoods with low deprivation where they were less exposed to things like violence, crime, and drug use that undermined recovery.

The SIP also let investees either **purchase or access several properties at once**. This differed from the piecemeal procurement that service providers experienced with traditional grants. Fast procurement consequently allowed investees to rehouse clients quicker than usual.

Respondents said SIP properties enhanced service delivery in several ways. The first thing it did was **expand the time investees could assess service recipients**. Because traditional grants financed short-term leases or put time constraints on service delivery, participants said they felt pressured to quickly assess and refer applicants to a service. This fostered suboptimal referrals that undermined service delivery. The SIP's broader timeframe allowed investees to avoid this problem by conducting longer assessments. This helped them selected suitable applicants for SIP properties who could sustain a tenancy.

The salience of this difference varied across SIP models. Recall some service providers offered clients a one- or two-year lease whilst others gave clients a forever home. The former group would obviously have less time to assess clients, but this reflected temporal limits that the local government put on wraparound support. The latter group had endless time to assess clients because there were no temporal constraints on service delivery.

Next, access to secured tenancies through the SIP **allowed some evidence-based interventions** that were less feasible with traditional grants because the assistance ends quicker. This let caseworkers build rapport with clients over time by using evidence-based practices (i.e., person-led, trauma-informed, and strengths-based case management), resolving maintenance requests quickly, and addressing tenancy problems without clients re-entering homelessness.

Being able to develop that relationship helped caseworkers motivate service engagement and grow the self-sufficiency of clients. That effort was advanced by the location of SIP properties. Because many SIP tenants were more likely to **live in low deprivation neighbourhoods** than tenants housed in the standard rental market, they had more opportunities to make significant life changes since they confronted less pressure to continue anti-social behaviours.

Again, the salience of this difference varied across SIP models. The time constraints that some grantors put on service delivery limited the time that caseworkers had to work with clients and thus their ability to properly use evidence-base practices.

Lastly, the SIP allowed investees to **expand their organisation**. For example, one respondent said the SIP allowed their agency to move into new councils whilst another said it helped their organisation implement Housing First.

Participants also described ways the SIP changed their relationship with other organisations. Unlike traditional grants, which are administered by governments and thus subject to political instability, the SIP was moderated by a nongovernmental organisation. Some respondents said this gave their agency **more consistency that allowed for better planning** than traditional grants.

In addition, participants described how the SIP enhanced their position in the third sector. Investees referred their clients to outside agencies who delivered essential services like mental healthcare, substance abuse treatment, workforce training, household furnishing, and/or income assistance. The secured leases that SIP properties gave clients allowed some of these outside agencies a place to deliver their services in situ. This **strengthened the relationship of investees with these organisations and enhanced the position of these agencies** in grant competitions.

For the most part, participants did not report any downsides to the SIP. However, one respondent thought **the SIP opened their organisation to financial risk** that were absent from traditional grants. By this, they meant their agency would face financial penalties if it failed to keep units occupied and collect rent each month.

A caseworker criticised the liberties that SIP tenants received from their agency. They thought giving some clients a prolonged lease **disincentivised personal change**. As a result, they worried clients would remain dependent on government programmes and/or struggle to move-on to independent accommodation when their two-year lease ended.

That said, some participants did not think the SIP was all that different from traditional grants when it came to procurement. They confronted similar issues whilst procuring SIP properties whilst buying them with traditional grants.

Lastly, we make the following **policy recommendations** based on our implementation analysis:

- Social investment financing might be best suited for high need clients who live in local authorities that finance long-term wraparound services. Local authorities should therefore align their grants for social investment products and vice versa.
- A tight property market with low vacancy rates may be inappropriate for addressing single homelessness with social investment financing because it will be harder to buy one-bedroom units. Fund managers should consequently adapt their investment products to market barriers and grantors should allocate for subpopulations that cannot be served by social investment financing in those markets.
- National policy on the rate at which housing benefit is paid will impact on the effectiveness of investment products like this one (e.g., higher rates of housing benefit would be likely to allow more clients to positively move-on from SIP properties). Future social investment in this area therefore needs to be linked to policy on housing benefit.
- Local government capacity and funding is inextricably linked to the success of the SIP. Where local government is cutting services, this will potentially limit the support for people in SIP funded properties and make move-on to longer-term accommodation more challenging. The reality of local government funding and services needs to be constantly reviewed and incorporated into the design of this investment product.
- Local government should increase funding for the administration of homeless services. Doing so will allow service providers to diversify the areas where investment properties are purchased and better meet the needs of homeless service recipients.
- Service providers should grant fund managers more flexibility during procurement if market barriers limit access to desired units.