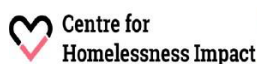


Everyone In Social Investment Pilot: Early Impact Report

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Table of Contents

Executive Summary	5
Key Findings	6
1. Introduction	8
1.1 Background	8
1.2.1 Description of the funds	10
1.2.2 Understanding Programme Targeting	16
1.3 Evaluation Study	21
2. Methodology	24
2.1 Economic evaluation	24
2.1.2 Revising our Approach.....	24
2.1.3 Model Development	26
2.1.4 Perspectives	26
2.2 Process Tracing	29
2.2.1 Administrative data	29
3. Overview of programme financial model	31
3.1 The Resonance Approach	32
3.1.1 Funding Model.....	32
3.1.2 Financial Model.....	32
3.1.3 Relational Model	32
3.1.4 Housing Provider Partners	33
3.2 The Social & Sustainable Capital (SASC) Approach	37
3.2.1 Funding Model.....	37
3.2.2 Financial Model.....	37
3.2.3 Relational Model	37
3.3.4 Housing Provider Partners.....	38
4. Impact Case Studies	42
4.1 Nacro	42
4.1.1 Introduction	42
4.1.2 Client Impacts.....	43
4.1.3 Organisational Impacts	68
4.2 Stockport Homes Limited	75
4.2.1 Introduction	75
4.2.2 Organisational Impacts	76
4.3 Target Housing	87
4.3.1 Introduction	87
4.3.2 THRIVE	88
4.3.2 Criminal Justice.....	101
4.3.3 Organisational Impacts	115
5. Conclusion	123

Appendices 126
Appendix A126
Appendix B127

List of Abbreviations

	ALMO	Arms-Length Management Organisation
1	BSC	Better Society Capital
2	MHCLG	Ministry of Housing, Communities & Local Government
3	GLA	Greater London Authority
4	GMCA	Greater Manchester Combined Authority
5	NHPF2	National Homelessness Property Fund
6	ONS	Office of National Statistics
7	PERU	Policy Evaluation and Research Unit
8	RSAP	Rough Sleeper Accommodation Programme
9	REIF	Resonance Everyone In Fund
10	SASC	Social and Sustainable Capital
	SASH	Social and Sustainable Housing
11	SHL	Stockport Homes Limited
12	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 nationwide lockdown that closed all non-essential businesses.⁷

People rough sleeping 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, now the Ministry of Housing, Communities and Local Government (MHCLG) 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 Capital (SASC), 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, MHCLG and BSC asked the Policy and Evaluation Research Unit (PERU) at Manchester Metropolitan University to evaluate the SIP over three years (2022–2025). 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)¹⁰; research staff at the Centre for Homelessness Impact; and community reporters at People’s Voice Media. The evaluation analyses the SIP’s implementation and impact to create an evidence base that can be used to motivate private investment firms to make similar social investments in the future.

This report is the second output from that evaluation and analyses the SIP’s impact. It is based on research by PERU staff and their partners that was undertaken in 2023–2024. It uses case file, interview, and administrative data to answer five questions:

⁷ Institute for Government: [timeline-coronavirus-lockdown-december-2021](#)

⁸ <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 \(England\)](#)

¹⁰ Professor Gary Painter of USC moved to the University of Cincinnati during the evaluation.

1. What is the economic model(s) underpinning the programme and what potential benefits and costs are associated with this?
2. What impact(s) has the SIP had in each case study?
3. Were the theories of change supported or contradicted across case studies?
4. Why was a given hypothesis supported or contradicted?
5. How should the theory of change for each case study be modified to fit our observations, if at all?

Key Findings

Analysis of the distribution of properties in the programme found that they are mostly located in areas of higher need:

- Most properties and units are in areas with a high number of homelessness assessments.
- More than three-quarters of properties are located in the top half of LAs by rough sleeping figures.
- Most properties and units are in areas with a high number of households living in temporary accommodation.
- Most properties and units are in areas with high income deprivation rates.
- Most properties and units are in areas where rents are higher as a proportion to income.

On the basis of in-depth research in a number of case study areas we are able to describe the SIP's impact(s) on three of our four case studies:¹¹

Nacro	Client impacts	<ul style="list-style-type: none"> ● Secured accommodation for clients in high-quality units. ● Developed rapport with clients. ● Subset of clients used supportive services to enhance well-being. ● Identified undiagnosed mental health issues. ● Reconnected with family. ● Re-entered the workforce.
	Organisational impacts	<ul style="list-style-type: none"> ● Accessed new properties. ● Structural integration with local authorities. ● Learned about property management and housing-led interventions. ● Secured new grants.
SHL	Organisational impacts	<ul style="list-style-type: none"> ● Obtained high-quality units in desired neighbourhoods. ● Strengthened relationship with key stakeholders in the community. ● Relieved pressure on local homeless system. ● Provided supportive services that secured tenancies for clients.

¹¹ P3 was unable to participate in this year's evaluation.

Target Housing	THRIVE client impacts	<ul style="list-style-type: none"> ● Helped SASH procure properties in Sheffield. ● Kept clients housed by adapting properties and addressing maintenance issues. ● Caseworkers developed good rapport with clients. ● Secured tenancies for difficult-to-let clients. ● Enhanced well-being of clients.
	Criminal justice impacts	<ul style="list-style-type: none"> ● Helped SASH procure properties in Sheffield. ● Caseworkers developed good rapport with clients. ● Secured tenancies for “difficult-to-let” clients. ● Enhanced well-being of clients.
	Organisational impacts	<ul style="list-style-type: none"> ● Accessed high-quality units for clients. ● Increased staff morale. ● Obtained new social investment and traditional grants.

1. Introduction

1.1 Background

The UK Government announced “Everyone In” in March 2020 to rehouse people who were sleeping rough during COVID-19.¹² Of the £161 million that the UK Government allocated for this initiative, £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, now MHCLG, 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.

BSC’s new product relied on property as an asset class. 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 MHCLG staff convinced government officials and BSC recruited three fund managers operating five funds into the pilot. The five funds operate 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.
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.

¹² [CBP-9057.pdf \(parliament.uk\)](#)

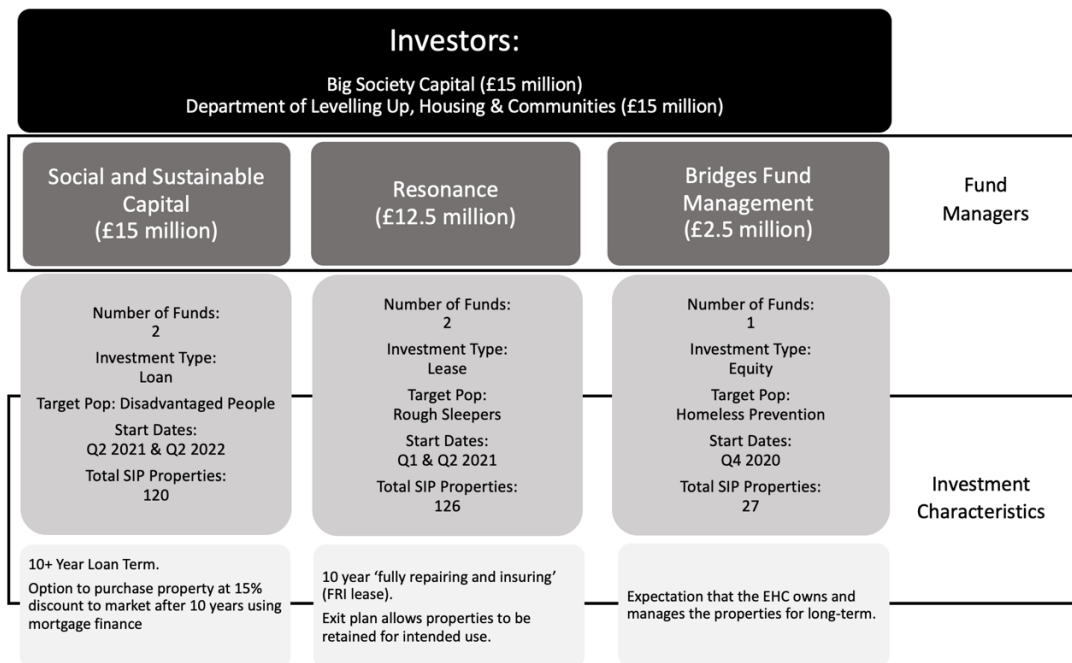


Figure 1. The Structure of the SIP Investment Funds.

The evaluation 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.

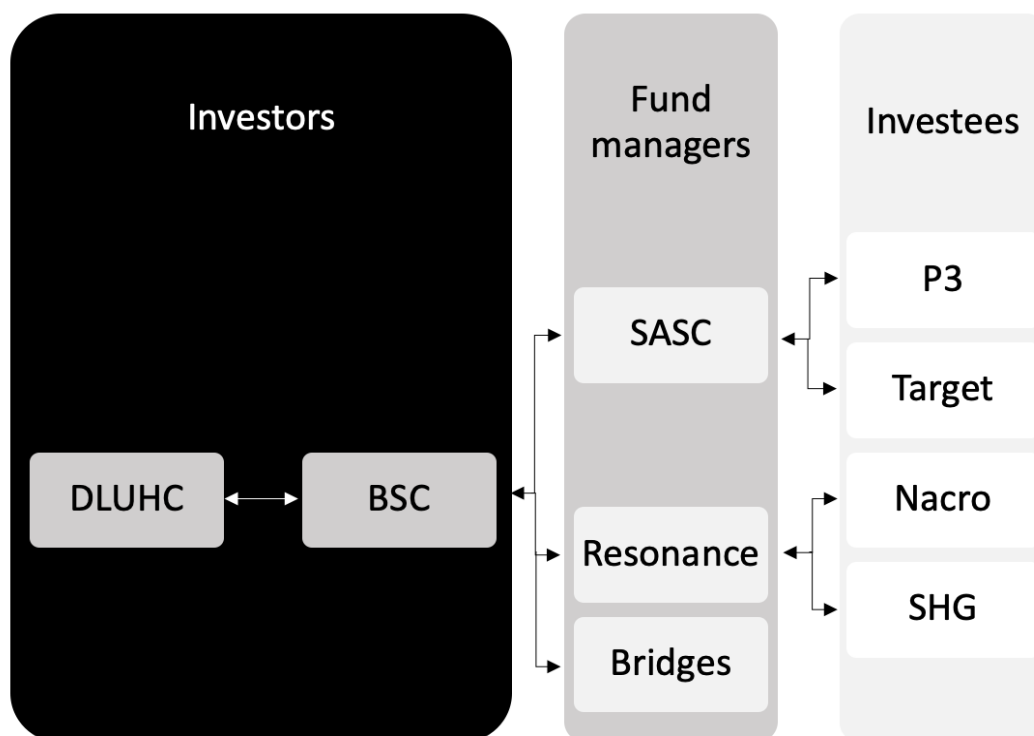


Figure 2. A Model of Information Flows Between the Stakeholders in this SIP.

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

This evaluation looks at the first three models and two fund managers: Resonance and SASC. It does not cover Bridges Fund Management. Figure 1 presents the structure of the SIP. It shows MHCLG matched BSC's investment to yield £30 million for the SIP. After it performed due diligence, BSC selected three fund managers (SASC, Resonance, and Bridges) into the SIP who received different amounts of funding. Each fund manager received a different investment model: loan, lease, and equity. Each investment model targeted a different subpopulation, varied in the number of units that were procured, and offered the fund manager different options at programme termination.

All fund managers 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 MHCLG. During these meetings, investors discussed progress, implementation problems, and policy changes that needed to be made.

1.2 Social Investment Portfolios

Both fund managers collect data on the properties that have been purchased with their social investment. Recall SIP funding is spread across five investment management projects, three of which are highlighted below: 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).

Key performance indicators are available for the SASC, NHPF2 and REIF funds collated in the funds' 'Impact Canvas' reports. While SASC-funded information is most detailed, information about the location and number of units is available for each of the SASC, NHPF2, and REIF projects and is drawn from the most recent data available. This report provides an update based on the units funded until Q3 2024. Previous analysis included information on units funded until Q2 2023. When there are relevant differences between both time points, these are described in the text. We first provide descriptive statistics about SIP tenants and then the locational characteristics of SIP properties.

1.2.1 Description of the funds

We first present descriptive statistics for the SASC fund, then the NHPF2 fund, and lastly the REIF fund.

SASC fund

Number Housed and Household Composition

By the third quarter of 2024, the units funded by the investment entitled Social and Sustainable and Housing Sidecar (SASC) housed 178 people in total, a decrease of 7.3% compared with the previous quarter, but an increase of 50% since the last report (Q2 2023). The household composition remained stable since the last report. Although the top two categories have switched positions, the differences are marginal. Almost half of these units were categorised as sharers (49%), while 44% were allocated to single households. Only 10 households are classified as single parent households, and two couples with no children are listed. In the last report (Q2 2023) single households made up 51% and sharers made up 45% (see Figure 3).

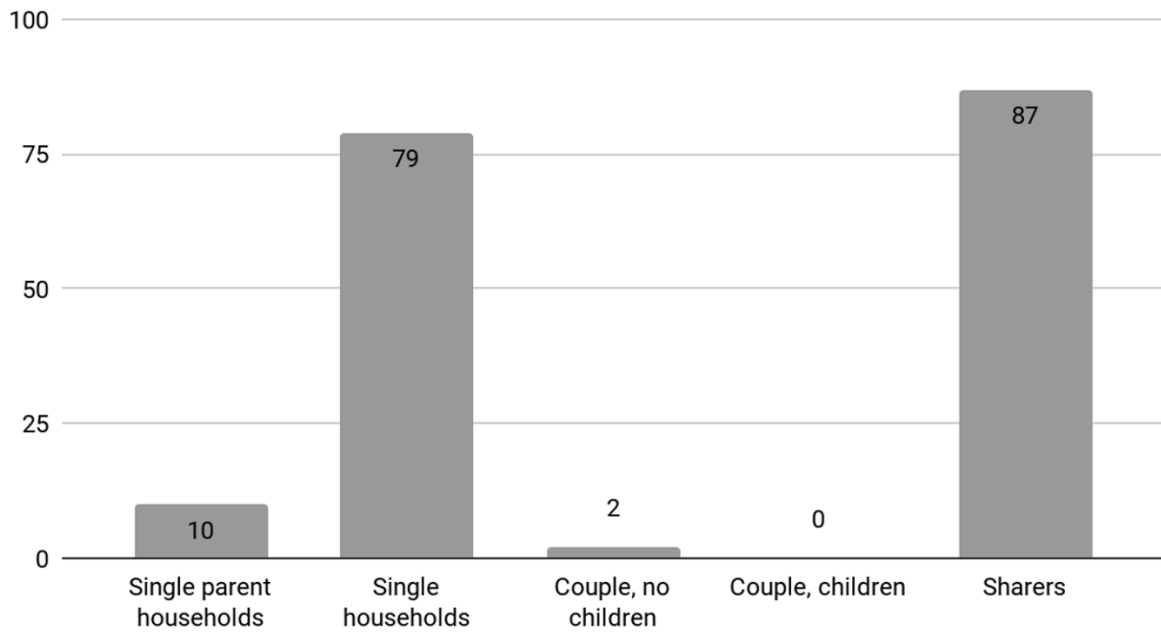


Figure 3. Number of People Housed by Household Type (SASC, Q3 2024)

Previous Housing Situation

Many participants in the SASC programme reported having experienced different forms of housing insecurity. As of Q3 2024, almost half of the households were previously in temporary accommodation (43%), with 31% in shared temporary accommodation and 12% in private temporary accommodation. Additionally, 22% of the individuals had experienced rough sleeping prior to the programme. Two new categories have been added in the 2024 data: emergency accommodation and living with family (hidden homelessness). These two categories make up 4% and 1% of households, respectively (see Figure 4).

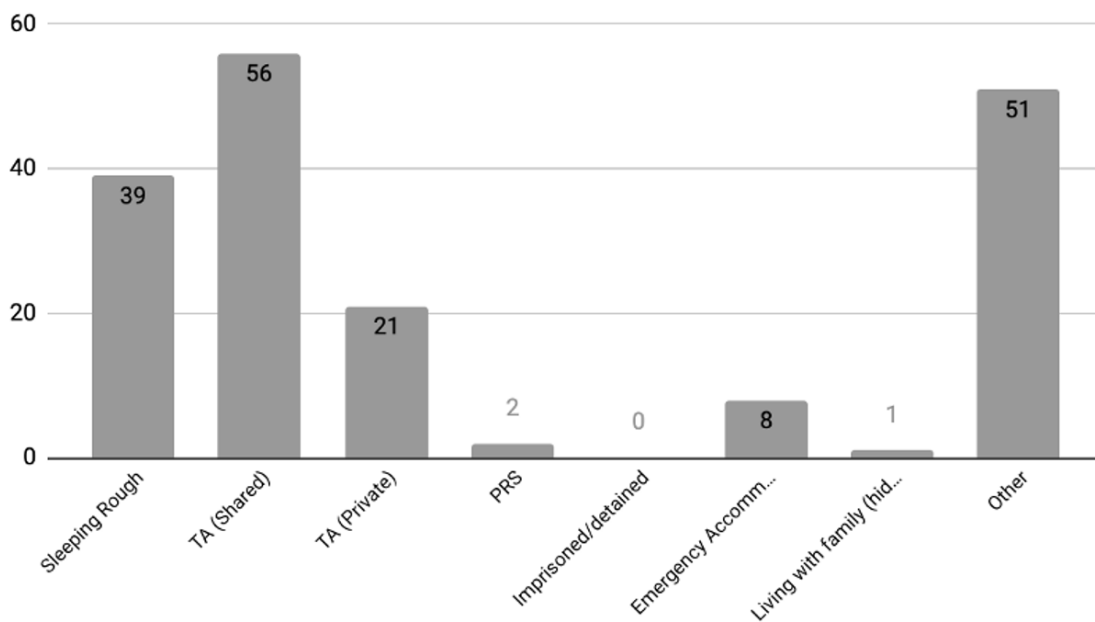


Figure 4. Number of People Housed by Previous Housing Situation (SASC, Q3 2024)

Employment Status

Examining employment status on entry into SASC-funded supported housing, the latest data reveals that there are fewer households that include someone who was employed in comparison to the previous report (4% Q3 2024, 5% Q2 2023). Over three-fourths (78%) are unemployed. This is an increase from last year (Q2 2023) of 9 percentage points. 17% face barriers preventing them from working, fewer than 1% of households include someone in education and there are no households that include someone in training (see Figure 5).

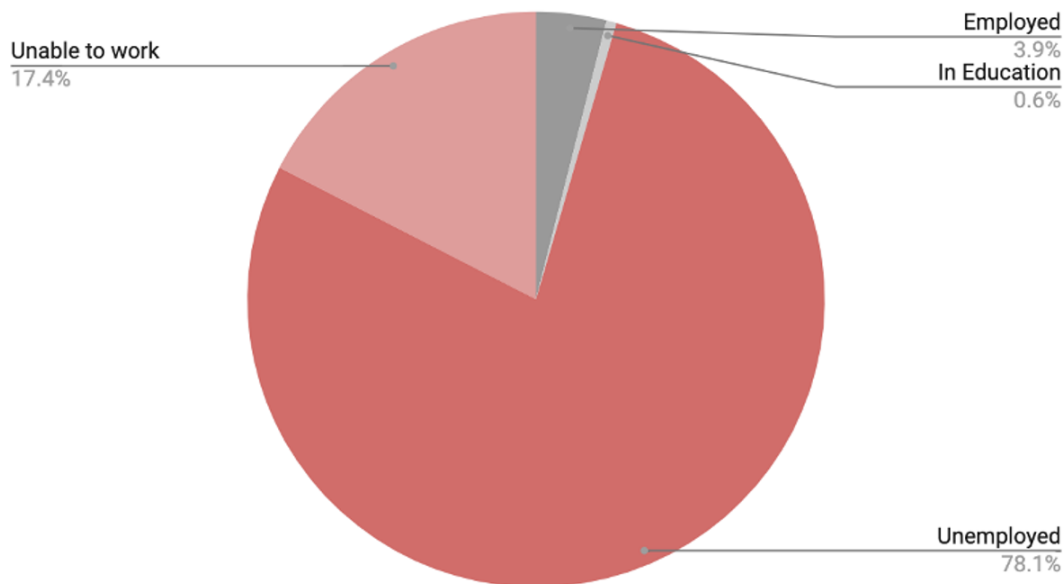


Figure 5. Number of People Housed by Employment Status on Entry (SASC, Q3 2024)

Support Needs

By the third quarter of 2024, Figure 6 shows 29% of people housed in a SASC-funded unit reported having a high level of need for support or multiple such needs. This group includes people with long-term experiences of rough sleeping and those who require extensive support through Housing First or supported housing with high-level management and support.

Almost half (46%) of people housed in SASC units reported have medium support needs, 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 (24.7%) of individuals have low support needs, meaning they recently started experiencing homelessness and/or reported experiencing less significant health or support needs.

The distribution of different levels of support needs has shifted since the previous report. In 2024, fewer people (29% Q3 2024, 36% Q2 2023) have high support needs, and more people have medium (46% Q3 2024, 40% Q2 2023) support needs. The proportion of people with low support needs is similar across the two periods (24.7% Q3 2024, 24.4% Q2 2023).

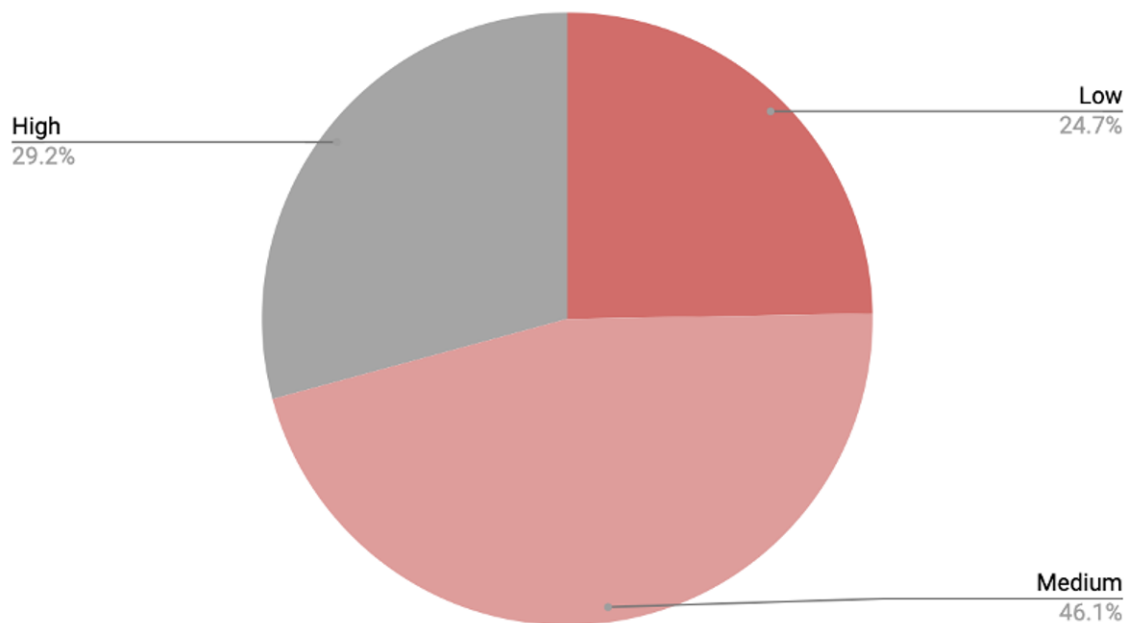


Figure 6. Number of People Housed by Support Needs (SASC, Q3 2024)

Length of Stay and satisfaction

Regarding the length of stay for people housed in SASC units, 94% of households have been in their accommodation for less than a year. 3% have been housed between 1 and 2 years, and 2% between 2 and 3 years. Furthermore, the percentage of abandonments was 3% in Q3 2024, compared with 5% the previous quarter. However, the numbers are small (a fall from 9 to 6 households). 85% of households have reported being satisfied or more than satisfied with their accommodation. This has fallen from 100% in the last report (Q2 2023).

NHPF2 fund

This section includes descriptive statistics detailing the composition and varied demographic characteristics of households living in NHPF2-funded units in the period spanning April 2023 - March 2024.

Number Housed and Participant Age

In the period spanning 2023-2024, the units funded by the investment entitled NHPF2 housed 274 people in total. Figure 7 shows 215 (78.5%) were adults, and 59 (21.5%) were children. This distribution has shifted somewhat from 2022-23 where approximately two-thirds were adults (62%) and one-third were children (38%).

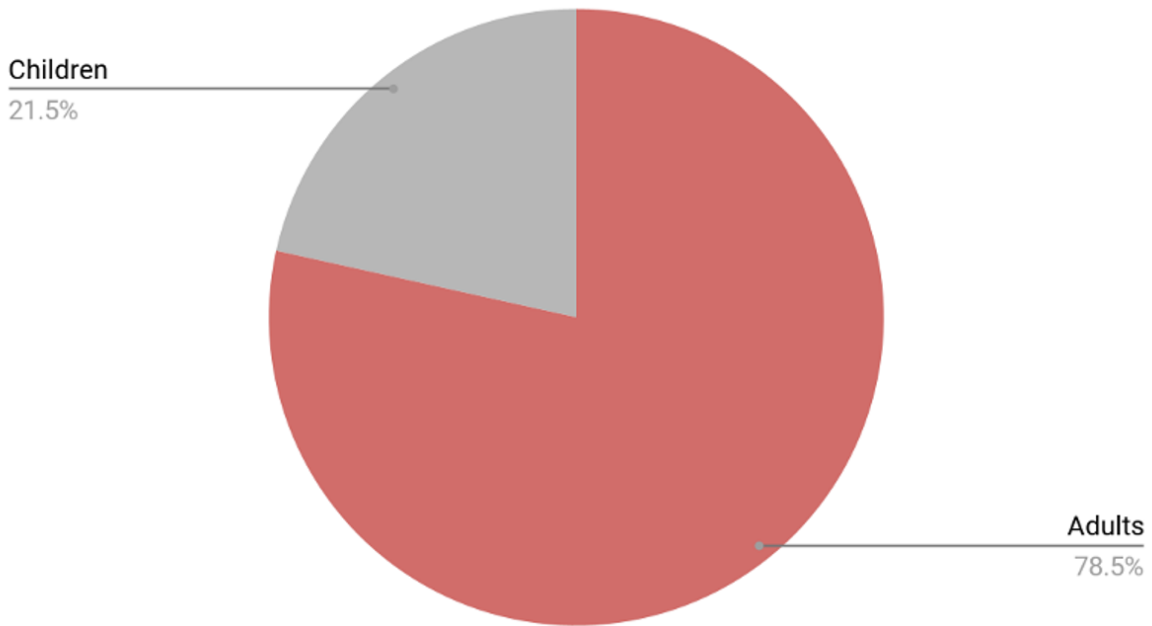


Figure 7. Number of People Housed by Age (SASC, Q3 2024)

Previous Housing Situation

In the period spanning 2023-2024, of the 95 tenants (from 5 out of 10 partners) that were recorded, the majority (91%) were housed in temporary accommodation. 9%, which represents 9 tenants, were housed in emergency accommodation.

Employment Status

Of the 81 tenants (from 7 of 10 partners) that were recorded, only 42 are eligible for work and 39 are unemployed. Of the 42 eligible for work, 30 are employed. It is not clear from the data, however, if the remaining 19 'eligible for work but unemployed', have been double counted in the 'unemployed' figure or whether they form an additional 'unable to work' group.

Household Type

Figure 8 shows, of the 111 tenants (from 7 out of 10 partners) that were recorded, 90 (81%) were single households. While this was also the highest category in 2022-23, the proportion has become more concentrated in 2023-24, with an increase of 30 percentage points on 2023-24 figures. The number of single parent households is notably lower in 2023-24 than the previous year. Just 13 (12%) were single parent households in 2023-24 compared with 49 (40%) in 2022-23. The other categories are similar across years. 2 (2%) were households composed of a couple with no children, and 6 (5%) were a couple with children.

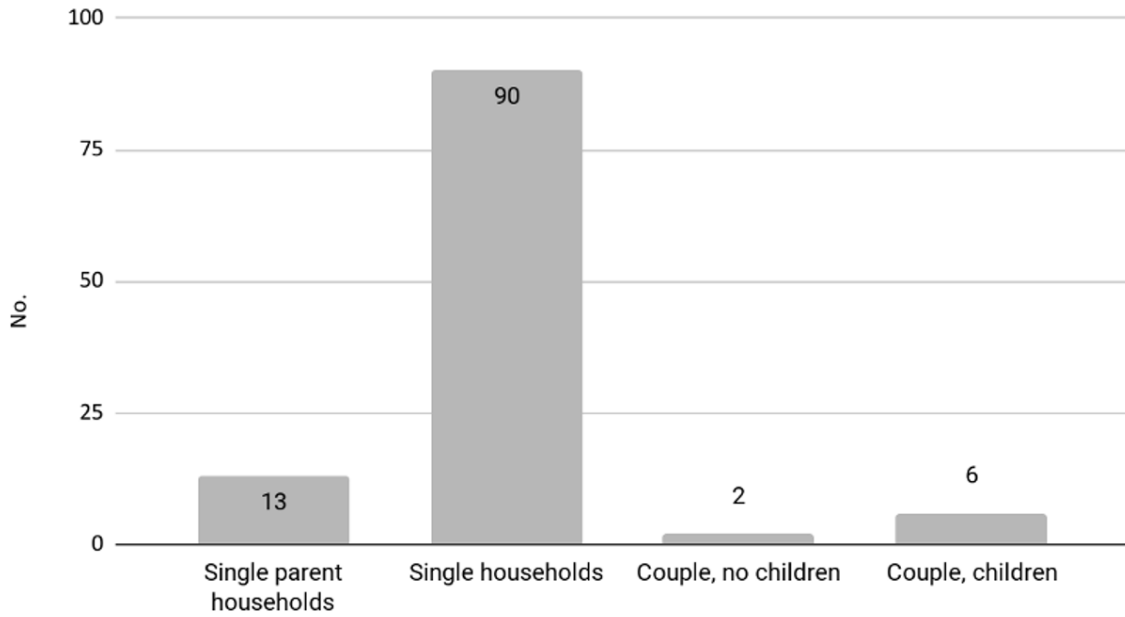


Figure 8. Number of People by Household Type (NHPF2, 2023–2024)

Type of Additional Support Received

Figure 9 shows, of the 94 tenants (from 9 out of 10 partners) that were recorded, 40% of people reported having a high level of need for support or multiple such needs, making up the largest group. Almost one-third (32%) of people housed in NHPF2-funded units reported having medium support needs, and those reported as having low support needs made up the smallest group (28%).

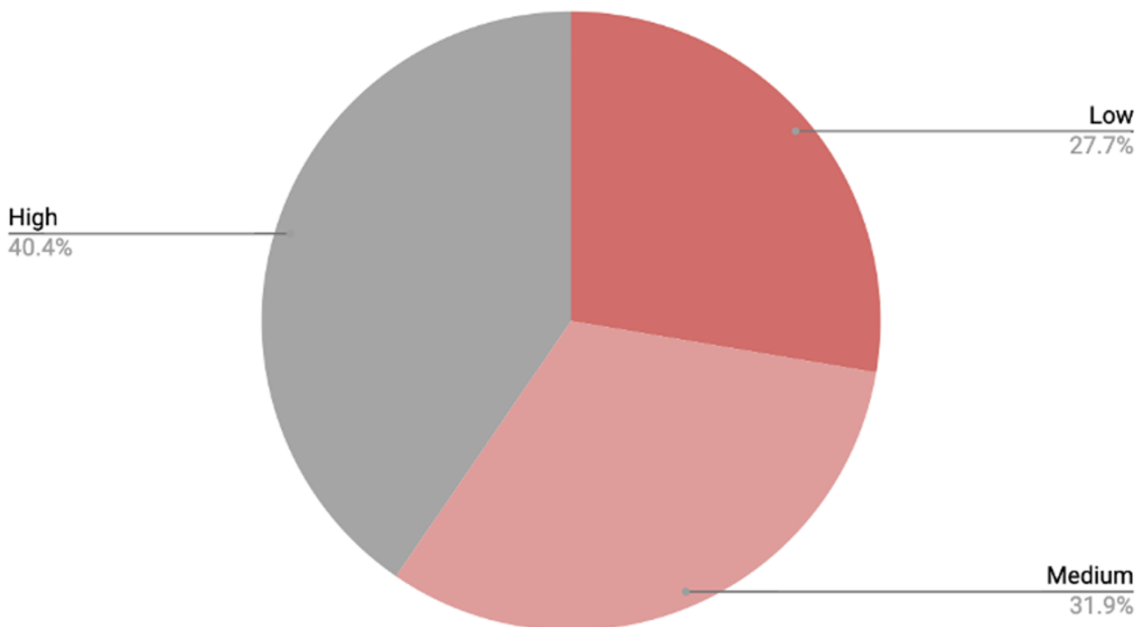


Figure 9. Number of People by Support Needs (NHPF2, 2023–2024)

REIF fund

This section includes descriptive statistics detailing the composition and varied demographic characteristics of households living in REIF-funded units up to March 2024. Note that REIF was

not included in the previous report. 54 people were housed, all of whom (100%) are adults, in single households, rehoused from temporary accommodation.

Employment Status

Examining employment status on entry into REIF-funded supported housing, Figure 10 shows only 7.7% of households included someone who was employed, while just over half 52% were unemployed, and over one-third 36.5% faced barriers preventing them from working. Only 4% of households included someone in training and there were no households that included someone in education. This pattern mirrors that of people housed in SASC-funded units also.

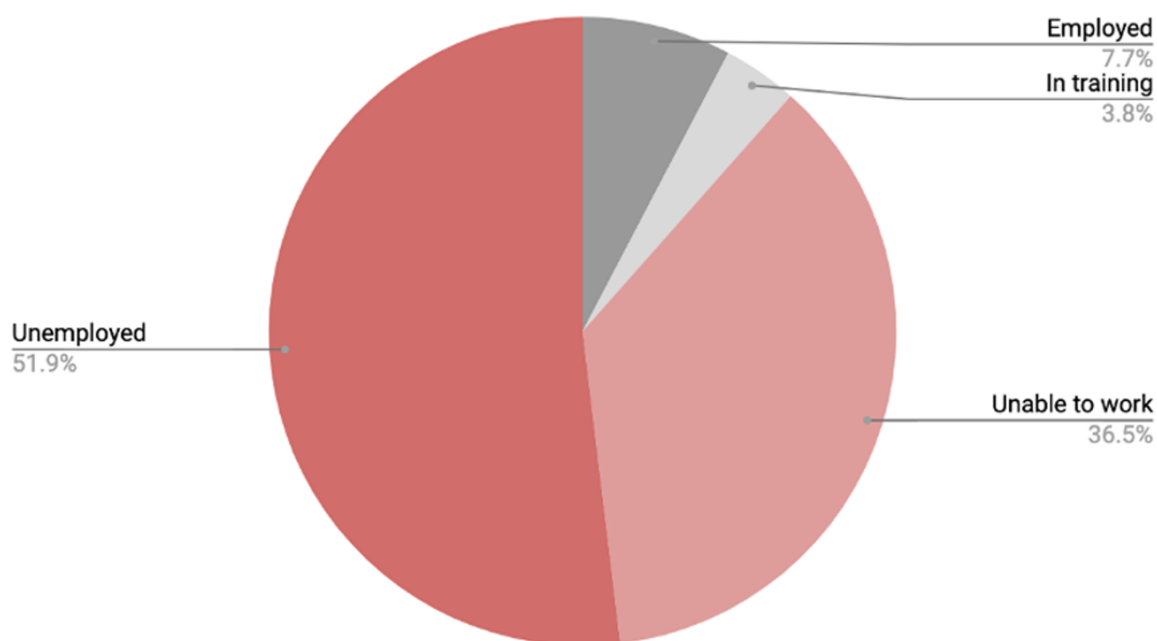


Figure 10. Number of People by Employment Status on Entry (NHPF2, 2023–2024)

1.2.2 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 SASC projects (as of September 2024 for SACS and March 2024 for NHPF2 and REIF), are assessed against five key measures of need in each LA:

- the number of homelessness assessments ([April-June 2024 MHCLG Statutory Homelessness Statistics](#))
- the number of people experiencing rough sleeping ([Autumn 2023 MHCLG Rough Sleeping Snapshot](#))
- the number of households living in temporary accommodation ([April-June 2024 MHCLG 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 percentage of total monthly household income spent on private rent, by Local Authority ([2023 Office of National Statistics Private rental affordability, England and Wales](#))

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 ‘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). The postcode of each unit was matched to the LA in which it is located and to the attendant decile for each indicator.

Geographical Dispersion

The SASC, NHPF2, and REIF include a combined total of 462 properties, which comprise 716 units, spread throughout England and Scotland. Figure 11 shows NHPF2 has the highest number of properties (297), followed by SASC (109) and REIF (56). As in 2022-23, larger proportions of properties and units are located in the North West, and London. No properties are located in the North East of England. Only properties in England are included in the analysis that follows due to a lack of comparability between homelessness statistics across England and Scotland.

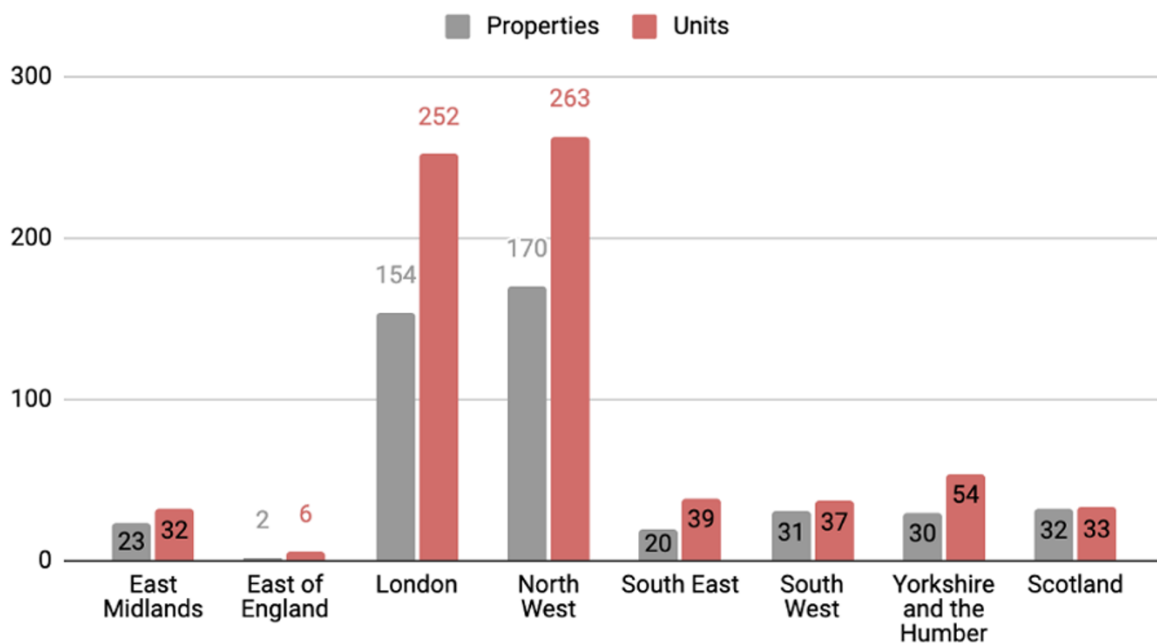


Figure 11. Number of Properties and Units per Region (All Funds)

Targeting based on homelessness assessments

Most properties and units are in areas with a high number of homelessness assessments. Figure 12 shows 137 properties (33% of total)¹⁴ are located in the 10% of areas with the highest number of homelessness assessments, and 337 (82% of the total) are located in the top 40% of LAs according to homelessness assessments. This is an increase from 68% in the previous report suggesting an improvement in the allocation of units to more deprived areas. This is driven primarily by properties in the NHPF2-funded programme, which comprise 72% of the properties in the top 40% of LAs by homelessness assessments.

Only 36 properties (8.7% of the total) are in LAs with total homelessness assessments at or below the median level of homelessness assessments. The distribution in this updated analysis has become concentrated at the top compared with the previous report, but the patterns hold when compared against those reported previously.

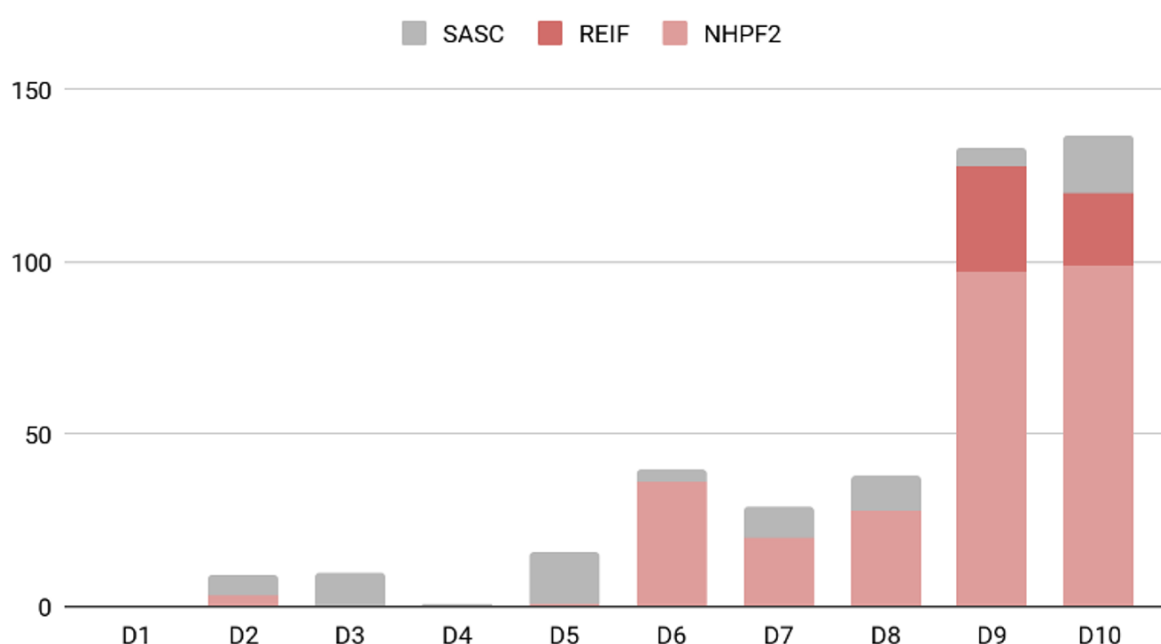


Figure 12. Number of Properties per LA by Decile of Initial Homelessness Assessments (Q1 2024)

Targeting based on rough sleeping figures

Programme units are more spread out over the range of LAs according to this measure. Figure 13 shows more than three-quarters of properties (341 properties, 79%) are located in the top half of LAs by rough sleeping figures. This is in contrast to just 56% in the last report. This is driven primarily by properties in the top decile, and interestingly the seventh decile by rough sleeping. This could be due to LAs shifting deciles by rough sleeping over time. Combined, these two deciles make up almost half of the total properties (23.5% and 23.3%, respectively).

LAs in the top decile include Bristol, Greenwich, Hillingdon, Kingston upon Hull, Lambeth, Liverpool, Manchester, Oxford, Redbridge, and Southwark. LAs in the seventh decile include Bexley, Cheshire East, Enfield, Hounslow, Lewisham, and Wigan. This is in contrast to the

¹⁴ There are 17 properties for which MHCLG homelessness applications data are missing.

previous report, where just one property was located in an LA in the seventh decile, in Kingston upon Hull, which has now shifted decile.

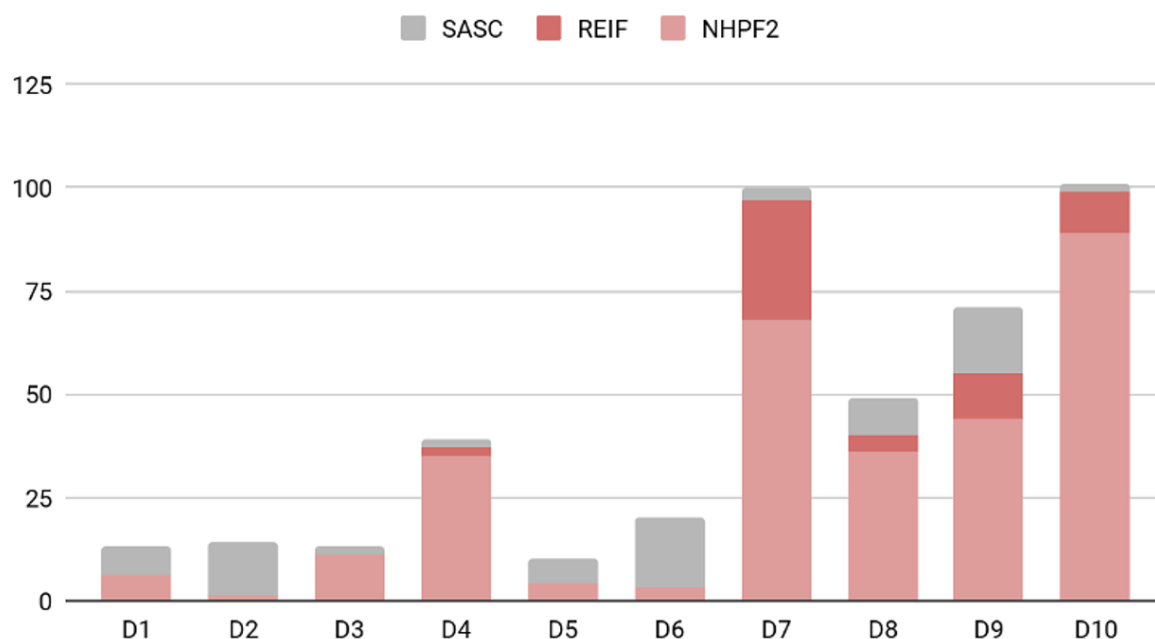


Figure 13. Number of Properties per LA by Decile of Rough Sleeping Count (2023)

Targeting based on Households in Temporary Accommodation

Most properties and units are in areas with a high number of households living in temporary accommodation. Figure 14 shows 141 properties (36% of total)¹⁵ are located in the 10% of areas with the highest number of households living in temporary accommodation, and 326 (83% of the total) are located in the top 40% of LAs according to households living in temporary accommodation. This is a change from 54.8% in the previous report. This is driven primarily by properties in the NHPF2-funded programmes, which comprise 75% of the properties in the top 40% of LAs by the number of households living in temporary accommodation. Only 68 properties (17% of total) are in LAs with total households in temporary accommodation at or below the median and are almost entirely made up of SASC properties.

¹⁵ There are 36 properties for which MHCLG households in temporary accommodation data are missing.

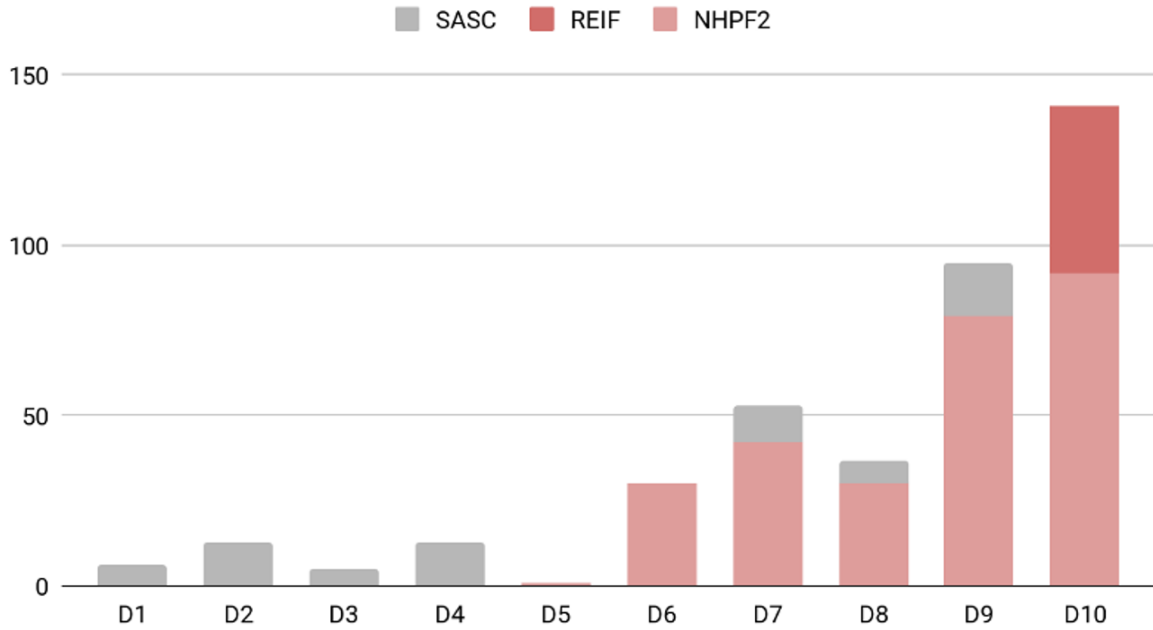


Figure 14. Number of Properties per LA by Households in Temporary Accommodation (Q1 2024)

Targeting based on Income Deprivation Rate

Most properties and units are in areas with high income deprivation rates. Figure 15 shows 125 properties (29% of total) are located in the 10% of areas with the highest income deprivation rates, and three-quarters (323 properties, 75% of the total) are located in the top 40%. This is driven primarily by properties in the REIF and NHPF2-funded programmes, which comprise 87% of the properties in the top 40%. Only 89 properties (21% of total) are in LAs with an income deprivation rate at or below the median. Again, the figures reported here mirror those in the previous report very closely.

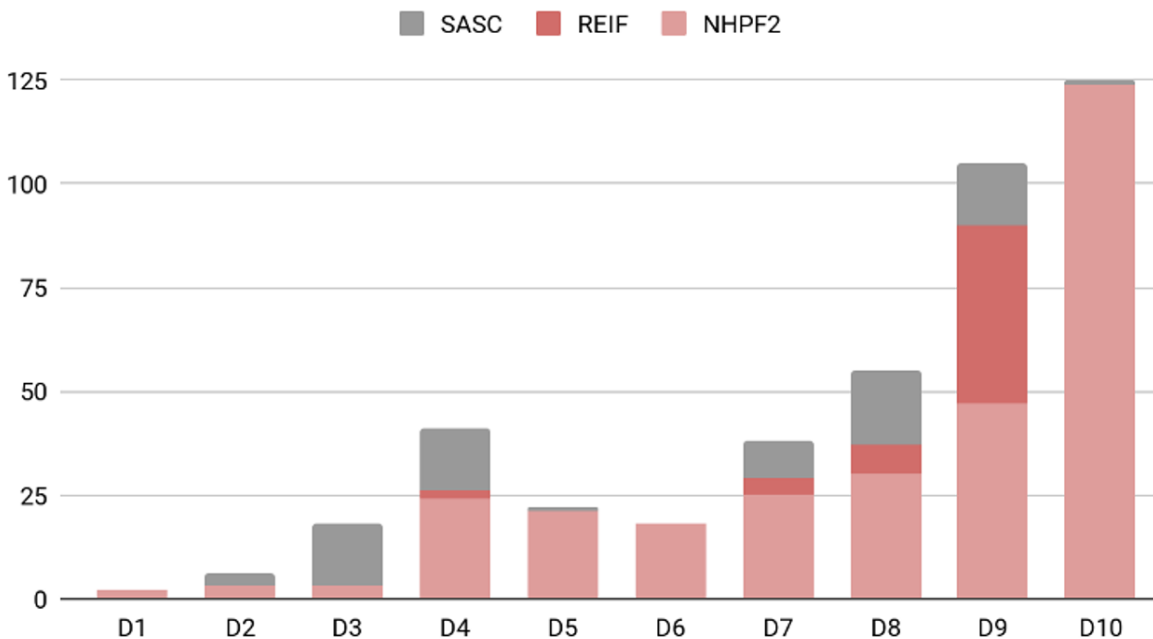


Figure 15. Number of Properties per LA by Decile of Income Deprivation (2019)

Targeting by Affordable Rental Housing

Figure 16 shows the number of properties per LA by decile of the proportion of income of private renting households that is equivalent to rent. Since the *stock* of affordable housing is an imperfect measure of affordable housing, this report uses the percentage of total monthly household income spent on private rent as a proxy for affordable housing. This differs from the measure used in the previous report where affordable rental housing was measured by the number of affordable housing units owned either by LA or private providers in each LA.

As such, the scale differs between this report and the previous version. There, lower deciles reflected low numbers of affordable housing units (high need) and higher deciles reflected higher numbers of affordable housing units available (low need). Here, lower deciles reflect areas where rents make up a smaller percentage of median incomes in that area (low need) and higher deciles reflect rents that are higher in relation to median incomes in that area (high need).

Most properties and units are in areas where rents are higher as a proportion to income. Figure 16 shows over one-third of properties (157 properties, 36.5% of total) are located in the 10% of areas with the least affordable housing, and 301 (70% of the total) are located in the top 40% least affordable LAs. This is driven primarily by properties in the REIF and NHPF2-funded programmes, which comprise 98% of the properties in the top 40%. These properties are most frequently located in bigger cities, including Bristol, Manchester, Oxford, and LAs throughout Greater London.

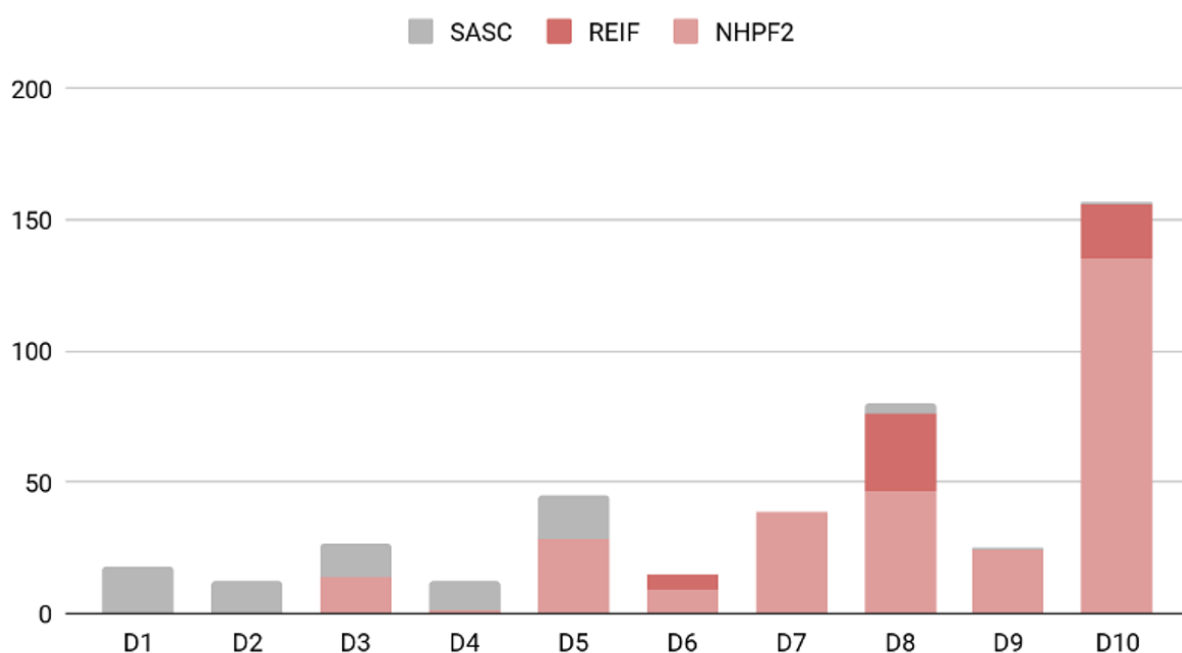


Figure 16. Number of Properties per LA by Rent Affordability (2023)

1.3 Evaluation Study

MHCLG 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, MHCLG and BSC commissioned this 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.¹⁶

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.

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.¹⁷ The theory of change covers inputs, outputs, short-term outcomes, long-term outcomes, mechanisms, and contextual information.

Our impact evaluation answers the following sets of questions:

Clients	
Clients	<ul style="list-style-type: none"> ● Does the pilot lead to longer-term planning and more continuity of service for people in the pilot? ● Does the pilot impact on the length of time of tenancies are sustained? ● Does the pilot impact on people’s satisfaction with accommodation, including its quality, their choice of accommodation, and whether individuals are near to amenities or services, friends and family? ● Does the pilot increase people’s wellbeing?

¹⁶ <https://www.evaluation.org.uk/app/uploads/2021/09/Evaluation-Project-Brief-Social-Investment-Pilot-Sep-2021.pdf>

¹⁷ [Evaluability assessment: Developing program theory - Wholey - 1987 - New Directions for Program Evaluation - Wiley Online Library](#)

Service providers

- Does the pilot improve housing providers' balance sheets through adding to net assets?
- Does the pilot increase confidence of investors to invest in the organisation?
- Does the pilot support organisations to scale their provision?
- Does the pilot reduce costs borne by housing providers and improve their efficiency, i.e. less reliance on managing a large volume of tenancies in the private-rented sector?

Local systems

- Does the pilot impact on the local homelessness and rough-sleeping accommodation sector?
- Does the pilot lead to systemic change?
- Does the pilot alleviate some pressures on local authority or Housing Association waiting lists?

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 Pilot 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.

2. Methodology

The evaluation tests the theory of change for five case studies that had distinct theories of change: Nacro, P3, SHL, and Target Housing (THRIVE and Criminal Justice). We selected those cases to include multiple providers, client groups with varying needs, and places where multiple SIP tenancies were located.

Because the theories of change varied across case studies, there are five general research questions that are answered in this report:

1. What is the economic model(s) underpinning the programme and what potential benefits and costs are associated with this?
2. What impact(s) has the SIP had in each case study?
3. Were the theories of change supported or contradicted across case studies?
4. Why was a given hypothesis supported or contradicted?
5. How should the theory of change for each case study be modified to fit our observations, if at all?

We used qualitative process tracing to answer the first four questions. Our strategy for process tracing included administrative, case file, and/or interview data. At this stage, the economic analysis is based on qualitative interviews with key informants.

The evaluation is also looking at people's experience of the programme. This is addressed primarily in a separate report, authored by People's Voice Media although we draw on the findings of this workstream in this report where relevant.

This section continues by first describing the methods we used to conduct the economic evaluation and then the ones we used for process tracing.

2.1 Economic evaluation

A key part of the evaluation is to consider the economic impact of the pilot programme around two principal questions: to determine the financial additionality associated with the social investment partnership models employed within the pilots; and second, to assess the value for money of these projects for stakeholders: society (taxpayer), the provider, the social investor and the end user.

In 2024, the economic evaluation component of the wider evaluation has undertaken two key tasks: revising its approach and starting to build an economic model.

2.1.2 Revising our Approach

We have revised and focused on the *economic* evaluation stage. This involved a process of international analysis, reflection and discussion within the economics team, the evaluation team and with Better Society Capital.

In brief, a Benefit/Cost Analysis is usually based on a robust estimate of impact derived from a Randomised Control Trial, direct comparison with a counterfactual, or robust quasi-experimental impact evaluation. This will not be possible in this case. Although a modelled Benefit/Cost Analysis may be possible, this would be based on some fairly extensive assumptions and careful sensitivity analysis would need both to be undertaken and clearly explained in any subsequent publication and dissemination.

Alternatively, we consider a potentially more robust approach: The **4Es** approach (associated with the VFM work being undertaken on temporary homelessness by the Centre for Homelessness Impact – Wilkins et al, 2024) is a more pragmatic solution to the limitations in generating a counterfactual that nevertheless provides practical and, in some cases, quantified findings on key elements of the economic and financial decision-making that policy-makers should be cognisant of.

It also appears likely that many of the problems observed in the economic evaluation of the MHCLG “Test and Learn” programme – and potentially other problems – also apply in the case of the ‘Everyone In’ social investment pilots. This includes: the counterfactual problem to which we have alluded above; heterogeneity of the pilots; attribution and probable deadweight; lack of robust monetized effects; lack of sufficient outcomes data; and potential poor data quality and measurement error.

These difficulties may rule out cost benefit analysis, and potentially cost-effectiveness and cost-utility analyses. We propose here to adopt the approach the Centre for Homelessness Impact developed for its temporary accommodation work; a 4 E VFM approach based on consideration of the following:

- Whether inputs used in the intervention have been minimised (**economy**)
- A comparison of costs of the inputs against the outputs being achieved: consideration of whether these outputs are delivered at the lowest possible cost, highlighting opportunities for increasing **efficiency**.
- The extent to which the targeted outputs and outcomes have been achieved – i.e. **effectiveness**. This requires clarity on the expected outputs and outcomes, already developed through the respective Theory of Change and business models in the pilots.
- The extent to which the outcomes are being delivered in an **equitable** way. This can be assessed by reviewing the extent to which the different groups experiencing homelessness are being targeted/ supported and ultimately benefit. This is clearly an important dimension of the social mission of the fund managers in the Everyone In project, as well as of the providers.
- A summative fifth (broader) dimension concerns feasibility for roll-out. This is concerned with whether additional value is being created in the way that the funders and programme owners had intended and expected, and whether the beneficiaries receiving support are those in the ex-ante target group. We also consider whether there is evidence of potential sufficient sources of social impact funding which can be drawn upon.

This is to us the most practical, likely feasible, approach given the challenges around the lack of counterfactual, complexity of attribution and lack of existing outcome data.

Financial additionality, which will be a separate evaluative component of the wider evaluation, is essentially concerned with the question of the extent to which social investment funding using the two models applied in the four pilots offers a better return to society, the public purse and funders than plausible best alternatives. As with the other aspect of the evaluation, we require an appropriate counterfactual, potentially tailored to each pilot as these have one or more alternative ways of delivering the same outcomes. There will, of course, be common elements required to achieve specific outcomes e.g. housing support worker costs and/or non-capped local housing allowance. In this way we will identify the most plausible feasible counterfactual to each pilot, as well as a common counterfactual based on private funding or PRS leasing.

As with the main VFM evaluation, this aspect of the work is carried out in close liaison with stakeholders in each of the target areas. We will model the financial and operational costs of each case study pilot for an agreed time period of multiple years, set against its achievement of desired outcomes. This will then be contrasted with the appropriate counterfactual.

2.1.3 Model Development

Our initial model, informed by the approach discussed above, is based on the evaluation with which housing providers evaluated their prospects of achieving their social and financial goals under the “Everyone In” initiative.

The costs of the initiative include: the costs of accommodation to the housing provider – that is, the return to the social investor; the social/public cost of support – given that many of the tenants require support – the cost of maintenance and the costs of vacancy, i.e. rent loss from a void. There is also some indication that the management of “Everyone In” properties requires a greater oversight compared with properties already available to the housing providers because of the degree of liaison with social financiers which is involved.

The benefits to the housing providers, primarily accrue from the payments they receive for providing (supported) housing. However, there are more subtle benefits: the long-term nature of Everyone In leases reduces the risk to which the housing providers are exposed. This may allow them to bid with more confidence on tenders to provide social housing. Whether it is possible to model this reduction in risk in terms of a risk return trade-off, is an ongoing question. Further, Everyone In funding has facilitated housing providers expanding their portfolio without diminishing their capacity to borrow, i.e. maintaining a lower gearing by reducing the capital assets and liabilities for which they are directly responsible. Again, the issues surrounding the direct monetisation of this benefit are ongoing; but that does not change the fact that is a significant benefit.

Further, there have been potential benefits observed through the ongoing co-production of housing services as providers of social finance and housing providers work together to achieve the best mix of housing and engage in monitoring of the project. Again, these relational benefits may prove difficult to monetise.

In each of the Everyone In cases below we may determine the benefits and cost along the following lines.

2.1.4 Perspectives

Understanding the playing out of the two underlying financial models developed by the fund managers drawing down the ‘Everyone In’ fund across the four case studies, allows comparative assessment of the value for money of the programme following the 4Es framework suggested above. This encourages us to look at the *economy* of the set-up costs and running costs of the model including the oversight elements of the delivery, as well as *efficiency*, through relating costs incurred to the achievement of the fundamental outcomes (i.e. housing and supporting vulnerable households - *effectiveness*). The fairness or *equity* of outcomes is also assessed in terms of who benefits and what difference this makes to clients (linked to the impact assessment). Overall, this allows sensible attribution about the value for money of the programme to be triangulated in terms of both the cost/return to the public purse and to wider society focusing on the three key groups of tenant, provider and fund manager (as custodian of the investment funds).

We consider the different perspectives on appropriate counterfactuals to ‘Everyone In’ for these three groups below.

2.1.4.1 Tenant

‘Everyone In’ tenancies can include different intensities of wraparound housing support depending on the circumstances of the client. Considering the likely alternatives to such an arrangement probably comes down either to remaining in whatever current temporary accommodation arrangements prevail, or accessing the mainstream private rented sector (probably shared accommodation depending on what is available) and most likely without support services. This is more likely than social housing either than Housing First should the criteria be met (and such properties are available).

Overall, we consider the private renting option is the most likely realistic counterfactual, noting that one objective of follow-on housing, such as Everyone In, is to prepare clients to manage and succeed in sustaining a tenancy, be it from social or private providers, and to do so transitioning away from supported accommodation (if possible given the client’s ongoing needs).

A market tenancy with or without support will be less well regulated – the costs and benefits of different degrees of regulation are not straightforward to assess. At the least we must consider there is the cost of oversight, to be set against the potential benefit arising from the requirements to meet minimum standards. These benefits and costs may accrue to society or to the tenant. After all, ultimately society is paying the additional cost of supported accommodation.

We should also consider the benefit and cost of having accommodation, but which is not ‘local’, in the sense that relocation is required – hence the tenant will lose the connections they have to their own informal support networks. Long term arrangements may lead to likely reduced risks of tenants’ having frequently to change location – the stability that comes from a (potential) long-term tenancy may not be monetizable, however the security of tenure is a reduced risk in psychological terms and may also impact on reduced maintenance costs of the property if the tenant feels they have a longer-term stake.

It must also be borne in mind that some local landlords in the private sector will exclude those with supported housing needs and also the broader class of former homeless individuals, narrowing the pool of properties available and requiring wider search.

2.1.4.2 Housing Provider

We consider here the benefits and costs to the provider, which will be in addition to the benefits and costs described above – those which accrue to the tenant. Possible counterfactual alternatives:

- The housing provider may simply manage fewer properties and thus house fewer clients. The monetisation of the benefits of an increased housing stock may not be straightforward. For example, reputational benefits may arise from operating a larger organisation. In this case the Everyone In properties are a direct addition, not a replacement, for other means of acquiring appropriate housing stock.
- The provider may operate the same number of properties, with the counterfactual being to compare social financed properties with those accessed with bank finance. Benefits and costs to be considered here will include:
 - Potentially higher cost – interest cost compared with the long-term lease cost/tailored mortgage;

- Potentially riskier – interest rates may change;
- Higher gearing which may affect covenants (the benefits/costs associated with this remain a matter further to be considered and are unlikely to be able to be captured precisely).
- The provider may rather not purchase but lease accommodation from private landlords:
 - Comparative PRS leased rental costs may be compared with EI finance costs. Note that we will also have to include how regular rent increases are handled in leasing arrangements between the provider and private landlord;
 - Private rental carries with it the risks of shorter-term tenancies, precarity and the possibility of tenancy termination. There will be less management devoted to finding additional accommodation if the tenancy is secured. The management cost of establishing tenancies through this route is still to be investigated;
 - Compared with engagement with the PRS, longer term tenancies also provide increased presence in the market, making the provider a less risky option for contract providers – e.g. local authorities. The value of this reputational gain requires further consideration.

Other benefits/costs

- Everyone In housing also comes with more oversight – from Social Investors.
 - Reduction in risk, improvement in service, but potentially with additional management transaction costs;
- Housing providers may operate as co-purchasers with social finance providers, providing more market power and oversight compared with private leases;
 - Grouping (or otherwise) of accommodation may result from providers having more market power over where and what kind of properties are purchased;
- Terminal or exit arrangements – whether or not there is an option for the properties to be purchased outright at the end of the contract at a less-than-market price– must also be considered in the case of SASC financed properties.
- Risks of vacancy and whether these are borne by social investors or housing providers.
 - Given the tight housing market – i.e. high demand from the client group for the foreseeable future – these costs should be minimal
- Maintenance and management costs will directly be capturable from housing providers and may vary with the length of tenancy;
- The key risk of government policy change regarding the underpinning role and level of local housing allowance and also treatment of exempt rent, which underpins the income stream and viability of the model, must also be considered.

2.1.4.3 Social Investor

It seems reasonable to assume that the Social Investor will be investing in another social project if Everyone In is not running, hence the counterfactual ought to consider Social, not Market, investing. We consider the alternative or benchmark returns that can accrue to social investing:

- The cost/benefit of investing in supported housing compared to other social investments, may be captured considering the return on other projects supported by BSC, specifically considering:

- Rate of return
- Risk – Security of asset
- Given the scale of demand or need for this type of follow-on accommodation, it may be appropriate to benchmark a given Everyone In project with similar such social investment projects in similar housing market contexts.
- We may also consider the rate of return and risk compared to the overall market rate of return.

2.2 Process Tracing

We used process tracing to test the theory of change associated with each case study. Bennet and Checkel (2015: 17) defined process tracing as “the analysis of evidence on processes, sequences, and conjunctures of events within a case for the purposes of either developing or testing hypotheses about causal mechanisms that might causally explain the case.” To do this, Ricks and Liu (2018) advocated a seven step approach to process tracing:

1. Identify hypotheses;
2. Establish timelines;
3. Construct a causal graph;
4. Identify alternative choices or events;
5. Identify counterfactual outcomes;
6. Find evidence for the primary hypotheses; and
7. Find evidence for rival hypotheses.

Our research team used this approach to guide data collection and structure the following analysis. Each case study below incorporates these elements whilst testing the hypotheses in a service provider’s theory of change. We analysed each hypothesis by first conducting a hoop test and then a smoking gun test (see Bennet and Checkel, 2015; Van Evera, 1997). A hoop test determines if there is necessary evidence to establish causation. When a hypothesis passes the hoop test, additional evidence must be collected to confirm it. A smoking gun test determines if there is sufficient evidence to establish causation. This test is used to confirm a hypothesis that passes the hoop test.¹⁸

2.2.1 Administrative data

Every SIP investee (i.e., service provider) collected KPI data that was shared with their respective fund manager. 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 analyse SIP implementation.

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).

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 Q3 (July–September) 2024 Social Investment Pilot (SIP) report. Due to its purpose, SIP properties are supposed to be located in local

¹⁸ Appendix A is the generic model that we used to test each theory of change.

authorities with high levels of homelessness and rough sleeping, and more generally with substantial need for affordable housing.

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

- The number of homelessness assessments.
- The number of people experiencing rough sleeping.
- 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.

2.2.2 Case file data

A key source of data for this report is case file records that caseworkers produced about their clients. The case file data gives detailed information about the clients’ transition out of homelessness and into settled accommodation. This helped us understand the problems that clients faced during this process, analyse the strategies caseworkers used to deal with those issues, and test the theory of change that informed some case studies. We used case file data to perform hoop tests, but this was not possible for every hypothesis.

The case files included information about the risk assessment, treatment plan, visit log, and demographic characteristics of each client. Our research team created a profile of each client from their respective case file. Each profile traced the struggle(s) that a client dealt with as they settled into their new unit. We then coded each profile to identify hoop tests that they either passed or failed. Our team then incorporated those profiles into the relevant sections of the report.

		Total	Male	Female	White British	BAME	Middle-Aged (40–60)
Nacro		29	27	2	17	12	17
Target	THRIVE	10	8	2	9	1	7
	Criminal Justice	7	6	1	6	1	3
Total		46	41	5	32	14	27

Table 1 describes the case file data that we collected and the demographic characteristics of clients whose experience is documented in those records. Unfortunately, our research team could only access case file data for Target and Nacro clients. This means we were unable to use case file data to conduct hoop tests for P3 and SHL. The absence of case file data for P3 clients weakens our analysis of its theory of change. This is because P3 delivered wraparound support to SIP clients. Because SHL outsourced service delivery to a third-party agency, we were able to test its theory of change without case file data.

That said, we accessed case files by signing a data protection agreement with each service provider. Once our research team accessed the case field, we selected variables that we needed to collect for this report. We then remotely downloaded selected information from the database of each service provider. We gave each client a pseudonym to protect their identity.

2.23 Interview data

Table 2 describes the number of interviews that we conducted across stakeholder type and organisation. For the investees, we interviewed two administrators from Nacro, three administrators from Target Housing, and one administrator from SHL. We also interviewed commissioners from Sheffield, Greater London Authority, and Greater Manchester Authority.

Table 2. Description of the Interviewees That Participated in this Evaluation.

Stakeholder Class	Organisation	Frequency
Investees	Nacro	2
	P3	0
	Target	3
	SHL	1
Commissioners	GLA	0
	GMCA	0
	Sheffield	1
Total		7

Our team members conducted interviews on Teams in the spring and summer of 2024. Each lasted between about 60 and 90 minutes. All interviews were recorded and transcribed with Teams. We asked the interviewees questions that were tailored to theory of change for each case study. Members of our research team then cleaned the transcripts before they were thematically analysed.

We used the interview data to perform smoking gun tests. This was because interviews allowed our team to get information about counterfactuals and alternative hypotheses that was unavailable in the administrative and case file data. In some case studies, like P3 and SHL, we solely relied on administrative and interview data because our team was unable to access case files. This limited our ability to test hypotheses associated with those case studies.

3. Overview of programme financial model

This section describes the economic models that each fund manager is using. The section will first discuss the models that Resonance and its partnering agencies have adopted. The second part will examine the models SASC/SASH and its partnering agencies are using.

3.1 The Resonance Approach

3.1.1 Funding Model

Resonance raises social finance capital to purchase “ordinary homes on ordinary streets” and long-term lease these to providers – who utilise them to provide housing to vulnerable groups. In general, the ultimate tenants are single people with complex needs, which are supported through the housing provider.

The foundation of the model is the attraction of client funding, which may come from charitable trusts, councils, local government pensions schemes. The leases are set to expire in 2030, at which time it is the intention of Resonance to roll-over the assets with additional funding: It is not the intention to return the properties to the private market.

For the purposes of the Everyone In evaluation, the housing providers are Nacro and Stockport Homes, the operating models of which we describe below. In selecting partners, Resonance considers the track record of the housing provider. As we indicate below, involvement with Resonance has provided a means of reducing provider risk, which improves their own track record. Involvement with Resonance therefore is a win/win in terms of funder and housing provider standing. Resonance investors know they could have made a higher yield in the private market, however “they are in it for a different reasons”.

3.1.2 Financial Model

Resonance works with provider partners to determine appropriate properties suitable for purchase. As cash buyers they may be in a position to offer competitive prices for the properties which they purchase. The financial modelling is based on the rent receipts, inclusive of additional government support for complex needs. The provider retains 20% of the rent to cover maintenance and management costs, the remainder is effectively the lease cost for the property. This is distributed to investors. At the end of the lease to the providers, it is planned that the property will be refinanced by another fund in order to repay the original investors their capital.

Given the known costs and receipts in the model – the cost of housing, the cost of maintenance (based on provider record), and the receipts being based on government policy – the investment is generally low-risk from the social financier point of view; and from the housing provider point of view also.

The rate of the LHA provides the fundamental risk in the model. In general, the LHA increases with the CPI over the medium-term, but these increases are “bumpy”. Given the 20/80 split in rents, this risk is shared by the housing provider – where the costs of: void; arrears; maintenance; and management may rise with the CPI irrespective of whether the LHA rises – and Resonance investors’ return, the real value of which may decline if PHA does not rise in line with the CPI.

3.1.3 Relational Model

The interactions between Resonance and the housing provider are supported by a significant interaction between the fund and the provider. Although this may increase the cost of the scheme, because of the time cost of such interactions, this is more than offset by the synergies which arise. Notwithstanding, there are fewer meetings required with “high quality partners”, implying there is a degree of trust which arises from the relationship and which, to some extent, can be monetised, at least insofar as reducing the resources devoted to liaison is concerned.

3.1.4 Housing Provider Partners

Nacro

Organisational Background

Nacro has services across the country that mix from: hostels; shared accommodation; to self-contained flats, providing support to: young people coming out of care; offenders coming out of prison; single mums; people that have suffered with domestic violence; coordinating support with different services across the country, mental health so on; also rehousing people into the CAS service. Terms vary from three to six months to longer term, two-year accommodation.

One of the models Nacro with at the moment is called a Step Forward Service. Which is working with private landlords or Housing Associations that have accommodation available. Nacro provide a minimal level of support. The service rehouses offenders into accommodation. This is not necessarily support funded by the local borough. Nacro has the exempt Housing Benefit charges that pay for staff to provide minimal support and that takes place in self-contained or shared accommodation.

Nacro does not own a large number of properties, they are a registered social landlord, so can provide the support side and the housing management (and can apply for grant for investment in new properties for social and affordable general needs housing) . In many cases, they manage both sides; sometimes Nacro just provides support and rent or lease accommodation.

Nacro has some degree of flexibility, a willingness to innovate in order to achieve desired ends.

Everyone In

The initial working relationship came out of the work Resonance had with Nacro on another project in north England. Nacro became involved with Resonance regarding their pitch for a London model using Everyone In. To Nacro it is about accessing self-contained flats in London, on a level of affordability, in general this is difficult. Nacro had been looking to develop their “footprint”. Everyone In finance enabled Nacro to “think” on a bigger scale.

The Financial Model

The model is based on Nacro leasing the flats from Resonance, being able to provide the support for a separate stream of (GLA) funding into the service. The project is 56 bed-spaces and they are one-bed self-contained flats. These are a mixture of local authority or private blocks that have been built in the last 20 years; they are not new builds. The tenancies are periodic Assured Shorthold Tenancy (AST) with support built into them.

The properties are relatively close together. Resonance property teams would identify a flat that hit the criteria they liaise with Nacro. Nacro would assess how appropriate it was. One of the criteria was how well connected were the flats. Other considerations were transport, local GP, ground or first floor, and access to local shops.

Operational Side

There has been a delay in getting all 56 flats on board (the 56th flat is only now being taken on, though the project started in May 2021). A lot of building and contract work took longer than expected, partly because of COVID. A lot of flats were taken on in 2022/23. The overall lease length from Resonance is ten years – however the support grant (from GLA) is only for three years. Therefore, there is some need to innovate the service. One model would be to move towards providing a more minimal level of support. Another model would be the “exempt step forward” service where circa 25 bed spaces is enough to support one management worker.

GLA's funding contribution originates from central government (DEC). This means that there is uncertainty because of possible future funding change. If the funding ends, tenants are going to have to prepare for eviction, so there will potentially be a devastating impact if the central government changes the model by reducing the payment.

When the modelling was being done, Resonance set the lease charge, and this goes up with the rate of inflation. The costs of Nacro were added on top. The housing management contribution is coming out of the rent. The lease is £200 per week, on top of this is added the cost of management, including a HM worker. That means the rents are not "affordable" for a person who is working in typical employment. Poor employment prospects thus have the downside of entrenching welfare dependency, undermining the potential transitional nature of the accommodation. The "exempt" provides the support for housing management. Resonance is responsible for external repairs – but Nacro is responsible for tenant damage and day-to-day maintenance. This is included in the rent, circa £414 per week (it was £329 when the scheme started).

The rent Nacro charges is like the market rent for a flat. Compared to social housing, Nacro rents are more expensive. People often move from Everyone In into a probationary tenancy, and then an Assured Shorthold Tenancy.

Nacro made the relationship with the local borough Housing Benefit work in terms of ensuring the rent would be covered. Only one borough has raised difficulties over the rent increases.

Nacro were modelling for a two-year cycle for supported accommodation; in practice, the difficulties in "move-on" mean that tenants are in the service for longer; in which case the tenancy rolls over. There is a review process after 18 months, which is normal in these kinds of services. But referrals (to housing management) can go in earlier if the tenant is making good progress. There is a pool of flats that the Housing Associations have put into place across London; but the local borough bidding is "impossible" so there is "nothing available". Demand outstrips supply.

Prospects for Upscaling

The model has enabled their work with clients to achieve some sort of stability, which can improve the confidence of the tenant that they can hold things together. Knowing that they have a flat allows tenants to do some "investment" to get through "difficult patches" where otherwise they might have dropped out. That meant Nacro staff could work "differently" with their tenants.

The relationship with Resonance is evolving, although it is a commercial model, but they are looking to improve services for tenants and to provide support. The working relationship is positive and mutual learning is taking place.

Terminal Arrangements

There are currently no fixed terminal arrangements (i.e. exit routes).

Stockport Homes

Stockport Homes manages over 11,500 social housing properties across Stockport including 26 multi storey blocks. Of these, twenty properties are financed by Social Finance through Resonance and leased to Stockport Homes.

Organisational Background

Stockport Homes is an ALMO (Arms-Length Management Organisation); they have a 27 year contract with the LA, for which they are about ten years in. This status is reviewed periodically based on performance. Stockport Homes is currently considered a “small provider”; they manage just under 1,000 properties. By the end of the financial year it is likely that they will hit the 1,000 mark at which point they will be classed as a “large provider”.

There are a range of approaches they used to secure property. A number of properties are owned by Stockport Homes – these are grant funded –, there are some cases where the council has secured the funding, Stockport Homes does the build, but the councils own the housing stock. The participant interviewed has worked for Stockport Homes since its inception, and they have never known homelessness to be as much of an issue as it is now. Stockport Homes are “maxing our company credit cards every month to pay for bed and breakfast ... so although it's only 20 additional properties, it's 20 more than it would have been”.

Everyone In

Regarding the twenty homes funded through Everyone In: Stockport Homes “is part of Greater Manchester Combined Authority [and their programme in this area]”. The chief executive of the GMCA set up an ethical lettings agency, Let Us. Resonance approached Let Us with a view to replicating a model which had been successful in the south. The knowledge and experience of Stockport Homes, as part of Let Us, has facilitated the working of the Everyone In model.

Stockport Homes has a very good relationship with Resonance. Their input is crucial in deciding what types of property will be purchased. They prefer no properties above shops, other than that, they identify potential properties and, if Stockport Homes provides positive feedback, they try to purchase it.

At first the focus was on one bed properties – just looking at the single homeless market. However, due to a limited supply of this stock type for sale specifically in Stockport, Resonance engaged mainly with 2/3 bed family homes on streets that are primarily owner occupied. The majority of clients on the programme who are supported are families with 2-3 kids who were at risk of homelessness. There is high demand, so there are low to no void rates.

The Financial Model

Stockport Homes can only work with certain funding streams, because they are part of a local authority. Let Us carried out extensive financial modelling and Stockport Homes developed their own financial model. According to the model Everyone In will not become a financial risk, particularly as they only have 20 properties (they hoped they would get more).

Resonance purchased the property and leased to Stockport Homes with an end date December 2030. In theory there should have been no further properties after March 2024, but because the model is working (high quality housing and the finance is attractive) Stockport Homes are taking another 8 properties.

Stockport Homes charge the tenants the LHA rate, which is split 20/80 – Stockport Homes retains the 20 which covers repairs on the property, bad debt, management and void costs, should the property be empty. Resonance receives the 80 irrespective of all the aforementioned costs. The private rent on the same streets is 1½ times greater than the LHA, so it is a good deal for tenants for the life of the tenancy.

There are two models 1) the family accommodation is initially a short-term tenancy, which it is anticipated will be rolled over. 2) The single accommodations are classed as “rough sleepers” accommodation. Tenants are supposed to be in accommodation for a maximum of two years. Notwithstanding, it is the support worker, not Stockport Homes, whose responsibility it is to move people on. Stockport Homes does not envisage they will terminate tenancies unless directly instructed to do so as part of the programme as, due to supply and demand of social housing and limited private rented availability, the revolving door of homelessness may present itself. They consider “In real life, there is nowhere for them to move on to”.

Social housing stock turnover is 5% and it is dropping year on year. The majority of Stockport Homes social housing tenancies terminate due to death of the tenant. Currently there are 9000 people on the housing register and only 600 properties come free every year. This is evidence of the demand-supply imbalance which underlies the unmet need for this sort of intervention.

Despite the modelling, there have not been any need of repairs so far, and no vacancies; the outturn has exceeded the model.

Operational Side

There is a good relationship with Resonance, and that facilitates the realising of the financial model. It is convenient to have a number of properties coming through one source. There may be a risk from unanticipated benefit change.

Customers do not have to be in receipt of benefits – though some will be. In some cases there are two working parents and three kids. There is a referral from the LA homelessness team, Stockport Homes considers whether they can take on that client before agreeing. This includes an affordability assessment and checking any previously known tenancies to understand any possible previously failed tenancies.

The overall repairs cost is not broken down by property, the model is undertaken at the aggregate level.

Prospects for Upscaling

With regards to the ban on Section 21s and maybe having to improve some conditions in private rented stock, lots of landlords who have previously worked with Stockport Homes have sold some or all of their properties. Therefore, there is a need for more providers like Resonance and this type of funding stream.

Stockport Homes is prepared to recommend Resonance to other potential social investors, and to speak with management/investor meetings. However, there are ten other private development or property acquisition organisations who have seen (broadly) what Let Us and Stockport Homes have achieved with Resonance, but have not been able to make the financial modelling work or secure any properties for leasing.

Terminal Arrangements

There seems to be no fixed exit routes or terminal arrangements. Stockport Homes envisages that Resonance may want the current project to continue.

3.2 The Social & Sustainable Capital (SASC) Approach

3.2.1 Funding Model

SASC was established circa ten years ago. SASC was one of the social investment firms BSC helped seed.

For the first few years SASC ran a couple of general social investment funds, lending to social enterprises. For the last five years they have narrowed their focus to housing for vulnerable people. There are still some legacy projects and earlier funds; their investment is about 80 to 85% housing at present.

SASC are currently fundraising for their second housing fund and have begun to talk to local government pension funds.

When SASC launched the Social and Sustainable Housing Fund (SASH), it was forecast that it would not succeed because it pushed too much risk on to investors. However, trusts and foundations were prepared to back creative and impactful ideas, albeit from the program funds, not their main endowment and therefore limiting scale.

3.2.2 Financial Model

In 2017/2018 SASC, in co-production with two or three homeless charities with which they were working, designed a lending product that shares a lot more risk with the charity borrowers than traditional finance or even social investment.

The basic model is that SASC no longer lease properties they own to charities, rather they lend finance – in the form of an ultra-flexible interest-only mortgage – to allow the charities to “own” the property themselves. The loan sits on the provider’s (borrower’s) balance sheet but is a non-recourse loan. Therefore, compared to a standard product SASC shares more of the risk (e.g. they bear void risk); in practice that means investors share more of the risk.

In practice, SASC purchases properties in liaison with their provider, partners “sell” them on to providers and establish a form of “repayment plan”. Unlike market finance, these “repayments” do not vary with changes in the rate of interest.

By the end of the programme, providers will own approximately 15% of the value of the housing stock purchased initially. At that time providers have the option to repay the outstanding balance, 85% of the house value, and would do this by taking out a standard mortgage.

3.2.3 Relational Model

Everyone In was a tendered (bid) process in how the pot of money was allocated; SASC were able to show they had a good track record, a pipeline of borrowers in the right organisations. The impact data which is required to be collected is a lot more comprehensive than the general fund; there was an impact canvas created. This was about how many people are being helped, what was the situation before being house, and how far are they moved on in the journey to independence.

Borrowers are asked to supply a lot of data because of underlying contracts to local authorities. They have to report on lots of different metrics. It is incumbent on SASC as intermediaries to make sure that if our investors are asking for something, that they're clear about why they want it and that they commit to actually do something with it. Otherwise, it just puts more costs onto the

organisations. These requirements, though passed on through BSC, originated in DLUHC (the source of the funding).

Borrowers should be:

- Providing (transitional) supported housing (SASC do not focus on general needs housing – it is a bigger beast and there are other sources of funding). Now called “Supported Housing for Working Age People”;
- Genuine partners of the local authorities;
- People first organisation; helping vulnerable people, the need for housing arises as part of the overall offer;
- Experienced, having been around for a long time; the average age of the borrowers in the fund is 24 years. Housing experience is important so they know how to look after vulnerable people in dispersed property. This reduces the risk;
- “A Business with a Heart” with overall finances viable and sustainable;
- Able to return a yield which is going to work. This is much harder in London; sometimes additional funding is required.

SASC are continually monitoring the portfolio performance to minimise the loss of the investors.

3.3.4 Housing Provider Partners

P3

Organisational Background

P3 have been involved with other social finance projects; for example, Social Impact Bonds and SASH (via SASC) funding. P3 liaised with local authorities on how to maximise the impact of Everyone In funding. For some of the street homeless, Everyone In was the first time they had been inside. Local Authorities, with P3, were also interested in looking at other ways of getting more property.

Previous SASC money was to do with 30 properties in Wolverhampton. The final model was developed in the context of the existing relationship with SASC, and in liaison with “other people” that had SASC funding in the past, e.g. Hulls Women’s Project (who were the first people to design an intervention with SASC). Both P3 and SASC engaged in learning over the period of the purchasing.

Everyone In

As noted above, the intervention was co-produced with SASC. SACS were heavily involved in the decision-making about what properties were purchased. There were certain conditions and certain amounts set down for each renovation amount for each property and so on. There was something of a delay in purchasing property because of COVID – some properties were conveyancing for over a year.

Big decisions go through the Board of Trustees, because they were familiar with previous interventions and there was an ongoing relationship with SASC, it was a relatively straightforward process. There was discussion about the types of properties we purchased, whether it would be financially viable and different financial models were considered. Everyone In was one of a number of projects which were initiated – at least one with a Local Authority.

In Lincolnshire, P3 had “wound down” previous services, Everyone In had facilitated the rebuilding of their portfolio there. It also allows the purchase of complementary properties in Wolverhampton and Gloucestershire.

The Financial Model

Everyone In is less risky than other sources of funding because it does not affect the gearing (it has a similar form to long-term lease, in many ways so it does not impact on debt). SASC takes a proportion of the rent, P3 has the option to purchase the property outright at the end of the ten year programme. Payments (for the properties) are more predictable because they do not depend on interest-rate changes, which makes this model less risky. It is easier to model into the long-term.

Securing sort of traditional loan finance through High Street banks takes a long time and SASC are much more reactive and much more flexible than this approach. Hence there are benefits both from Social Finance and from the relational benefits arising from involvement with SASC.

P3 look at everything from a business perspective and there are many case studies around Social Finance, measuring the impact and working with different people. P3 forecast on a scheme basis. The model that P3 works to in this case is the SASC spreadsheet-based model.

Most of P3 income comes from tenders and contracts; another large part of it is around income from housing. P3 becomes involved in tendering if it fits their ethos – looking at long-term solutions and also not putting other charities out of business. Secondly there is financial modelling, if P3 can deliver that quality service for the amount of money being offered. There is a bid sheet where P3 works through all the criteria to decide whether or not to go ahead on any given project.

Operational Side

In terms of Everyone In, P3 has purchased no brand-new properties but a mixture of one and two bed second-hand houses and flats. Any additional properties have to complement what is already existing in the area, to add to their portfolio in this area. There are multiple long-standing contracts in the Everyone In areas.

The client group consist of single people, it is an intensive housing management model; the majority of people have complexity and a range of needs. Some clients have come out of the armed forces; some have mental health needs; some have suffered a relationship breakdown; some have criminal records; some have substance misuse problems. P3 have a pathway from higher to lower-level needs. Everyone In generally houses clients with lower-level needs; they have come through the pathway. It is about moving them on potentially to independent living. There is a role in housing management to facilitate people to live independently.

Everyone In money provides housing for people who need support in, for example maintaining the tenancy, paying their bills looking after the house and amending social behaviour &c. The funding for the housing support element comes from exempt Housing Benefit.

The rent is worked out on a property basis, P3 take their management charge – which covers long-term repairs and maintenance – and a proportion of the rent is then paid to SASC. The rent is essentially a market/LHA rent; it would be difficult for people working full-time to afford it because of the additional costs arising from the supported accommodation aspect. Therefore, the typical length of tenancy is dependent on the local housing market, at least in part.

Notwithstanding, P3 are not looking to create dependency, and look to move people on within one to two years.

Prospects for Upscaling

P3 have had quite a lot of interest, publicity and profile raising because of Everyone In and it has led to their involvement in other projects. P3 are frequently offered Social Finance for property; from pension funds, for example. Some are good deals, and some are not. Ultimately P3 are commercial and turn down Social Finance where it is cheaper at the bank.

When working with SASC, P3 can trust the broker (SASC) that the money is Social Finance. When borrowing from a bank, it is up to P3 to determine whether the finance is “social” or “retail”, considering the Corporate Social Responsibility. P3 consider the difference between social finance and other finance depending on the “conversation”; for example, whether there is reinvestment into social outcomes compared with discussion about the yield – to the investor.

Engagement with Everyone In led to a deal of learning about the social finance market. Future developments will depend upon the state of contracts arising within particular geographic areas, and the demand for P3 accommodation. There may also be legislated changes, with the new government. There are external risks arising from these.

There is a substantial amount of unmet demand, P3 could easily provide another 500 properties in each area they are working in. Notwithstanding, P3 has no aspirations to become a big Housing Association.

Terminal Arrangements

Because of the delay in starting, arising from Covid, it is too early to think about terminal arrangements. In general, it is likely that exit routes will be considered on a property by property basis. The impact of Energy Performance Certificate (EPC) may change the business model. The benefits and cost of getting an EPC may indicate that it is not worth retaining some particular properties.

Target Housing

Organisational Background

Target is a Registered Social Landlord and charity that has been operating for more than three decades across Yorkshire and the Humber. They provide fully furnished supported accommodation mostly in South Yorkshire. This supports people with multiple complex needs. These get temporary accommodation, they come to Target, get a package of support and then move on.

The majority of the contracts are with the LA, but there are also contracts with other services, e.g. probation, big lottery, Homes England &c. The connexion with the tenants can be open-ended but more recently individuals are with Target for life – e.g. Thrive for people who are homeless with physical health needs, quite often on end-of-life palliative care. There is a similar project called Lift for people with chronic mental health needs: Otherwise, Target work with the LA to move tenants on.

Target also raises money with Charity Bank for mortgage facilities. CB also helps out with some smaller projects, e.g. small grants.

Everyone In

Any external funding (outside of the normal remit of accessing LA funding for a specific project) is proposed by the CEO to the board of trustees. At that point it would be stress tested – how “exposed” does it leave them; what are the objectives (does it fit in with the articles of association). If it passes all those, and it is not likely to lose money, then it is accepted. The board comes in at the beginning in the process, before the paper which is sent to the board. There are both internal and external checks to pass.

The previous CEO was involved in the early connexion. That person is now retired. Everyone In has developed from that early relationship; the overall project is now bigger than was first envisaged. Everyone In properties have been used for both Lift and Thrive. Target are CQC registered, so they can swap out houses between projects as required

The Financial Model

SASC finance is supposedly for the purchase of properties. Previously to EI, Target would have gone through the bank for a ‘traditional’ mortgage style approach. The additional “pots of funding” were more about service delivery, rather than capital purchases. With EI, there was more control over which properties would be bought and leased. This has allowed them to be specific about the type and location of properties.

The EI funding has given Target an element of freedom and choice. Organisations like Target tend to have to take on all the risk in new interventions; here that is not the case. Target has seen their market power increased as a result of this – the fact that they have a long-term financial arrangement, rather than having to go back to the market for finance. Because of their increased market strength, Target has been able to become a partner on other projects, e.g. to be a partner with the LA on a bid for Single Homeless Accommodation Programme (SHAP). EI money has been supplemented with the grant funding from SHAP.

Operational Side

SASC and Target operate together in deciding which properties are purchased. SASC are “fantastically” receptive and want to help. Ultimately, they have the veto, but it has not had to be used because the SASC goals are very similar to those of Target. They try to buy properties as turn-key ready as possible, but there are funds put aside for refurbishment or repairs. The solicitors and contracting out for repairs is utilising local firms, so there is extra social return arising from that localisation. There is nothing brand new, but some properties are relatively new – still under the builder’s 10-year warrantee.

Requirements include: properties sited close to amenities, low anti-social behaviour; central to towns and cities, but not so close as to be on the door step. A neglected but important point is that when renting (from the private landlord) it is more difficult to meet requirements, but when “purchasing”, Target are able to be more discerning in their location/property type choices.

Because Target has more properties as a result of EI involvement, e.g. 50% of properties in a specific project, that gives them a dominant position in tendering for a renewal of contract. If another company were to win the contract, they would not be able to use the 50% of properties over which Target exercises control. (The other 50% are leased.)

The supported part of the funding comes from the exempt part of the Housing Benefit. If a person wants to come off Housing Benefit and wants to work, then they will need to move to other accommodation because the enhanced Housing Benefit rate will not be affordable.

There is quite intensive reporting to the LA, but the SASC reporting is not so “in depth” as the commissioners. There is a separate return every quarter. There are other returns which are the same with every other Housing Association and charity.

Prospects for Upscaling

Target told us “There is an awful lot of what we have now is entirely down to the fact that we got the [EI] funding”. Target’s growth has facilitated the building of further relationships. EI funding differs from regular mortgage debt in the sense that the “gearing” limits the amount of funds available. There are different balance sheet implications as to how the funds are represented.

The involvement with EI has provided reduced risk and higher credibility, over and above the financial returns. The Changing Futures team at Sheffield council facilitating a successful bid to Big Lottery. The model which Target had developed through the involvement of SASC, and it is this model which has allowed them to grow the funding. This might have happened without EI, but the SASC funding has brought forward the project which they are now running (and/or made it more likely that the bid would succeed – though these are speculative, to a greater or lesser extent.

Target estimates they would be “half the size we are now” without the SASC support. Note the comment above with respect to market power in bidding. The rate of growth means Target is more highly trusted.

If the government are government going to be able to motivate an increased rate of release from prison, No Fixed Abode (NFA) there needs to be additional housing. Some of the scalability requires LA to be more flexible – e.g. in the number of beds.

Terminal Arrangements

The property is “bought” for ten years. At the end of that time, Target can either “hand back the keys” or purchase the property outright. Target have already spoken to Charity Bank with respect to raising the required funds to purchase.

4. Impact Case Studies

This section uses process tracing to analyse the theory of change that each partnering agency adopted. We analyse case studies in the following order: Nacro, SHL, and Target Housing. Each subsection will first present the theory of change, then examine evidence for each hypothesis, and lastly modify the theory of change to fit the data.

4.1 Nacro

4.1.1 Introduction

Nacro adopted a lease model for the SIP. Team members collaborated with Resonance to select and buy 56 properties in East and Southeast London that suited their clients. Nacro then leased those properties from Resonance for ten years. Although Resonance owned the properties, Nacro had to maintain each unit. When the ten-year lease ends, Resonance will sell the properties to another social investor with lease holders in-situ. The risk profile for long-term

performing assets is lower than new assets, meaning the new investors cost of capital should be lower. This should let Nacro renew leases but keep a larger portion of the revenues generated.

Nacro's theory of change included several hypotheses about client and organisational impacts. Some of those hypotheses were supported and others were refuted under certain conditions. This section continues by first describing Nacro's theory of change and then evaluating those hypotheses against our data. The analysis is divided into two sections. We first will examine client impacts and then look at organisational impacts.

4.1.2 Client Impacts

Nacro's theory of client impacts included the following seven hypotheses:

1. Collaboration with a value-oriented housing provider will let clients access two-year leases.
2. Nacro caseworkers have skills that will build rapport with SIP tenants, fortify their clinical relationship with clients, and provide intensive support.
3. Evidence-based interventions will be used to build rapport with SIP tenants, fortify their clinical relationship with clients, and provide intensive support.
4. SIP properties will provide a suitable unit for clients to use supportive services that are tailored to their needs.
5. Caseworkers will be able to identify mental health issues that were previously unrecognised. Doing so is expected to enhance client well-being and facilitate better outcomes.
6. The SIP will stabilise tenancies by helping clients reconnect with family members.
7. Access to quality properties and secured leases will help clients enter the workforce and develop independent lifestyles. This in turn will stabilise their tenancies.

We have organised those hypotheses into a causal model that is presented in Figure 17. After interrogating each hypothesis with our data, we will revise this causal model at the end of this section.

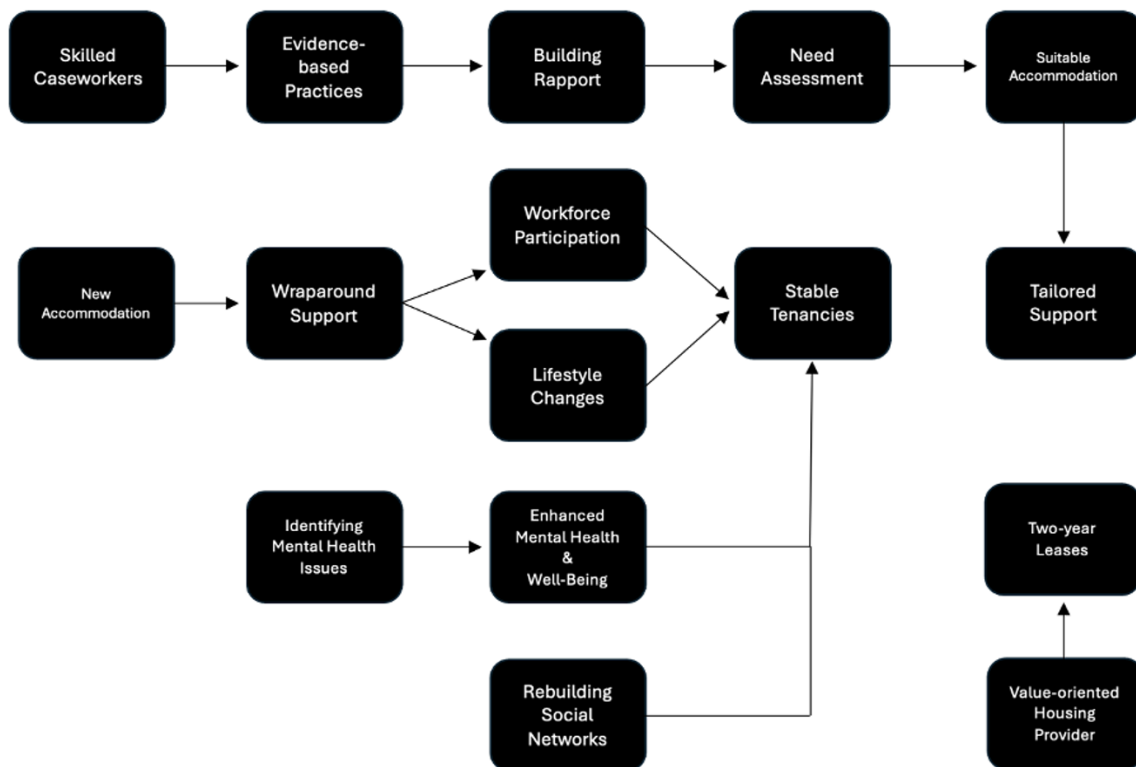


Figure 17. Nacro’s Initial Model of Client Impacts.

*Hypothesis 1:
 Collaboration with a value-oriented housing provider will let clients access two-year leases.*

Our team found strong evidence to support the first hypothesis. The KPI data showed Nacro secured 56 units with SIP financing that were let to clients on two-year leases. This gave SIP tenants stable accommodation where they could access supportive services that promote well-being and independence. For example, “Chris” was a middle-aged White man from Britain who started to address his mental issues after he became a SIP tenant:

At the time of this study, Chris was settling into his accommodation after prolonged episodes of rough sleeping and living in temporary accommodation. Soon after Chris became a SIP tenant, he began substance abuse and mental health treatment.

Because Chris had a history of depression and anxiety, his support worker clarified that independent living might improve Chris’s mental health and wellbeing.

“I am concerned about my mental health: I used to take medications for depression, but I stopped before moving into Nacro service. I feel I am still experiencing depression symptoms such as low mood, self-isolation, lack of motivation. I will work with my support worker to access mental health support.”

To address this, Chris' support worker arranged for him to access self-referral to talking therapy. Once GP registration had been completed, Chris will ask the GP to have his mental health re assessed as well as access mental health, external support and well-being.

“I am currently receiving support from CGL Lewisham for my addiction. I will work with my support worker to access external support for my mental health. I am still registered with my old GP; my support worker will help me to register with a local GP here in Catford.”

Whilst interviewing Nacro administrators, our contacts described the way Resonance helped them access the kind of property that Chris lived in. A senior administrator said most SIP properties were one-bedroom units that were appropriate for single households like Chris.

An empty apartment is obviously not a home. But SIP tenants lacked resources to independently furnish their unit. Without basic white goods and furniture, SIP tenants might abandon their unit. Nacro addressed this problem by furnishing SIP properties. This let tenants move into a unit that was prepared for habitation.

Providing furnished units facilitated transitions out of homelessness by reducing the work and time it took for SIP tenants to get settled. The added furnishings only enhanced what every one of our contacts described as high-quality units:

“The properties are marvellous. They're really excellent. They're all top notch. You can't criticise any of them. They're all excellent. The standard of work is excellent...I don't think I've seen a bad Nacro flat.”

Our contacts defined “high-quality” in terms of the condition and location of SIP properties. From their perspective, Resonance allowed Nacro clients to access units with fewer maintenance issues and neighbourhoods with less deprivation than they usually got from the standard rental market. A senior administrator said the SIP was a “game changer” that allowed Nacro to access these high-quality properties:

“Given the nature of the private rented market at the moment, what we're able to obtain is often not the best...[But] what we're getting from Resonance has been really high-quality...You wouldn't know from looking at the property from the outside whether it was social housing or use the supported housing or it was mainstream. A lot of the flats are in properties where neighbours could be owner occupiers or working professionals...So, it's a real game changer in terms of the quality and the location...”

This quote suggests Nacro would not have accessed the quality of properties in the standard market that its staff got from Resonance. Our contact said that was because supply limitations let private landlords choose financially secure tenants and Housing Associations were unable to let units that matched the quality of Resonance properties. Although Resonance helped Nacro staff access better properties than they usually could, our contacts said the neighbourhoods they could rehouse clients in were still limited by London's property market.

The evidence presented here supports the first hypothesis:

- **Hoop test:** The KPI data showed Resonance has purchased 56 properties that Nacro is letting to clients on two-year leases. And those properties were higher quality than the ones they normally let in the standard rental market.
- **Smoking gun test:** Our contacts said they would not have been able to purchase those properties without social investment financing or accessed the quality of those units in the standard rental market.
- **Conclusion:** The first hypothesis passed both the hoop and smoking gun tests.

Hypothesis 2:

Nacro caseworkers have skills that will build rapport with SIP tenants, fortify their clinical relationship with clients, and provide intensive support.

We found mixed evidence for the second hypothesis. The first part of this subsection will show Nacro caseworkers had the skills to build rapport with SIP tenants. The second part will demonstrate ambiguity about the impact of social investment financing on rapport. And the last part examines the impact of client characteristics on rapport.

Building rapport

The case file data showed how caseworkers developed rapport with clients that facilitated service engagement. For example, “George” was a middle-aged White man from Britain who relied on his caseworker to cope with a learning disability:

Prior to entering the programme, George lived in a hostel. He struggled with dyslexia and required constant assistance. To that end, George’s caseworker developed rapport whilst helping him settle into his new accommodation. This involved helping George understand bills, repay outstanding debts, schedule appointments, attend GP visits, register for council tax, and complete official documents.

George’s caseworker helped him settle into and maintain his new accommodation. This created a sense of home for George by setting up basic utilities like energy and water that people rely on. Caseworkers helped SIP tenants manage their health issues. For example, “Ali” was a young adult Asian man whose caseworker helped him access mental health and substance misuse treatment:

Ali was coping with PTSD that he had been managing with marijuana. This was a habit that Ali had tried to control with outpatient counselling services. Once he became a SIP tenant, Ali was able to limit his marijuana usage, begin a college course, become self-employed as a repairman, and save up cash for unsupported accommodation. His caseworker developed trust with Ali while helping him accomplish those goals. That relationship was vital to supporting Ali when he started to regularly marijuana again. Ali agreed to re-enter outpatient treatment but started to struggle again later that year when he purchased an illegal script. Ali’s caseworker advised him to not take the script and then met with her colleagues to choose an intervention.

Proportion of Successful Outreach Attempts	Number of Cases	Proportion of Total Cases	Number of Outreach Attempts	Number of Successful Outreach Attempts	Percent of Successful Outreach Attempts
Less than 50%	2	7%	165	47	28%
50%–59%	3	10%	172	100	58%
60%–69%	5	17%	320	210	66%
70%–79%	2	7%	239	177	74%
80%–89%	7	24%	434	367	85%
At least 90%	10	34%	868	836	96%
Total	29	100%	2198	1737	79%

Ali’s example demonstrates the salience of rapport to service engagement. When he entered the programme, Ali wanted to reduce his marijuana usage and re-enter the workforce. Ali’s caseworker collaborated with him on those goals. Doing so helped the caseworker develop trust by positioning themselves as a partner rather than authority figure. Trust became salient when Ali’s marijuana usage spiralled out of control. Because Ali trusted his caseworker, he was comfortable asking for help managing his addiction. This would have been less likely if Ali expected his caseworker to punish him for using drugs or violating a boundary that he had created around his use of it.

Table 3 suggests George and Ali’s experiences were common. The case file data indicated 79 percent of outreach efforts by Nacro staff were successful. This figure is close to the median of 83 percent and suggests clients usually responded when caseworkers reached out to them. When we removed the two outliers from Table 3, median engagement jumped to 88 percent. Disengagement usually stemmed from dissatisfaction with the assigned caseworker, unwillingness of the clients to have their actions monitored, and/or substance misuse. The clients who disengaged from caseworkers shared some demographic and location elements. All of them were White British Males aged between 34-59 with the exception of one female, lived in 3 self-contained flats in London, and occupied their SIP unit in 2022. In total, only 2 clients fell below the 50 percent mark for engagement. This suggests most clients were comfortable with and thus had positive rapport with their caseworker.

Nacro staff supported evidence from the case file data during interviews and focus groups. One administrator discussed ways caseworkers built rapport with SIP tenants during home visits. The caseworkers who were managed by that administrator thought establishing rapport was crucial to their relationship with clients:

“It’s about trust. Trust is a must. If the client doesn’t trust you because they’ve had a whole lifetime of people that have done negative things maybe towards them...There is a deep mistrust of authority figures. You have to bridge that gap of trust.”

Developing trust with SIP tenants was complicated by the suspicion some had of authority figures. This was unsurprising since many people who sleep rough have exited the care and/or prison systems. Some caseworkers had previously been homeless and used that experience to distance themselves from authorities whilst working with SIP tenants:

“I can think of one who I can relate directly to some of their problems because I’ve had lived experience of it myself. So, I can talk to them in a way that they understand.”

This helped caseworkers establish familiarity with clients that they used to build trust. After trust was created, caseworkers elicited personal information from clients that helped them make effective interventions. A GLA commissioner that we interviewed praised the wraparound support that Nacro caseworkers gave SIP tenants:

“Across the board, Nacro performs very, very well. I think it's one of our providers where I don't have any concerns really about the quality of the service delivery. I think they're very knowledgeable about the client group and they've got a very person-centred approach to working with people that have a range of complexities and vulnerabilities.”

The commissioner also noted that Nacro used creative strategies to engage estranged clients that other service providers would have abandoned. The commissioner said the skills of caseworkers were reflected in the KPIs that Nacro reported to the GLA, “They perform very well on most of their KPIs.” When comparing Nacro to other agencies delivering RSAP services, our contact said Nacro's KPIs were at the upper end of the distribution.

SIP impacts

It was unclear if SIP properties affected the rapport that Nacro caseworkers built with clients. Ambiguity stemmed from the fact that most caseworkers at Nacro had not previously worked with rough sleepers in supported accommodation. They consequently lacked a counterfactual to evaluate their experience with SIP properties:

“I haven't really had other working experiences in the field, so I don't really have anything to compare to.”

“We've got no other tenants to make comparisons because all our tenants are in Resonance properties.”

A few caseworkers had experience delivering services in hostel settings. Contrary to Nacro's theory of change, those caseworkers said it was easier to build rapport in the hostel system because the services they delivered were more intensive with 24-hour monitoring:

“I see the difference between these low support service and a 24/7 or at least more intensive supporting service. It's more difficult to build an effective relationship now, compared to when I was working in 24/7 support, or in more intensive outreach support.”

One caseworker had previously delivered services to social housing tenants. On the one hand, they found it easier to get Resonance to repair SIP properties. Quicker resolution of maintenance requests could indirectly build rapport by reducing conflicts with clients and proving the efficacy of caseworkers to address grievances. On the other hand, they said it was harder to work with SIP tenants because they were less motivated to change:

“I would say non-Resonance tenants have been better at engaging. One of the reasons was because they've actually sought help...They're easy to engage with. Whereas with the Resonance tenants, some are under the impression that it's just a gateway to being housed and they don't necessarily want to do any of the other work.”

This view was not shared by administrative staff. One of them thought SIP properties helped caseworkers build rapport because the quality of units motivated engagement by giving clients something to lose:

“Having worked with this cohort for a long time prior to coming into Nacro, the engagement is much better than I'd expected [because of] the quality of what people have got...This is several steps above what they would have been able to access...My expectations before we started for engagement and tenancy sustainment for the cohort were much lower than we've achieved...”

We found evidence in the case files to support this claim. “Tim” was a middle-aged White man from Britain who lived in a self-contained flat:

At the time of this study, Tim was happy with his SIP property. He viewed his new accommodation as higher quality than where he had lived before, especially given his history of substance misuse. The new flat seems to have offered Tim a sense of stability and safety which have helped immensely in his continuous engagement, drug management services attendance, and determination to keep this new home.

Tim’s caseworker stated in his case file that he was determined to keep his flat tidy and make it feel like home given that this is a precious opportunity due to the quality of the flat Tim was occupying. He also states on several occasions that Tim constantly tried to improve his level of engagement:

“[Tim] continued painting the flat. Discussed support network and feelings of loneliness. Tim discussed goals - wanting to go to Blackburn, travelling, doing more activities. The flat needs some repairs - screws for cabinets, wall cracks [...] Tim seems satisfied with his flat and wants to protect and treat it as his own.”

According to Tim’s caseworker, it is fair to say that the quality of the new home impacted the client’s level of engagement, efforts made to maintain the flat, and attempts to be financially independent.

Unlike the social lets that Nacro clients would usually access, which were low-quality units located in deprived areas, many SIP properties were high-quality units that were located in neighbourhoods with less deprivation. Our contacts thought this motivated service engagement and differentiated SIP from non-SIP tenants. The GLA commissioner we spoke to also drew a distinction between SIP and non-SIP properties. From their perspective, the lease model of SIP properties facilitated more accountability for unit upkeep:

“There's some variance in the schemes where sometimes the Housing Association is the same organisation as the support provider...as opposed to the Nacro and Resonance arrangement where Nacro is providing support in Resonance properties. There can be some differences there in the kind of accountability [when] an organisation that's not part of the Housing Association [is] delivering the unit. It can lead to more accountability and the support provider is there to advocate for the client and challenge issues around repairs...”

This point connects to the previous one about maintenance and rapport. If the lease model of Resonance properties enhanced accountability for maintenance repairs and this capacity let caseworkers more quickly address issues that clients had with their unit, then the lease model would indirectly create stronger rapport. It is important to note here that this is not directly attributable to social investment financing. Traditional finance products could be used to support programmes with the same lease model. Alternatively, social investment financing was

used by other organisations in the SIP to support the vertically integrated model that our contact at GLA criticised.

Client impacts

That said, caseworkers also said they struggled to build rapport with some clients. Low rapport could foster information gaps and health problems. For example, Phil was a middle-aged White man from Britain who relapsed on a Class A drug after withholding information from his caseworker:

When he entered the programme, Phil was a recovering addict, with poor mental health. Phil was engaged with a drug and alcohol recovery service and was supported in his recovery by his mother and friend. Initially, Phil was an independent tenant, who required little support. But his caseworker learned that he was not fully disclosing his circumstances. At one point, Philip didn't receive his methadone script for two months and failed to inform his caseworker about this. This led to him relapsing on heroin.

Caseworkers had different explanations for disengagement. For some, disengagement reflected the "inability" of SIP tenants to cope with life and their low self-efficacy and resilience. One caseworker thought disengagement reflected a mistaken assumption about the role of caseworkers in the lives of SIP tenants:

"You've got some tenants who are used to having things done for them. They're used to having their key workers just doing stuff, like personal assistants, where this is supposed to be slightly different. We're supposed to work with them and they're supposed to be learning as we go along so they can take that on into independent living."

Neither of these caseworkers attributed disengagement to the kind of property that their clients lived in. Both administrators we spoke to said arrears were a source of disengagement. SIP tenants had to pay high rents (£400 / week) to cover the cost of accommodation and wraparound services. With most tenants relying on Housing Benefit and/or universal credit, high rents left them with few resources to buy essentials like fuel, food, and telephone. Several SIP tenants consequently fell into arrears. One of the administrators we spoke to thought this motivated some clients to disengage.

We saw evidence of this in some of the case file data. "Gidi" was a young adult Black man who had migrated to the UK. Although Gidi initially engaged with his caseworker on a regular basis, his cooperation waned as his rent arrears increased and interactions became more confrontational:

From the beginning of their tenancy, Gidi struggled to set up their Housing Benefit to pay rent. The LA initially agreed to only pay £157.15 out of the £353.31 / week rent. This meant £784.64 of Gidi's monthly £1,050 income would go to rent, leaving him with just £265.36. After his caseworker helped Gidi contest his Housing Benefit decision, the LA increased the award to £247.18 / week and a £30 / month plan was arranged for Gidi to repay arrears. Nacro agreed to pause the repayment of those arrears so Gidi could visit family abroad. Upon his return, the caseworker tried to schedule a meeting to discuss arrears which had jumped to £1776.40. But Gidi ignored those phone calls before contesting the arrears, Efforts by the caseworker to get arrears repaid undermined their rapport with Gidi, "It was difficult to talk with [Gidi because] he was saying we only care about money..." The caseworker then asked her manager to submit

a court report for arrears, but Gidi remained disengaged from services and owed £5,770.42 in arrears.

Nacro caseworkers were obliged to collect rent for Resonance. They consequently occupied a contradictory role of property manager and caseworker that complicated rapport building. One administrator worried disengaged clients would struggle to prepare to move-on to unsupported accommodation when their two-year lease ended. They consequently reminded clients about the need to prepare for that move-on:

“If tenants are not engaging for whatever reasons, then we can't then work with them around looking at that next stage of move-on . One of the things that we talk a lot with the tenants about is, ‘This is a supported service. It's not just a service where you've got this nice flat. This is a service that you've got a decent flat and you've got the support package. We need to access that in some sort of meaningful way so that we can then look at how to move things forward.’”

The evidence we presented here supported the second hypothesis:

- **Hoop test:** Nacro caseworkers had the skills to build rapport with SIP tenants, fortify their clinical relationship with clients, and provide intensive support.
- **Smoking gun test:** There was disagreement among Nacro staff about the impact of social investment financing on service delivery. Most caseworkers had not delivered services in a standard rental property. Most respondents felt that the quality of Resonance properties motivated service engagement because they had something to lose. Regardless, our contacts said some clients were disengaged from services because they were unready to change. Some of the case files and interviews suggested the SIP properties facilitated disengagement by charging high rents that clients struggled to pay and forcing caseworkers to collect arrears.
- **Conclusion:** The second hypothesis passed the hoop and smoking gun test under certain conditions.

Hypothesis 3:

Evidence-based interventions will be used to build rapport with SIP tenants, fortify their clinical relationship with clients, and provide intensive support.

We found mixed evidence for the third hypothesis. We define evidence-based practices as interventions whose efficacy is demonstrated by at least two random controlled trials. Homeless service providers commonly use evidence-based practices such as motivational interviewing, person-centred case management, and trauma-informed care. One administrator said Nacro caseworkers used these interventions to work with SIP tenants:

“There’s different sorts of trainings being implemented, motivational interviewing, stuff like that, for example...We have regular monthly reflective practise with the clinical input, which enables the team to think and talk about obviously what's going on for the tenants...Nacro works with that kind of trauma-informed evidence-based practise...[Evidence-based practise is] definitely being used and it definitely underpins what we're trying to do.”

This section is broken into two parts. The first piece analyses “congruent” evidence-based practices that caseworkers were best able to use with SIP tenants. The second part examines “incongruent” evidence-based practices that caseworkers were less able to use with SIP tenants. Both subsections will explain how the SIP enabled or constrained different kinds of evidence-based practices.

Congruent practises

Trauma-informed care was the evidence-based practice that Nacro caseworkers were best able to use with SIP tenants. Trauma-informed care is “an approach to health and care interventions which is grounded in the understanding that trauma exposure can impact an individual’s neurological, biological, psychological and social development.”¹⁹ The UK Government associates six principles with this approach:

1. Safety: Prioritisation of physical, mental, and emotional security of service users.
2. Trustworthiness: Transparent organisational processes that service users depend on.
3. Choice: Each service user guides their own support plan and recovery.
4. Collaboration: Caseworkers work with service users to make appropriate interventions.
5. Empowerment: Providing opportunities for service users to express thoughts, feelings, desires, expectations, and concerns at every stage of intervention.
6. Cultural consideration: Tailor interventions identity and background of each service user.

Mere access to SIP properties was an exercise of trauma-informed care, in and of itself. By giving clients a high-quality unit that was located in low-deprivation areas, most SIP properties automatically enhanced the safety of clients. Transparency was practised when caseworkers detailed programme rules and contractual obligations to clients throughout their lease. Each client was given some choice over the type of unit they occupied, where it was located, and how it was decorated. Nacro caseworkers collaborated with clients whilst choosing their unit and turning it into a home.

Caseworkers then applied principles of trauma-informed care whilst giving wraparound support to SIP tenants. At the beginning of their relationship, caseworkers protected the safety of clients by conducting a risk assessment and co-creating a safety plan to mitigate those threats. For example, Ali’s caseworker identified situations in his case file that put his mental health at-risk of deterioration:

[Ali] who was coping with PTSD that he had been managing with marijuana had a caseworker that was assigned to him which was vital to supporting [Ali] when he started to regularly use marijuana again. For [Ali], certain variables trigger his addiction. For example, increased stress may cause him to experience flashbacks, irregular sleep, and suicidal thoughts that he uses cannabis to cope with.

The previous excerpt from Ali’s safety plan could be used by caseworkers for proactive interventions. Doing so could help Ali cope with circumstances that would have otherwise triggered relapse. Caseworkers then collaborated with clients to create an accommodation plan. Each accommodation plan was centred around the goals of clients and regularly updated throughout the tenancy in response to client input. For example, “Bradley” was a substance misuser who prioritised treatment in his support plan upon entering the RSAP:

¹⁹ <https://www.gov.uk/government/publications/working-definition-of-trauma-informed-practice/working-definition-of-trauma-informed-practice>

Upon joining the SIP, Bradley identified 13 goals in his support plan that were related to employment, substance abuse treatment, family reunification, homemaking, and financial responsibility. Bradley asked his support worker for regular meetings to accomplish those goals. His support worker agreed to this request and offered guidance at meetings to help him complete the support plan. When we conducted this study, Bradley had achieved eight of his 13 goals (62%) and had already moved-on to unsupported housing.

Support plans were adapted to the identity of each client. For example, “Stuart” was a gay man whose support plan included social integration as a goal:

Stuart entered [the RSAP] with some mental health challenges, where he described having depression in the past and suffered with bulimia and body dysmorphia. Upon entering RSAP, Stuart was keen to engage in different social activities and embrace being part of the LGBTQ+ community to promote his mental health. Importantly, there is an underlying issue where Stuart does not always feel accepted, drawing on a situation where he felt his daughter did not accept him due to his sexuality. But he was proactive again here claiming he wanted to engage in therapy to address these feelings.

Getting integrated into the LGBT community could enhance Stuart’s mental health by giving him the support he needed to accept himself whilst coming out to his daughter. Other examples included the adaptation of casework to the religious practices of clients and scheduling holiday for BAME clients to visit family members that lived abroad. These examples demonstrate the way Nacro caseworkers adapted their interventions to fit the diversity of social identities that their clients embodied.

Incongruent practises

The lease model that Resonance supported with social investment financing was less suited for other kinds of evidence-based practices. For analytical purposes, we limit our discussion here to person-centred care.

Person-centred care is an approach to case management that lets “people’s preferences, needs, and values guide [decision-making].”²⁰ Doing this means caseworkers make interventions that “meet clients where they are at” by honouring their preferences, needs, and values. Four principles are associated with person-centred care:²¹

1. Affording people dignity, compassion, and respect.
2. Offering coordinated care, support, or treatment.
3. Offering personalised care, support, or treatment.
4. Supporting people to recognise and develop their own strengths and abilities to enable them to live an independent and fulfilling life.

There is clearly overlap between person-centred and trauma-informed care. Both models emphasise the agency of clients during interactions with caseworkers. In practice, this means clients should act as leaders who choose the goals and strategies of interventions. Implementing this model of care proved difficult in some cases. Recall the GLA grant meant Nacro staff could only provide two-year leases to clients. Clients therefore had limited time to prepare for move-on to unsupported accommodation.

²⁰ <https://www.hee.nhs.uk/our-work/person-centred-care>

²¹ <https://www.health.org.uk/sites/default/files/PersonCentredCareMadeSimple.pdf>

When someone became a SIP tenant, they made a support plan with their caseworker that identified several goals they would collaboratively achieve. Table 4 identifies the main goal categories that were listed in the support plan of SIP tenants. Most categories include subgroups that we did not list here for the purpose of clarity.²²

The inclusion of a goal in a support plan did not necessarily reflect the will of a client. Some may “choose” a goal to appease their caseworker or comply with programme rules. This may partly explain the variation in goal achievement that we observed in the case file data.

Table 5 illustrates differences in achievement across the superordinate goal categories. Items like move-on prep, engage support workers, increase income, and improve health were relevant to Nacro’s goal to make SIP tenants more self-reliant. Doing so may have been less important to SIP tenants who were unmotivated to change or had complex needs that limited their ability to change. That might partly explain why few clients had achieved that goal at the time of this study.

Table 4. Distribution of Goals That Were Selected in the Support Plan of SIP Tenants.

Goal	Frequency	Percent
Address legal problems	4	2%
Strengthen ties	7	3%
Increase income	13	6%
Homemaking	13	6%
Enhance life skills	16	7%
Move-on prep	23	10%
Pay bills	28	12%
Access benefits	32	14%
Improve health	33	15%
Engage support workers	57	25%
Total	226	100%

Table 5. Distribution of Support Goals That Were Achieved by SIP Tenants.

Goal	Frequency	Achievement	% Achieved
Move-on prep	23	8	35%
Strengthen ties	7	3	43%
Engage support workers	57	26	46%
Increase income	13	7	54%
Improve health	33	19	58%
Access benefits	32	20	63%
Homemaking	13	9	69%
Enhance life skills	16	12	75%
Pay bills	28	22	77%
Address legal problems	4	4	100%

Regardless, Nacro caseworkers could easily practice person-centred care with clients whose goals and capacities aligned with RSAP because they would likely be prepared to move-on when their two-year lease ended. For example, Stuart was a middle-aged White man from Britain who was keen to enhance his self-worth when he became a SIP tenant:

He entered [the RSAP] with a history of depression, bulimia, and body dysmorphia. Upon entering the programme, Stuart showed a proactive attitude toward making change by prioritising mental healthcare in his support plan. He attends Slimming World in order to lose weight and improve his physical health. Stuart has also expressed desire to get a job or engage in volunteer work.

Stuart was ready to change at the beginning of his SIP tenancy. He independently sought out services to address personal issues that he wanted to fix, planned to look for a job once he got settled, and adopted a lifestyle that facilitated a stable tenancy. The alignment between Stuart’s goals and those of RSAP mean Nacro caseworkers could more easily do person-centred care.

Not all SIP tenants were like Stuart, though. Some entered RSAP with priorities that contradicted Nacro’s goal to transition clients to unsupported housing at the end of their two-year lease. For example, “Martin” was a middle-aged White man from Britain whose personal goals were misaligned with the objectives of Nacro’s programme:

²² If readers are interested in a detailed description of goals, they can skip down to Appendix B where that table is presented.

When he entered the programme, Martin was on the sexual offenders register for two separate offences. Martin has consumed class A drugs since the age of 17 to cope with depression and anxiety. Martin was financially dependent on his father to support his crack addiction. After he became a SIP tenant, Martin's father passed away. Although Martin's crack smoking reduced, he began to self-harm again and experience suicidal ideation. He was consequently referred to his GP for bereavement support. Despite the support provided, his progress was limited due to his persistent non-engagement. This hindered progress with setting up his energy and water supplies and receiving his Housing Benefit payments. Martin was informed about the consequences of his lack of engagement, but his behaviour persisted.

Martin's disengagement from services and ASB slowed his progress to independence. His goals and capacities would likely hinder Martin from gaining the independence that he needed to move-on to unsupported accommodation once the two-year lease ended. This would complicate efforts by Nacro caseworkers to provide person-centred care to Martin because prioritising his goal preferences could set him up to fail. Other clients varied in service engagement throughout their tenancy. For example, "Robert" was a young adult White man from Britain whose service engagement decreased when he experienced familial problems:

Before entering the programme, Robert had just completed substance abuse treatment. Over the next 18 months, Robert settled into his new home. He received no complaints from neighbours. Robert regularly met with his caseworker at first for help with job applications and personal issues. At the beginning of the programme, Robert was very engaged in his meetings with his support worker and wanted to make a real-life change. He then had a fallout with his former partner who did not want him to see his stepdaughters anymore. Robert had a hard time accepting that because he considered them his real daughters. This reduced Robert's engagement with his caseworker and made him cancel several support meetings because he wanted to isolate.

Robert's example shows how unexpected developments could undermine service engagement. Some clients who were previously engaged with caseworkers got estranged when something destabilised their life. This could limit their ability to deliver person-centred care during personal crises when clients became disengaged. Caseworkers therefore confronted a range of client-related barriers to the use of person-centred care that had to be negotiated within institutional constraints.

The use of person-centred care was constrained by the lease Nacro signed with SIP tenants. When that two-year lease expired, SIP tenants were expected to move-on to unsupported accommodation. SIP tenants consequently needed to save money for a security deposit and rent so they could move-on after their lease expired. For this reason, Nacro caseworkers tied housing to service engagement:

"There is an investment that the tenants have in those properties because they feel they're decent. When things are difficult or when there are issues that come up, what we've found is that the kind of engagement with the tenant around, 'This could impact on your tenancy,' that's enabled us to be able to work around issues. Our experience working with people in other tenancies where that hasn't been the case, people switch off and go, 'Fuck it. I'm not interested.' And so it is about that more meaningful kind of experience of living somewhere they feel is very different to anywhere that they've ever lived and therefore, 'Yeah, I will engage. I will try and make the changes that I need to make.'"

This approach violated principles of person-centred care and potentially set up conflicts that undermined rapport that caseworkers needed with their clients. The threat to rapport partly stemmed from the authoritative relationship that the GLA forced caseworkers to create with SIP tenants. From the beginning of their relationship, caseworkers emphasised the time-limit of the lease when their clients initially occupied a SIP unit:

“I try to remind them from the off, even with a brand new tenant, that you need to start putting something aside. Even if it's a small amount, try to get in the habit of putting some money aside so that when your two years is up, you'll have some cushioning in order to move on.”

Linda's statement demonstrates caseworkers' efforts to remind the tenants to save money are not always successful. Therefore, it is safe to say that even though the time-limit of the lease was emphasised when the clients initially occupied a SIP unit and were advised to save money, some of them still managed to be in arrears. The cost of rent and support was too high for people who did not want to stop using drugs. They were constantly unable to save money, pay rent, and continue using. This might be viewed as a conflict between the lease model and some evidence-based practices.

Caseworkers adjusted this strategy to each client. Some clients like Stuart were self-motivated to prepare for move-on whilst others like Martin were not. For clients like Martin, caseworkers reminded clients about their inevitable move-on and encouraged them to take preparatory action. Although some caseworkers used this strategy regardless of the finance model, “I've always done that from the beginning”, others said the time-limits imposed by the lease model forced them to pressure clients into saving money.

Doing so restricted client choice by pushing them to set goals they may not have independently pursued with a different lease model. The lingering threat of displacement and/or homelessness therefore prevented caseworkers from practicing person-centred care with clients who were unmotivated to immediately work and/or save money to move-on to unsupported accommodation, but this was less of an issue with clients whose goals aligned with Nacro's RSAP objectives.

SIP Impacts

We previously showed how SIP properties enabled caseworkers to apply some principles of trauma-informed care. Our contacts attributed this capacity to components of the lease model. One administrator praised the lease model for letting them be more patient and sustain engagement with clients who had complex needs:

“The reality is for some of our tenants, their issues are very complex...They're going to struggle intensely anywhere. However, they might end up losing that accommodation or abandoning that accommodation, whereas in this situation that's not happening. Because people are in that space for a longer period of time, we have the chance to re-engage them and rebuild something, whereas that could perhaps be lost when people are dropping out of services or dropping out of accommodation and then coming back in. They're just in that kind of merry go round of kind of chaos.”

The delegation of property management to Nacro caseworkers let them be more lenient toward ASB that would put the tenancy of clients at-risk in standard rental properties. Nacro caseworkers used the resulting stability to build their relationship with clients and motivate

progress toward independence with trauma-informed care. Caseworkers who participated in the focus group agreed with this point. One participant said the SIP properties gave them a space to deliver trauma-informed care:

“Having that one-bedroom flat is a safe space for the tenants once you've built that rapport, to be able to work with you and do those evidence-based practices.”

By occupying a self-contained rather than shared unit, Nacro clients were isolated from things that could undermine their personal safety, trigger mental health issues, and/or prolong addiction(s). Nacro caseworkers said their capacity for trauma-informed care was facilitated by the hands-off approach that Resonance took to property management.

There was however disagreement about the salience of SIP properties to the use of trauma-informed care. One administrator had a nuanced interpretation of the relationship between SIP properties and evidence-based practice. While they recognised the importance of neighbourhood environment to service delivery, they emphasised the salience of caseworkers:

“The environment has an impact, [but] I think that's down to the worker. A good worker should be able to implement that stuff in different settings.”

This quote suggests SIP properties may have been a necessary, but insufficient condition for trauma-informed care. We however qualify that assertion by drawing attention to quality and location of SIP properties vis-à-vis the units that Nacro clients would mostly likely have gotten in the standard rental market. The properties SIP tenants accessed were on average higher quality and in better neighbourhoods than ones that were typically let in the standard rental market. Moreover, SIP tenants reportedly preferred those properties over available units in the standard rental market so much that Nacro caseworkers feared they would struggle to move-on when their two-year lease ended. This suggests SIP properties were more likely to satisfy principles of trauma-informed care (i.e., safety, choice, collaboration, and empowerment). But the point remains that a SIP property alone is not enough. Competent case management is a crucial ingredient to the programme's formula.

Either way, every Nacro staff member said they would use directive interventions that contradicted person-centred care regardless of the investment model. When a research colleague asked a Nacro administrator, “Are you more likely to use punitive interventions with SIP tenants vs. non-SIP tenants,” they replied, “It's similar across the board. I'd use the same processes”. This point-of-view was also voiced by a caseworker:

“I can't say that I worked differently previously to this project. I've kind of worked the same with clients and tenants in the past as I do with them now. The only difference now is the emphasis is on transitioning, moving forward into independence, whereas before that wasn't...”

Some of the caseworkers thought restrictions on choice were sometimes inevitable because the lifestyle of clients were problematic to tenancy in any property:

“I think we're not talking about the day-to-day support because if you have a client that is using drugs, it doesn't matter if it's a two year tenancy or a ten year tenancy, you need to prepare interventions to deal with the substance misuse, regardless if it's a long-term [or] short-term tenancy.”

Putting conditions and time constraints on the housing of clients was viewed by some as a good way to motivate personal change that otherwise would not have happened:

“Because we've got the housing management side of things running alongside the support. The ASTs that people sign up to, there's a warning process. So, warnings can be issued which I guess is a more punitive approach. If it's done in the right way, that it can still be [useful]...So, in that example of the individual that's struggled a lot over the last two years, we did use kind of a warning process and obviously that does take it to the point where you're talking about someone losing their tenancy. That worked for him, and he bounced back a little bit and he was like, ‘I don't want to lose it.’”

“I think having the two years can be quite a positive thing because it does mean that you are moving towards something, and it gives you like timeline goals. So, it does help the tenants in their own progression because they see that there is like a limitation...It can be quite a positive like motivation for change.”

We therefore found partial support for the third hypothesis. Caseworkers tried to use evidence-based practises to support clients. Their ability to use some kinds of evidence-based practises (i.e., person-centredness) was constrained by the motivation of clients to change and time-limits imposed by the lease model. That said, the delegation of property management to Nacro staff helped caseworkers use other kinds of evidence-based practises like trauma-informed care. This was because caseworkers could manage ASB in-house without the threat of eviction by a landlord. The lease model that Resonance financed was therefore best suited for some kinds of evidence-based practises and clients who were motivated to change either when or shortly after they entered RSAP. The limited ability of caseworkers to use evidence-based practise like person-centredness may have undermined their rapport with clients who were less motivated to make personal changes that aligned with Nacro’s objectives. This was because caseworkers had to impose Nacro’s priorities on them with threats of eviction and/or homelessness when the two-year lease ended. Caseworkers were less likely to deal with this problem when clients were motivated to make personal changes because their goals were aligned with Nacro’s programme.

*Hypothesis 4:
SIP properties will provide a suitable unit for clients to use supportive services that were tailored to their needs.*

We found mixed evidence to support the fourth hypothesis. This section is divided into three parts. The first part provides evidence that SIP tenants accessed suitable units. The second part examines the degree to which SIP tenants used supportive services. The last part questions the impact of SIP properties on service usage and well-being.

Unit characteristics

When a research colleague asked, “Have clients been able to access suitable units from Resonance,” every caseworker we spoke to replied, “Yeah.” Table 6 evaluates this claim with spatial data on the deprivation score of the postcodes where SIP properties were located.²³ The

²³ The Index of Multiple Deprivation (IMD) includes several measures about the income, employment, education, health, crime, housing, services, and environment of each postcode in England. <https://data.cdrc.ac.uk/dataset/index-multiple-deprivation-imd>

scale ranges from 1 (Most Deprived) to 10 (Least Deprived). Table 6 indicates most SIP properties (62%) were in the bottom 33 percentile of the IMD scale and none are in postcodes above the 60th percentile. This suggests SIP tenants continued living in “distressed” neighbourhoods.

Nacro staff nonetheless said the neighbourhoods where SIP tenants lived were better than the ones they would have accessed in the standard rental market. When a colleague asked, “Would you be able to rehouse people from temporary accommodation in quality units of this quality if you didn't have Resonance properties,” one of our contacts answered, “No. Definitely not,” whilst another agreed, “Resonance properties are exceptional.” The previous three quotes supported the fourth hypothesis by showing SIP tenants accessed suitable accommodation and that those units were superior in quality to ones they usually let in the standard rental market.

We note our team was unable to triangulate claims about unit quality because we lacked a data source beyond interviews and focus groups. We consequently cannot evaluate the claims of Nacro staff about unit quality with administrative data beyond the neighbourhood analysis that was presented in Table 6.

Service utilisation

The second part of this hypothesis predicted SIP tenants would use supportive services that meet their needs. The Appendix B details the number of people who used external services for mental health or substance abuse. In total, 19 clients used external support services for mental health and/or substance misuse, but only eight of them succeeded in managing those issues during their SIP tenancy.

A member of our research team asked caseworkers if SIP tenants accepted different kinds of supportive services. With respect to substance abuse treatment, one team member asked, “How many [of your clients] have followed through with substance abuse treatment since they've become Resonance tenants?” Our contacts varied in responses. One said, “A few of them, yes. Not the majority,” whilst another replied, “One of my tenants, yes...With my support, he accessed the support, yes.”

We also asked caseworkers if their clients were using mental health services whilst living in a SIP property. One contact answered, “I think most of them do,” before another one added, “That’s if they can access it. A lot of them can’t access mental health services.”

Table 6. Distribution of SIP Properties Across Postcodes by Deprivation.		
Index of Multiple Deprivation Score	Number of Cases	Percent
1 - Most Deprived	1	3%
2	5	18%
3	12	42%
4	5	18%
5	2	7%
6 - Least Deprived	3	11%
Total	28	100%

Our contacts also discussed improvements that stemmed from services delivered by Nacro’s internal staff. Some said the mental health of their clients noticeably improved once they got rehoused:

“The impact [for] all of my tenants has been huge. Some have improved mental health. One has stopped self-harming and feeding suicidal. I'm sure there's one or two are probably only alive because they have these flats...”

“One guy in particular that was saying he used to drink. But these days he's drinking far less than he would have been in the past.”

Other caseworkers said their clients struggled whilst adapting to settled accommodation. Our contacts attributed those adjustment problems to three issues. Some SIP tenants continued to sleep on the floor after they got housed because of habits they developed whilst sleeping rough, mental illness, and/or stress of tenant responsibilities.

The stress of financial responsibility in particular made some SIP tenants contemplate unit abandonment. Caseworkers had to intervene in those situations to discourage clients from re-entering homelessness. Prevention efforts emphasised lease compliance. This highlights the dual role that Nacro caseworkers served: support provider and property manager. Sometimes these functions conflicted with one another when caseworkers addressed rent arrears. Caseworkers initially sent threatening letters to clients that rent arrears could put their tenancy at-risk, but over time they changed that approach to maintain rapport.

SIP impacts

That said, Nacro caseworkers were not convinced social investment financing was the reason their clients' mental health had improved. One contact attributed their clients' progress to the wraparound support that SIP tenants got from caseworkers:

“Resonance properties come along with us doing the intervention. A person with mental health issues that is in [social] accommodation, most likely won't have a support worker. So that's probably the difference. We are promoting access to drug services, mental health services or even employment or...”

Unlike SIP tenants, who received intensive support from Nacro caseworkers, tenants in standard lets were thought to independently manage their mental health and/or substance abuse issues. Although this view does not account for Housing First clients who live in non-SIP properties, it was shared by the GLA commissioner that we spoke to. Despite their scepticism, that commissioner saw the theoretical connection between the quality of SIP properties and well-being of clients.

The evidence presented here gives mixed support for the fourth hypothesis:

- **Hoop test:** Although every SIP tenant accessed suitable accommodation, only a portion used the supportive services that were available and/or made personal changes. For some, becoming a SIP tenant created stress that undermined their mental health. SIP tenants who experienced that kind of stress might take longer to develop tenancy skills and thus need a longer tenancy.
- **Smoking gun test:** Some administrators contradicted Nacro's theory of change by attributing the personal changes of clients to case management rather than SIP properties. This implies social investment financing created a place where clients have opportunities to change that they can accept or reject. It is important to note though the kind of place that clients can access influences the environmental triggers that they are exposed to and the rules that govern their access to that space. Those factors shape the type of problems that caseworkers address with clients and their ability to motivate personal changes whilst providing wraparound support.
- **Conclusion:** The fourth hypothesis passed the hoop and smoking gun tests under certain conditions.

Hypothesis 5:

Caseworkers will be able to identify mental health issues that were previously unrecognised. Doing so is expected to enhance client well-being and facilitate better outcomes.

We found mixed evidence for the fifth hypothesis. The first part of this section will provide evidence that caseworkers were able to identify mental health issues whilst delivering services to SIP tenants. The second part analyses disagreement amongst our contacts about the impact of social investment financing on those observations.

Diagnosing problems

Caseworkers said SIP properties gave them a chance to observe clients in a stable environment. This helped them identify mental health conditions that may have gone unnoticed in temporary accommodation:

“Most of them have got a lot of trauma or depression or anxiety. If you've kind of gone from hostel to hostel, a lot of the time it doesn't get recognised because you're not having sit down conversations with someone on a regular basis.”

Caseworkers also said SIP properties helped them diagnose their clients' substance misuse and neurodivergence. The advantage of identifying an unrecognised health issue was that caseworkers could then refer the client to a medical professional for treatment. One administrator said this allowed their team to help a client who experienced psychosis after getting rehoused in a SIP property.

Untreated psychosis can facilitate ASB that threatens the tenancy and/or liberty of clients. By establishing rapport with those clients before a psychotic episode began, caseworkers could intervene more easily once it started and help clients get treatment before the situation spiralled out of control. This would in/directly enhance the well-being of clients and prevent them from re-experiencing homelessness.

We found a good example of this in the case file data. “David” was a young adult whose caseworker referred him to substance misuse treatment after noting a pattern in his usage over time:

At the time of this study, David had been diagnosed with anxiety, depression and PTSD...Heightened stress has been noted to trigger symptoms of PTSD that David managed with cannabis...David's caseworker identified some of these symptoms during home visits and referred him a GP to discuss coping strategies (i.e., physical activity, meditation, breathing exercises). Due to concerns about his cannabis relapse, David's support worker referred him to CGL [Change, Grow, Live] for ongoing support.

SIP impacts

Our contacts disagreed about the impact of SIP properties on diagnosis. Caseworkers contrasted SIP properties to hostels, but this does not mean social investment financing made it easier for them to identify new conditions. One administrator thought most health conditions were listed on the referral forms that their team got from the local clearing house.

This suggests the referral process instead of social investment financing was the primary way Nacro staff identified new health issues. Nacro administrators had not worked with former rough sleepers in supported housing. They consequently lacked a counterfactual to say if it was easier

to identify health conditions in SIP vs. non-SIP properties. As a result, the counterfactual that they used to evaluate SIP properties was hostels:

“If you're in a traditional supported housing environment, the pressures of being in that environment generate issues...So, you can't really filter out what somebody's reacting to, that's in the environment, rather than what's innate. If somebody's in a nice home and they're in a quiet environment and they have good surroundings, but they're showing signs of anxiety or depression or anger management, that probably says more about the individual rather than if they're doing that in a hostel.”

The evidence presented here gives mixed support for the fifth hypothesis:

- **Hoop test:** We found evidence that caseworkers were able to make new diagnoses for some clients after they became SIP tenants.
- **Smoking gun test:** We were unable to properly test the hypothesis against traditional finance products. There was disagreement between administrators and caseworkers about the impact of SIP properties on mental health diagnosis. Whereas caseworkers said SIP properties facilitated diagnoses, the administrator said SIP properties did not impact diagnosis. That said, none of our contacts could compare / contrast their ability to identify mental health issues in SIP versus non-SIP properties.
- **Conclusion:** The fifth hypothesis passed the hoop test but failed the smoking gun test.

Hypothesis 6:

The SIP will stabilise tenancies by helping clients reconnect with family members.

We found mixed evidence for the sixth hypothesis. This section starts by analysing examples of familial reunification, then it examines the salience of social investment financing to reconnection, and ends with discussion about risks associated with family reunification.

Reunification

Few SIP tenants tried to reconnect with family members. Only one of three clients (33%) who were trying to reconnect with their families succeeded. Another three continued their relationship with their family members and two others were still trying to reconnect with their partners and stepchildren.

The case file data had stories of SIP tenants reconnecting or strengthening their relationship with family members. For example, “Alyn” was a young adult White man from Britain who grew his relationship with family members after he entered the programme:

Upon entering the programme, Alyn had a history of substance misuse that he wanted to change. He consequently entered an outpatient treatment centre for substance abuse. Over the next 12 months, Alyn became more socially integrated. He visited siblings one weekend and spent an entire week with his daughter.

Caseworkers qualified the generality of Alyn's experience to other SIP tenants. One caseworker said the stable tenancy that SIP properties afforded motivated one of his clients to reconnect with his daughter:

“I've got a tenant who, because he was rough sleeping, didn't feel that he could manage a relationship with his daughter, who had been in care. Now that he thinks he's more stable, he feels more ready to reconnect. So, we're making overtures to the social services to try and find her so he can reconnect.”

Although that client had not yet reestablished that relationship, the SIP properties gave him confidence to begin the process of reconnecting with his daughter. She may of course refuse the invitation. But the SIP nonetheless put the client in a position where he could start reconnection.

Some caseworkers qualified the prevalence of family reunification. One said reconnection was more common with estranged children. This however was not true for everyone. Another caseworker said her clients who were estranged from family members when they became a SIP tenant were unlikely to reestablish that relationship.

The caseworkers thus reported variation in familial reunification. Some clients did not reconnect with family members once they got rehoused whilst others did. The ability to reestablish those relationships seemed to vary across family members. Estranged children appear to be more willing to reconnect with clients than other family members.

SIP Impacts

That said, Nacro caseworkers disagreed about the cause of family reunification. One caseworker attributed reconnection to the quality of SIP properties and the wraparound support that Nacro staff gave the clients:

“The properties that Resonance bought are really nice flats. The other aspect was that they've got our input helping them with the majority of stuff and some of them now feel that they're in a position that they can finally try and build a relationship with family members...I can't see, other than the Resonance scenario, where they'll be able to do that.”

One of their colleagues disagreed with that assessment and attributed family reunification primarily to the intensive support that caseworkers gave SIP tenants:

“The difference is that these properties come with us...So, any difference, any empowerment, any improvement, happen because of us coming along with nice property with an efficient maintenance department.”

From their perspective, some SIP properties were comparable to units that were let by Housing Associations. The key difference between SIP and non-SIP properties was the intensity of wraparound support that was given to clients. This suggests caution is needed when evaluating SIP impacts because social lets vary in quality. The comparative impact of social investment financing on familial reunification might be minimised if Housing Associations let units of similar quality. This however was probably rare since SIP properties were said to surpass the quality of most social lets, on average.

Potential risks

Our contacts cautioned family reunification sometimes destabilised housing for SIP tenants. People who sleep rough sometimes come from chaotic families that can put tenancies at-risk for dissolution. One caseworker discussed a female client whose sons were creating problems around her unit that could threaten her tenancy:

“I've got a tenant whose son is challenging. Her physical health deteriorated. The son was there acting like a care [provider]. He brought more problems in her life [because] he's causing antisocial behaviours. And her health has really deteriorated.”

If the behaviour of her sons put her tenancy at-risk, this could generate stress that worsened her health condition. Whilst it is true that her kids were providing care, that assistance could be outsourced to a service provider who did not put the client's tenancy at-risk.

The evidence presented here gives mixed support for the sixth hypothesis:

- **Hoop test:** The evidence presented here showed a complicated relationship between SIP tenancies and family reunification. Our contacts said some clients reconnected with family once they became a SIP tenant, but this was not always the case.
- **Smoking gun test:** It is unclear from our data why some clients reestablished familial relationships and others did not. Some attributed reunifications to the wraparound support that caseworkers provided clients whilst others thought reunification was a byproduct of both case management and the SIP properties. It makes sense that SIP properties impacted reunifications by giving tenants a place to host guests, address personal issues that hindered the relationship, and/or distance of environmental triggers that social tenants commonly face. The distinction between SIP and non-SIP units was likely erased when the quality of Resonance properties matched those let by local Housing Associations. In those cases, the quality of casework was probably more salient.
- **Conclusion:** The sixth hypothesis passed the hoop and smoking gun test under certain conditions.

Hypothesis 7:

Access to quality properties and secured leases will help clients enter the workforce and develop independent lifestyles. This in turn will stabilise their tenancies.

We found mixed evidence for the seventh hypothesis. This section first describes the steps clients took to re-enter the workforce and then the problems they faced whilst trying to move-on to unsupported accommodation.

Workforce participation

Seven clients (24%) set goals that were related to workforce participation. This figure includes clients who wanted to get a job, become self-employed, and/or start college classes (see Appendix B).

Looking at the KPI data, clients who set work-related goals were on average 41.7 years old whilst the average age of clients who did not set work-related goals was 47. Six of the seven clients (86%) who set work-related goals and 15 of the 22 clients who did not set work-related goals (68%) identified as White. We did not observe any gender differences in work-related goals. Clients who became a SIP tenant in 2021 were just as likely to set work-related goals as those that entered the programme in 2022 or 2023.

The case file data provided some clues about things that facilitated workforce participation. For example, “Kyle” was a middle-aged White man from Britain who had been in recovery from substance misuse for four years when he entered the SIP:

One of Kyle's initial goals was to get a job. To this end, he started working with an employment placement service, "I am currently working with [a service provider] to access work. I am fed up [with] just sitting at home." Kyle eventually decided that he wanted to become a hospital porter. He then searched for related job openings in the surrounding area. The case notes indicate Kyle secured and attended interviews, but there was no indication that he had yet been hired by anyone.

After getting a SIP tenancy, Kyle contacted a service provider to help him get employed. At the time of this study, Kyle had not yet secured employment but was trying to do so. Other clients had already gotten employed when this study was conducted. "John" was a middle-aged White man from Britain who secured employment after completing job training courses and volunteering at treatment facilities:

John completed a 12-week funded exercise course and computing course. He also volunteered 3x a week at a Christian drug and alcohol service. That position led to an offer of paid employment, with four night shifts a week. John accepted this position, committing to an annual salary of £26,000. This has let him plan his move-on and he now monitors the housing registry to bid on properties.

John got a job with a salary that he could afford unsupported housing. Both examples suggest recovery from substance misuse facilitated workforce participation. Some clients had substance abuse problems that undermined workforce participation. Ali and Martin, who previously discussed, listed workforce goals in their support plan. Substance misuse hindered both clients from achieving those goals.

Alternatively, caseworkers thought nonparticipation in the workforce reflected rent subsidies that were adjusted to household income:

"Another struggle is that half of [my clients'] income will go into the rent. No matter if you're working part-time, full-time, you're earning £1,000 per month, £3,000 per month, £10,000 per month, half of your income will go to the rent. [So,] I push the fact that even if they're working part-time, and they're spending half of their income into the rent."

The increase of rent with gains in household income was viewed as a work penalty by some SIP tenants. This demotivated some from working and getting prepared for move-on. Regardless of the cause, caseworkers were concerned that many clients would be unready to move-on to unsupported accommodation.

Move-ons

Nacro caseworkers said several SIP tenants were unprepared to move-on to unsupported accommodation. The primary reason they mentioned was limited housing options in the standard rental market. SIP tenants lived on low incomes and high rents. This made it hard for them to save money for move-on when their lease ended because the range of housing options for SIP tenants to move-on to were limited:

"I'm finding with this move-on business, there's not much choice on the clearing house or the London website, and they keep on repeating the same properties. Some weeks there were zero properties."

One administrator worried some clients resisted move-on because the housing options were lower quality than the SIP property that they currently lived in. And the GLA commissioner we interviewed shared this concern.

In addition to housing preferences, one administrator said anxiety might slow move-on by some clients. Recall that many SIP tenants dealt with mental health issues that complicated their day-to-day functioning. This complicated efforts to move-on some clients. But this was not true for all clients. Some working clients wanted to move-on because social rents were cheaper and let them save money.

The evidence presented here gives mixed support for the seventh hypothesis:

- **Hoop test:** Some clients either started to look for work or obtained employment once they became a SIP tenant. A subset however had not gotten employed when we conducted this study. Some contacts attributed unemployment to perverse incentives created by the Housing Benefit system. Regardless of the cause, several SIP tenants were unprepared to move-on to unsupported accommodation when their lease ended.
- **Conclusion:** The seventh hypothesis failed the hoop test.

Discussion

Here is a summary of our key findings in this subsection. A green box means a hypothesis passed a particular test, yellow box means it passed a particular test under certain conditions, and red box means it failed a particular test:

Nacro: Hypothesis Test Outcomes (Client)							
<i>Hoop Tests</i>							
	H1	H2	H3	H4	H5	H6	H7
Passed	Green	Green	Green	Green	Green	Yellow	
Failed							Red
<i>Smoking Gun Tests</i>							
Passed	Green	Yellow	Yellow	Yellow	Yellow	Yellow	
Failed							

Figure 18 presents a revised chronology of Nacro’s theory of client impacts. Based on our findings, we made the following revisions to Nacro’s theory of change.

First, we recognised the direct impact of skilful case management on the wraparound support that caseworkers gave SIP tenants. We make this connection in the new red inset that unpacks the components of the wraparound support that were delivered by caseworkers. In doing so, we also connected what was previously two disjointed parts of the theory of change by unpacking the contents of wraparound support with the red inset.

Second, we added two mediating factors to the model: lease model and client characteristics. We included the lease model because the two-year time limit hindered the use of some evidence-based practices and thus the reintegration of some clients into the workforce. We added client characteristics to the model because the level of need and motivation to change moderated lifestyle changes that they needed to make become stably housed.

Third, we connected another disjointed component to the general model by identifying the source of new accommodation.

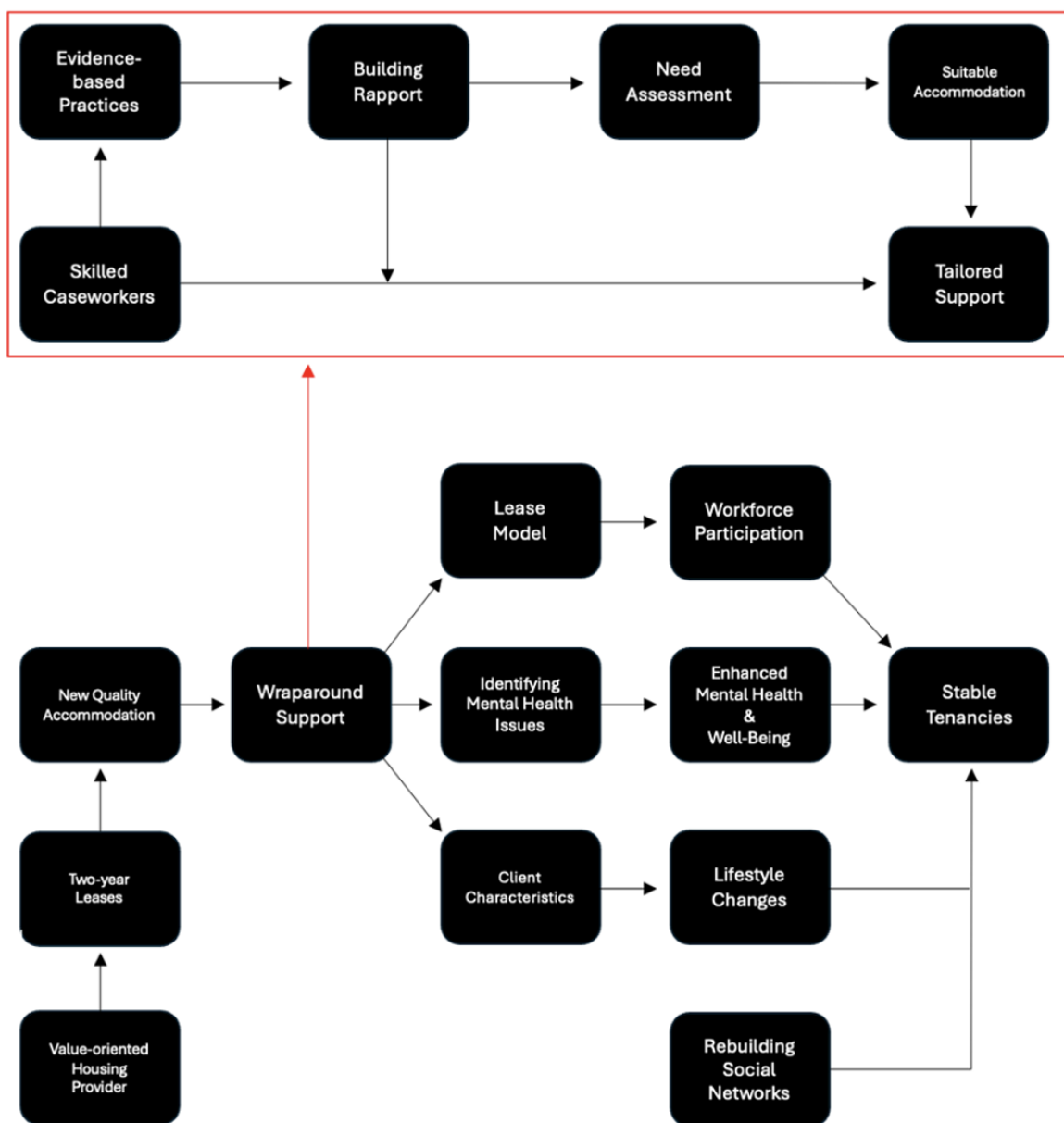


Figure 18. A Revised Model of Nacro's Client Impact Theory of Change.

4.1.3 Organisational Impacts

Nacro's theory of organisational impacts included five hypotheses that are listed below:

1. Integration of charity partners in the GLA structure will facilitate referrals to SIP properties, correct matching, and intensive support from caseworkers.
2. Being a high-quality charity partner of Resonance and social landlord will facilitate access to long-term leases for new units that you would let to clients with two-year lets. SIP tenants were expected to then participate in the workforce and prepare for move-on to unsupported accommodation.
3. The SIP will help Nacro access more grant funding.
4. SIP participation will create opportunities for Nacro to learn new things.
5. Developing capacity to support couples through SIP implementation.

We have chronologically organised those hypotheses into a causal model that is presented in Figure 19. After interrogating each hypothesis with our data, we will revise this model at the end of this section.

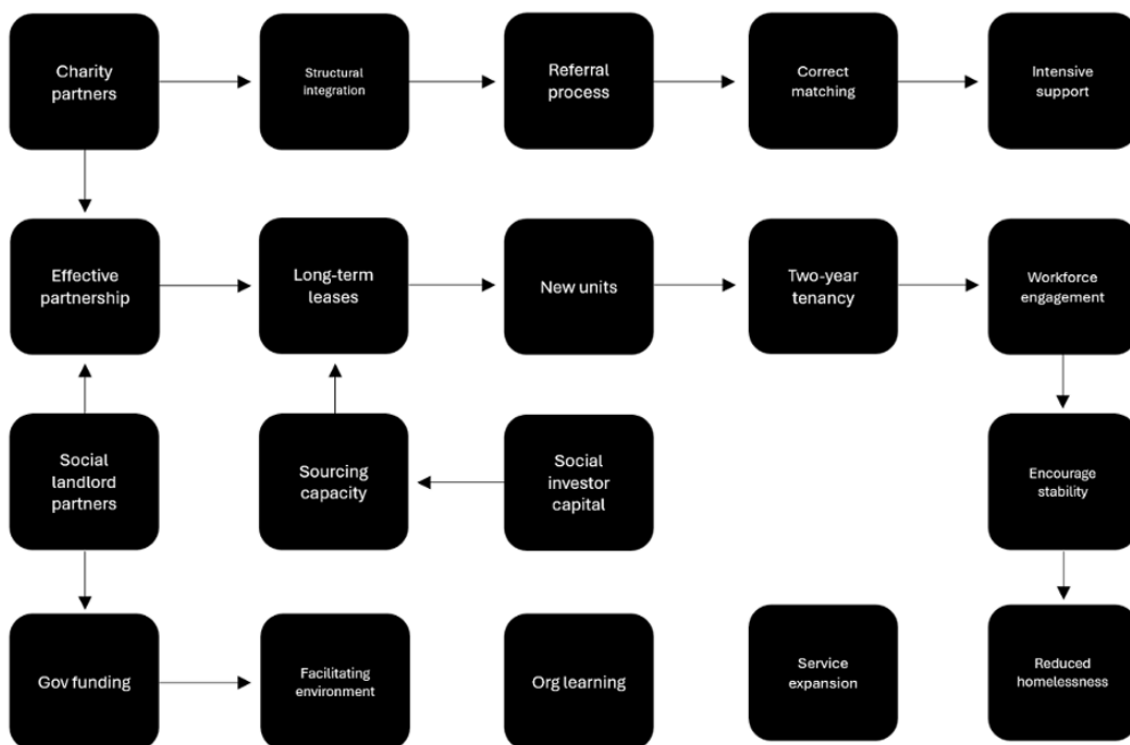


Figure 19. Nacro's Initial Model of Organisational Impact.

*Hypothesis 1:
Integration of charity partners in the GLA structure will facilitate referrals to SIP properties, correct matching, and intensive support from caseworkers.*

We found mixed evidence for the first hypothesis. The authors continue by examining evidence for each part of this hypothesis and then consider the SIP's impact on this relationship.

Clearing Housing Referrals

Our contacts said they received referrals for SIP properties from a clearing house that the local authority commissioned to manage the social housing allocation scheme. The allocation scheme existed before the SIP started. And a local commissioner said the clearing housing managed access to thousands of social lets.

Nacro was able to notify the clearing house that Resonance properties were available to let as supported accommodation. The clearing house then listed the properties on their website for referrals from commissioned service providers. Our contacts said Nacro's relationship with the clearing house strengthened through the SIP because administrative staff worked with one another on referrals:

“Through this, we've built a deeper relationship with the clearing house...We're in dialogue with the clearing house to say, 'These are the properties we've got. This is the offer we make.' They are then able to go, 'This person looks like they're suitable.'”

Communication between Nacro and the clearing house facilitated referrals to SIP properties. Despite the assessment process, our contact said applicants were sometimes referred who required more intense services than the SIP provided. When a team member asked, “Has this facilitated correct matching to properties through the clearing house,” a Nacro administrator replied:

“As far as it's possible to predict given the information at hand. We've been able to be very clear about what information we need and what kind of offer we've got and the resources we can give to people. They've been able to be clear based on the information they have to hand, which is always limited, about the support needs and the potential for this to be the right match for somebody.”

We previously showed clients varied in motivation to change and some would need a lease extension beyond the initial two-year offer. However, our contact said tenancy breakdown was very uncommon, “It's happened occasionally, but it's been very rare.” The deepened relationship between Nacro and the clearing house let administrators deal with tenancy issues that emerged when applicants were incorrectly matched to SIP properties.

And Nacro caseworkers had the necessary skills to deliver intensive services to SIP tenants who were referred by St. Mungo's, “What we're offering is intensive in the type of accommodation. It's facilitated the support that we're able to offer.”

SIP Impacts

A senior administrator insisted Nacro would not have developed and deepened its partnership with the clearing house without the SIP “because we wouldn't have had the accommodation offer to develop that relationship.” Our contact then expounded that point whilst answering the question, “Would you have been able to provide that support without the SIP?”:

“The SIP exists because the support contract exists and the support contract exists because the SIP exists...We went to the [council] with a package and said, 'Resonance can

get the properties. Nacro can deliver the support staff and also to accept the housing management.”

A team member then asked a clarifying question, “So, it's not that you had a grant to provide the services. Initially, you had the partnership with Resonance. And then after that the council said, 'Because you have this partnership, we'll go ahead and give you the grant.’” Our contact confirmed that the SIP funding preceded RSAP and facilitated the GLA grant:

“Yeah. At that time, we discussed between us, ‘What can we do? Here's an opportunity.’ It was very symbiotic, ‘If you can get the funds to get the properties, we can get the funds to deliver the support, which in turn means that the properties are viable.’”

We thus found some evidence that the SIP allowed Nacro to get referrals from St. Mungo’s. Without Resonance funding, Nacro would have neither had properties to advertise through the Clearing House nor delivered services for RSAP.

The evidence presented here gives mixed support for the first hypothesis:

- **Hoop test:** We found evidence that Nacro was able to partner with a local agency whose relationship to GLA allowed it to make referrals to SIP properties. For the most part, referrals were said to have been correct because they rarely ended in lease dissolution. But the evidence we presented in the previous section showed several SIP tenants were not prepared to move-on when their two-year lease ended. This suggests the clearing house incorrectly matched many applicants to SIP properties that likely needed a “home for life” with continued wraparound support.
- **Conclusion:** The first hypothesis did not pass the hoop test.

Hypothesis 2:

Being a high-quality charity partner of Resonance and social landlord will facilitate access long-term leases for new units that you would rent to clients as two-year lets. SIP tenants were expected to then participate in the workforce and prepare for move-on to unsupported accommodation.

We found mixed support for the second hypothesis. The authors will examine evidence for each component of the hypothesis below in the order listed in Nacro’s theory of change.

Resonance leases

The KPI data showed Resonance used social investment financing to purchase 56 properties in the GLA. Nacro then leased those properties from Resonance for 10 years before letting them to applicants through the clearing housing for two years:

Our contact said Nacro was a social landlord before the SIP. This helped it secure SIP financing from Resonance. By securing SIP financing, Nacro was able to secure funding from the combined authority to provide wraparound support:

“Being a social landlord facilitated us getting access to the leases. We wouldn't have been able to operate the model with Resonance, which meant that we could get the support

funding, and they could get the properties and we'd be able to afford to run the properties as supported housing if we were a social landlord.”

This quote supports the first part of this hypothesis. Being a charity with social landlord experience helped Nacro secure a ten-year lease on 56 SIP properties that were let to applicants through the clearing housing. Access to SIP financing allowed Nacro to secure a grant to provide wraparound support.

Progress to independence

We previously showed SIP tenants varied in progress to independence. Some tenants were eager to use supportive services and rejoin the workforce whilst others were less motivated to do so. This contradicted the second part of this hypothesis because SIP tenants were expected to make progress to independence once they got rehoused. Although this prediction was stated in Nacro’s theory of change, a senior administrator we spoke to denied its inclusion in the model. They argued, for many clients, the SIP would be a stepping stone toward more independence over time:

“For us, making progress towards [employment] might be you’re volunteering one day a week. You go into an education class. You’re on a long journey.”

This led them to redefine this hypothesis to reflect a different causal pathway:

“An easy way to think about it is Maslow's Hierarchy of Needs. We've provided the safe home. We'll make sure somebody's got the finance. We make sure somebody's got the health. They've got the social connections. It might not be self-actualising, but being independent, engaged in meaningful employment is probably higher up the pyramid than having a roof over your head or having food and heating.”

This quote shows the senior staff redefined a key outcome in Nacro’s theory of change. Whereas the original theory of change identified workforce participation and independence as the outcomes Nacro pursued, senior staff viewed the SIP as a way to help clients make some initial progress toward independence that would continue after their two-year lease ended. The same contact no longer expected SIP tenants to re-enter the workforce before their lease ended but would rather start a process of personal change that *could* culminate in employment later on.

SIP impacts

Our contact said Resonance funding was necessary for Nacro to access the properties for clients. When a member of our research team asked, “Could you have accessed those properties without the SIP funding,” a senior administrator replied:

“No, I would say not and certainly not properties of that type and that quality and not had that security...We could try and buy or build properties ourselves, but that's beyond our means...Our alternative might be that we might turn to the private rented sector. But we'd be limited to private landlords and paying a lot more money for a lot of poorer quality properties...”

The evidence presented here gives mixed support for the second hypothesis:

- **Hoop test:** Nacro accessed Resonance funding because it was an established charity that had experience as a social landlord. This enabled Nacro to lease 56 properties from Resonance that were let to clearing house applicants on a two-year lease. That said, we did not find evidence that SIP tenancies directly facilitated workforce participation. A senior staff member hypothesized factors that mediate the impact of SIP properties on employment. We in turn revised Nacro's theory of change to reflect that comment (see below).
- **Smoking gun test:** Our contact said Nacro would have been unable to access those properties without SIP funding.
- **Conclusion:** The first part of this hypothesis passed the hoop and smoking gun tests; however, the second part of the hypothesis did not pass the hoop test.

Hypothesis 3:

The SIP will help it access more grant funding.

We found support for the third hypothesis. One of our contacts previously said the SIP helped them secure a new grant with a council and was negotiating a second new contract with another local authority in the same region:

“We've just won a significant contract with one of the local authorities. We're having a lot of conversations with another local authority where we've got a footprint because of this service.”

The same administrator went on to explain how SIP properties helped Nacro win those grants:

“It's given us a good model for working with rough sleepers with complex needs and housing them in a way that's different to what's generally being done in the sector. It gets us around the table in conversations about rough sleeping with the combined authority...”

And described how the SIP has increased Nacro's legitimacy in relevant policy domains where it is now better able to advocate for clients:

“We also recognise that it's given us the opportunity to push the particular needs of prison leavers and rough sleeping further up the agenda...It's given us more weight in the policy sphere...The [SIP] opened doors for us as an organisation to move into this, which means that we can now advocate for the interests of our client group as well as working with new client groups and build those partnerships.”

By elevating the status of Nacro in the criminal justice system, the SIP may very well increase its access to grants in the future because funders may see it as a competent service provider. We could not of course test that hypothesis at the time of this study. But nonetheless it is a potential mechanism of grant funding that we mention here and will follow up on in next year's report.

The evidence presented here supported the third hypothesis:

- **Hoop test:** The SIP helped Nacro administrators compete for grants by giving the agency high-quality properties that surpassed units accessible to other service providers in the standard rental market. Mentioned above, this marked an expansion of the services that Nacro staff delivered to both new subpopulations and in new local authorities. Doing so allowed Nacro staff to establish their credibility in new councils where they have already won contracts to deliver services.
- **Smoking gun test:** Our contact said Nacro would not have secured those grants or expanded its influence without the SIP.
- **Conclusion:** The third hypothesis passed the hoop and smoking gun tests.

Hypothesis 4:

SIP participation will create opportunities for Nacro to learn new things.

Our team found evidence to support the fourth hypothesis. A senior administrator said the SIP helped them understand how the GLA's homeless system addressed rough sleeping. Their team then used this knowledge to reform their supported housing programme. This in turn, "helped us tie rough sleeper services into our broader supported housing offer and our broader charitable mission."

This was a new service domain for Nacro. So, in addition to system-level learning, the SIP gave administrators a chance to gain knowledge about a different service model. This helped Nacro administrators understand the impact of housing quality on service delivery and programme outcomes:

"For us, it's taught us something about the value of that quality of accommodation, but it's more than just the fact that it's nicely furnished. It's [also about] removing people from the short horizons' survivalist culture...Your neighbours are going out to work every morning. It's different to your neighbours who are also dependent on benefits and substances to get through the day...It's nudged people up."

This shows the SIP taught Nacro staff that housing and neighbourhood quality are integral to programme impact. Accessing higher quality units let Nacro administrators contrast the experience of clients who were rehoused in standard lets.

Staff also identified things they had learned from the SIP. Because they lacked background in real estate, Nacro caseworkers had to learn property management whilst implementing the SIP. This meant caseworkers had to learn and apply building regulations:

"I've learnt a lot about housing. One mundane instance is the difference between a carbon monoxide monitor and a fire alarm, and where they need to be, right. I've learned housing regulations and laws..."

In addition to that, caseworkers had to strategically balance their property management and case management responsibilities. Since they managed properties for Resonance, Nacro caseworkers had to collect rent, address ASB complaints, and facilitate maintenance repairs. This sometimes hindered their efforts to build rapport with clients who had fallen into arrears. The SIP forced Nacro caseworkers to perform both roles simultaneously.

When a team member asked a caseworker, “Would Nacro have learned these things without the SIP,” our contact replied, “No, I don't think so because I think we'd have continued working in a traditional model.” However, this view was not shared by the other administrator:

“If they are using substances, there is antisocial behaviour, how do you then continue to manage that in an effective way? But that's not a big shift. That's stuff that happens in all of our services.”

The evidence presented here supports the fourth hypothesis:

- **Hoop test:** Participation in the SIP taught administrators that housing and neighbourhood quality matters to rough sleeper accommodation. Caseworkers learned something about property management and how to balance conflicting responsibilities.
- **Smoking gun test:** Staff said they would not have learned these lessons without the SIP.
- **Conclusion:** The fourth hypothesis passed the hoop and smoking gun tests.

*Hypothesis 5:
Developing capacity to support couples through SIP implementation.*

We did not find evidence to support the fifth hypothesis because Nacro has not worked with couples in SIP properties, “We haven't had any couples, as far as I'm aware.” Our contacts at Nacro were however optimistic that they could adapt their services to that subpopulation, “Unfortunately, we haven't had any couples referred in. I think theoretically we could have done.” Regardless, we were unable to find support for hypothesis 2e.

Discussion

Here is a summary of our key findings in this subsection. A green box means a hypothesis passed a particular test, yellow box means it passed a particular test under certain conditions, and red box means it failed a particular test:

Nacro: Hypothesis Test Outcomes (Organisation)					
<i>Hoop Tests</i>					
Passed		a			
Failed		b			
<i>Smoking Gun Tests</i>					
Passed		a			
Failed					

Figure 20 presents the revised chronology of Nacro’s theory of organisational impact. For the most part, our team found evidence to support Nacro’s hypotheses about the SIP’s organisational impacts.

We did however make a couple of changes to the model based on our findings. First, we added two variables (i.e., client characteristics and lease model constraints) to the model that mediated the relationship between two-year tenancy and workforce engagement.

Second, we changed the order of workforce engagement and encourage stability to reflect the revision made by the senior administrator that we spoke to.

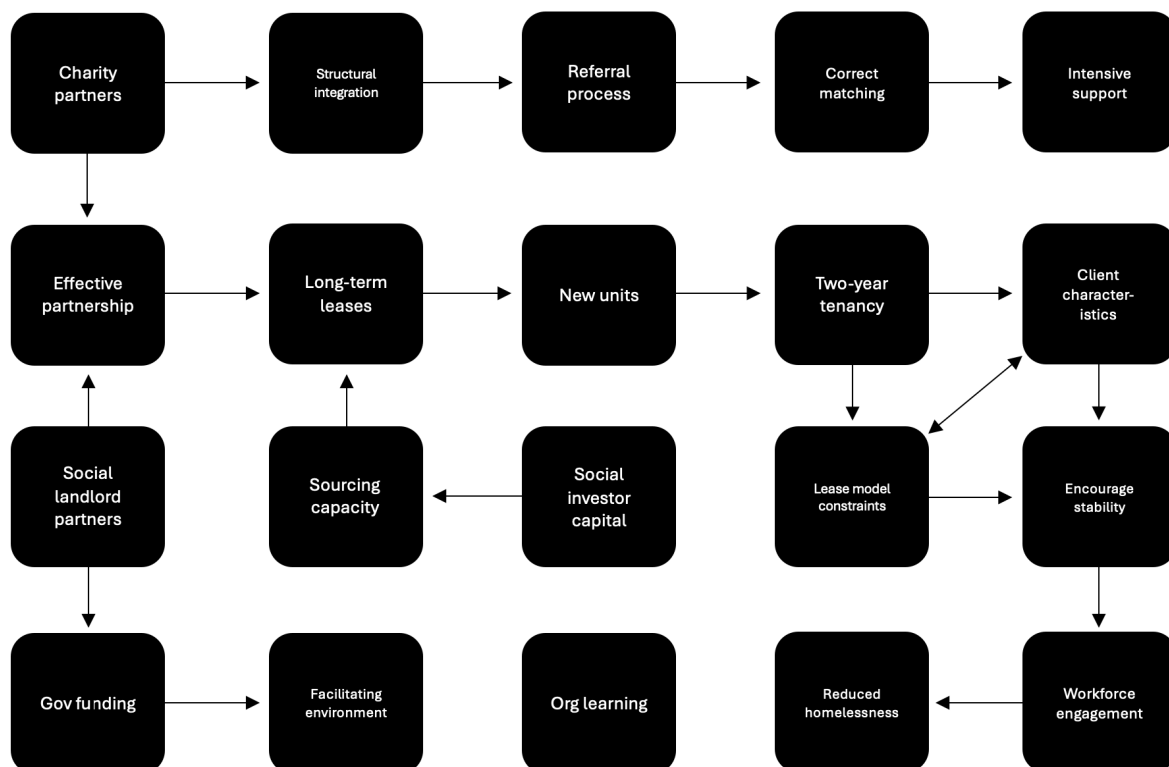


Figure 20. A Revised Model of Nacro’s Organisational Impacts.

4.2 Stockport Homes Limited

4.2.1 Introduction

SHL adopted a leasing model for the SIP. Resonance identified properties to SHL staff. SHL team members then approved or rejected those units for purchase in Stockport. Resonance would then either purchase approved properties or continue looking for suitable ones that met SHL’s quality standards. SHL leased procured units until 2030.

SHL’s theory of change included several hypotheses about organisational impacts. Whereas the service providers in other case studies delivered wraparound support to SIP tenants, the majority of customers housed through this scheme received minimal or no support. For the clients who

needed support to ensure tenancy sustainability, this was outsourced as part of the Rough Sleepers Accommodation Project to a third party provider. SHL's theory of change consequently focussed on organisational rather than client impacts.

4.2.2 Organisational Impacts

SHL's theory of organisational impacts included five hypotheses:

1. Having a social investor landlord will:
 - a. Give SHL sourcing capacities that marry location, yield, and suitability criteria;
 - b. Facilitate property sourcing, acquisition, refurb, and rental;
 - c. Allow long-term lease agreements between the fund and SHL;
 - d. Create new supply of ethical PRS housing stock that is rented at LHA;
 - e. Secure tenancies in quality, affordable properties; and
 - f. Prevention / reduction of arrears and evictions.
2. SHL will give Resonance information to purchase suitable properties that clients need. This will:
 - a. Facilitate long-term lease agreements between the fund and HA;
 - b. Secure tenancies in quality, affordable properties; and
 - c. Prevention / reduction of arrears and evictions.
3. The SIP will help SHL:
 - a. Integrate into local structures and support key stakeholders;
 - b. Deliver a Housing First "light" model;
 - c. Link its referral system to the local authority;
 - d. Ensure tenants are given wraparound support to reduce barriers to accessing and maintaining tenancies;
 - e. Prevent / reduce arrears and evictions for tenants;
 - f. Provide flexible in housing solutions that meet the needs of clients; and
 - g. Alleviate pressure on LA waitlist.
4. Enhanced tenancy management will:
 - a. Give tenants wraparound support to reduce barriers to access to and maintenance of tenancies; and
 - b. Prevent / reduce arrears and evictions for tenants.

We have chronologically organised those hypotheses into a causal model that is presented in Figure 21. After interrogating each hypothesis, we will revise this causal model at the end of this section.

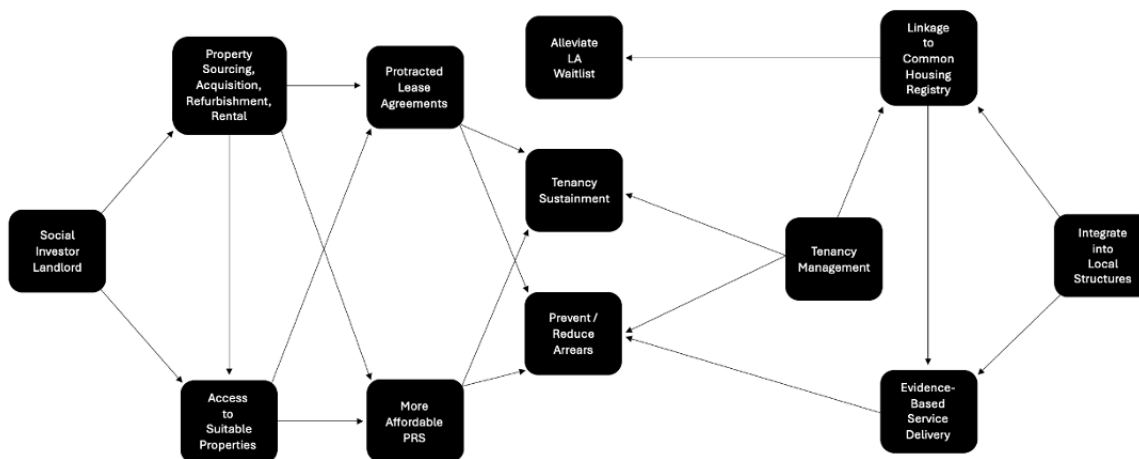


Figure 21. Stockport Homes Limited Initial Model of Organisational Impact.

*Hypothesis 1:
Having a social investor landlord will:*

- a. *Give SHL sourcing capacities that marry location, yield, and suitability criteria;*
- b. *Facilitate property sourcing, acquisition, refurb, and rental;*
- c. *Allow long-term lease agreements between the fund and SHL;*
- d. *Create new supply of ethical PRS housing stock that is rented at LHA;*
- e. *Secure tenancies in quality, affordable properties; and*
- f. *Prevention / reduction of arrears and evictions.*

We found evidence for the first hypothesis. With respect to hypothesis 1a, a colleague from PERU asked, “Has your sourcing capabilities helped you purchase properties in desired locations?” The administrator we spoke to replied:

“With Resonance, yes, it has. So, as an organisation, we don't have the ability to purchase properties because we're part of the local authority. Our funding streams are very limited in that respect. But Resonance [has] been purchasing them in exactly the areas that we want them in.”

In addition to buying units in desired locations, Resonance also let SHL procure “suitable” units that fit the latter’s quality criteria:

“Yes, the relationship with Resonance is quite strong there. They will send me properties to look at. And they send me links to Right move where the property has loads of other details...If it's around Stockport or the surrounding areas, one of my team will know the street so then we can make a real decision as to whether or not this is going to work for the customer...”

If a selected unit needed to be refurbished before it was occupied by a SIP tenant, Resonance made the necessary modifications for SHL:

“When Resonance first buys a property, they do everything to it that we've prescribed they need to do. Then, they give it to us and we just maintain it for the life of the lease.”

Our contact said SHL has been able to produce the desired yields for Resonance on those properties:

“Yeah. I think it's working for Resonance, but they're not purchasing as many as they anticipated because of the Stockport market...The financial modelling was very tight, and it is just about covering itself.”

Achieving desired yields meant Resonance had to modify its original procurement plan. This was because Stockport's tight property market prevented Resonance from buying the 80 units it originally wanted to purchase. The tight property market forced Resonance to spend more on each unit. This reduced the number of units that Resonance could buy and the social impact that the SIP had on homelessness in Stockport.

Regardless, the SIP allowed SHL to access affordable units for 20 households. By expanding the number of affordable rental units, SHL was able to give a portion of SIP tenants tenancies that could run until 2030 (the expiry of the lease arrangement with Resonance) whilst others, who were accommodated through the Rough Sleepers Accommodation Project (RSAP), received a two-year lease alongside designated support.

That said, our contact did not think the foregoing benefits were unique to social investment financing. With respect to property refurbishment, the SIP was different because Resonance completed modifications that SHL usually had to complete directly for the social lets they owned:

“The only difference is that the [properties] with Resonance, they do all the work themselves before they give it to us. It may take them a while sometimes, but it's really high standards. Someone could literally just move in.”

When our research colleague asked if the sourcing capabilities that they described were different from other funding models, our contact replied, “It's been the same.” Likewise, when our research colleague asked, “Is [the procurement of SIP properties] different than the way that you've worked with the Council in the past to purchase properties,” the same administrator said:

“No, not really, because with Stockport, if we've ever purchased properties, those properties will always be in Stockport. So, we will always know those as well.”

And they were somewhat sceptical that yields would continue over time because of wear-and-tear that tenants put on the units:

“As the tenants continue, because we've got these properties now until December 2030, it's likely things may go wrong and then cost us some money. So, it'd be interesting to see what the financial position is in a few years.”

Our contact reported most SIP tenants consistently paid rent, “Nearly all of the tenants pay the rent on time.” This statement supported hypothesis 1f. But the reason most SIP tenants were paying rent on time had more to do with the screening process that SHL used to select tenants than with social investment financing:

“...Before we sign anybody up, we do affordability checks with them...When we're actually starting the tenancy with the new customer, we go through the Universal Credit bit or Housing Benefit bit with them. So they are updating their Universal Credit claim as part of the sign-up interview...If there are any affordability issues, we will engage our Money Advice team who will then work with the customer to make sure they're claiming everything they're entitled to.”

The preceding four quotes suggest the benefits that SHL derived from the SIP were indistinguishable from those the organisation got from traditional funding sources like public grants. The key difference between social investment financing and government funding was that Resonance used their resources to buy properties which they then leased to SHL for ten years. The SIP therefore brought additional properties into management for the use of providing accommodation for applicants who were homeless or facing homelessness. These were extra properties that without Resonance, SHL would not have had access to. In contrast, our contact said the UK Government had not given SHL funding to purchase units in several years. This suggests the benefits that SHL got from the SIP were relative to Government priorities and spending on social housing. During the interview, our colleague from PERU tested this hypothesis by asking the administrator if they agreed. They replied, “Yeah, I think you've summed it up perfectly there.”

The evidence presented here supports the first hypothesis:

- **Hoop test:** Working with a social investor landlord let SHL lease, following purchase by the social investor landlord, suitable units in desired neighbourhoods. This expanded the number of affordable rental properties in Stockport and provided secure tenancies for SIP tenants in quality properties.
- **Smoking gun test:** Our contact reported similar sourcing capacity to properties bought with government funding and attributed low rent arrears to SHL screening practices instead of social investment financing. The primary difference that our contact cited was the refurbishment of new properties. The SIP did not do better or worse than traditional government funding. But funding is not always available through traditional government methods and this social investment model enabled more properties to become available for the social / affordable housing model.
- **Conclusion:** The first hypothesis passed the hoop but not the smoking gun test.

Hypothesis 2:

SHL will give Resonance information to purchase suitable properties that clients need.

This will:

- Facilitate long-term lease agreements between the fund and HA;*
- Secure tenancies in quality, affordable properties; and*
- Prevention / reduction of arrears and evictions.*

We found mixed evidence for the second hypothesis. When a member of PERU’s team asked our SHL contact, “Were you able to let SIP properties to your target population,” they answered, “Yes.” Although SHL was able to purchase suitable units, our contact qualified the significance of social investment financing to procurement vis-à-vis traditional grants from the UK Government:

“It'll be basically the same. I suppose the only difference is Resonance has got more money. If we get a grant of £200,000, we don't get a lot to purchase some properties. And this is rare. Whereas Resonance, they've got millions to spend and want to keep giving properties to Stockport. They may just buy a one-to-three-bed house for £180,000 whereas Stockport Homes will be looking to buy one-bed flats to get four properties for the £200,000.”

Our contact thus believed suitable properties could be bought with social financing or government grants. The key difference was Resonance provided enough money for SHL buy multiple properties at once and allowed SHL to buy larger properties than what was available with traditional grants. This difference would of course be eliminated if the UK Government gave SHL resources and flexibility to buy properties at-scale. The administrator we spoke to said government funding for social housing was rare, but they were optimistic about the new Labour Government's intent to expand England's social housing stock.

That said, we were surprised when our contact said they were able to serve their target population with SIP finance. Resonance initially wanted to let SIP-financed units to single households that were experiencing homelessness. The first round of interviews that were conducted during our implementation evaluation showed Resonance had to expand their eligibility criteria to include family households that were experiencing homelessness. This was because suitable one-bedroom units were hard for Resonance to buy within its budget. When PERU's team member broached this with our contact at SHL, they replied:

“When we first started working with Resonance, the agreement was Resonance will buy loads of properties and lease them to Stockport Homes and partners and all of those properties were going to be one-bedroom properties. Resonance struggled to find one-bedroom properties so started to buy family accommodation. But the customer group are all still from a homelessness background.”

The administrator we spoke to differentiated SIP from non-SIP properties in terms of unit size. From their perspective, SIP properties were usually two- or three-bedroom units while non-SIP properties were often one-bedroom flats that had been previously sold to council tenants during Right to Buy:

“It was more like Resonance struggled to buy one-bedroom flats. They have lots of money to spend and said they would buy us two and three beds. We accepted it...We mainly try and buy back properties that have previously been sold off under Right to Buy. That tends to be one-bedroom flats...So that's the difference.”

Our SHL contact reported no difference in tenancy sustainment for SIP vs. non-SIP tenants. When a member of PERU's team asked, “Do you see any difference between your ability to secure tenancies for SIP tenants versus non-SIP tenants or is it about the same,” our contact answered, “There are obviously massive differences in numbers, [but] there are probably about the same.” Although the administrator did not differentiate between SIP and non-SIP properties on the basis of tenancy sustainment, they did draw distinctions between quality and satisfaction. The following quote, for example, contrasts the neighbourhoods of SIP and non-SIP properties:

“The properties we've got through Resonance, the customers who end up living there are happy because the majority are in really nice areas within Stockport...We've also then got another area, which has got eight multi-stories with nearly 500 units...So, a lot of customers end up in those areas and feel like they have no choice. So, the customers who

we accommodate through the SIP end up in areas which are quite affluent. They may be on a street where it's all owner-occupied. So, I think satisfaction levels are probably higher.”

From our contact’s perspective, SIP tenants were more satisfied with their property because it was in a neighbourhood with lower deprivation than those where non-SIP tenants lived. This could result from SIP tenants being exposed to less crime, violence, and/or ASB. Despite perceived differences in housing satisfaction, our contact did not report variation in tenancy sustainment. When a PERU team member asked, “But you don't really see any difference between like in terms of like tenancies,” our SHL contact replied:

“No, the turnover of our Council stock last year was 5%...And that seems to be decreasing year-on-year. The private rental sector in Stockport is sparse and anything that becomes available is very expensive. I think people are realising, ‘I've got a secure tenancy with Stockport Homes. I need to just stay put.’”

PERU’s team found this equivalence in secured tenancy surprising because dissatisfied tenants are incentivised to move-on to desirable housing. To understand this similarity, we asked the administrator what they thought explained it. They attributed the equivalence to a lack of alternative housing options for non-SIP tenants. With no viable alternative, non-SIP tenants stayed in their unit, even though they were dissatisfied with it:

“There's limited or no choice of mobility anymore because we allocate our non-SIP properties to people who have got the most need...So, if you're already a Stockport Homes tenant and you just want to move because you've either had a couple more kids or you want to move to a nicer neighbourhood, that's not happening.”

The upshot of this quote is we might observe differences in secured tenancies between SIP and non-SIP tenants if the Stockport’s social housing market gave the latter more options to move-on from unsuitable units.

The evidence presented here offers mixed support for the second hypothesis:

- **Hoop test:** Resonance bought suitable properties for homeless households and SHL provided long-term leases in high-quality units. But our contact attributed arrear reduction to SHL’s screening process.
- **Smoking gun test:** The main difference between social investment financing and traditional grants was the former allowed SHL to purchase larger units than the latter and social investment financing allocated larger tranches of funding than traditional grants that SHL could use to quickly buy-up multiple properties. Although SHL secured tenancies in suitable properties for SIP tenants, the tenancies of SIP tenants were just as secure as non-SIP tenants. SIP tenants however tended to be more satisfied with their property than non-SIP tenants.
- **Conclusion:** The second hypothesis passed the hoop test and failed the smoking gun test.

*Hypothesis 3:
The SIP will help SHL:*

- Integrate into local structures and support key stakeholders;*
- Deliver a Housing First “light” model;*
- Link its referral system to the local authority;*
- Ensure tenants are given wraparound support to reduce barriers to access to and maintenance of tenancies;*
- Prevent / reduce arrears and evictions for tenants;*
- Provide flexible in housing solutions that meet the needs of clients; and*
- Alleviate pressure on LA waitlist*

We found mixed evidence for the third hypothesis. Because SHL is an ALMO that manages Stockport's social housing stock, its administrators worked closely with the combined authority. This meant SHL administrators already had a strong relationship with staff in the combined authority when the SIP started, "We've got a quite good relationship with them. We manage Resonance properties in Stockport..." Our SHL contact initially said their relationship with the combined authority did not affect SIP implementation. When a PERU researcher asked, "Have your ties with the local government helped you implement the SIP," our contact replied:

"We didn't need any support from them. Everything is done in-house within Stockport Homes. We have the authority in delegating powers from the local authority to do stuff like this."

This statement is focussed on the procurement and maintenance of SIP units. SHL staff performed those responsibilities without assistance from the combined authority. Later in the interview, our contact identified ways their relationship with the combined authority helped them deliver the SIP. For example, SHL's maintenance staff sits in the same office as the combined authority's rent collection and tenancy management teams. This smoothed communication about rental subsidies and helped SHL staff fix problems that could generate rent arrears:

"[My colleague], who manages [SIP properties], the customer finance team who manage rents, the homelessness team. They all sit on the same floor. They can all see each other...So, the rents team will tell [my colleague] one of your tenants has defaulted on a payment. So, either [my colleague] or the customer, the rent officer will then contact the customer just to find out what's gone wrong."

The relationship between SHL and the combined authority's Housing Benefit team helped reduce rent arrears that administrators in other case studies had to deal with. This facilitated a steady revenue stream on SIP properties whilst minimising conflicts between SHL staff and tenants:

"We have very little interaction with these customers because things are going smoothly and a lot of them want no interaction."

Aside from positive client impacts, the relationship that SHL staff had with the combined authority helped the latter manage its housing prioritisation list. The SIP made 20 new affordable housing units available in Stockport. This of course was less than the 80 properties that Resonance originally wanted to purchase, but still relieved some of the pressure on Stockport's homeless system:

"The numbers are still low. So, we've got 20 properties with [Resonance], but 20 is obviously better than none. Homelessness continues to rise within Stockport. So, the 20 properties we've got, most family properties, are preventing families from being in our temporary accommodation or hotel accommodation. So, it's low-impact, but it is impactful..."

The implication of this quote is SIP's impact on the local homeless system would have been larger if Resonance had invested more resources in Stockport. One advantage of the SIP that our contact previously identified was the ability to buy several properties at once. The tightness of Stockport's property market prevented Resonance from quickly buying units and procuring the 80 properties that it originally wanted to purchase. This weakened the SIP's impact on waitlists for social housing in GMCA. Rather than a weakness with social investment financing, the SIP's limited impact on social housing waitlists in part reflected flawed assumptions about Stockport's property market that informed decision-making by Resonance staff.

Our contact also said SIP participation integrated SHL into the combined authority's allocation scheme:

"We've created some good networks on the back of [the SIP], more so than we probably have with some of the housing teams. We do work a bit more together. So, when we need them to nominate someone for a property in their area, we work closely together to get the right person."

Because SHL is an ALMO that manages 11,500 units, its staff already had a relationship with the allocation team. The previous quote should therefore be interpreted as evidence that the SIP strengthened an existing relationship. The third hypothesis suggested deeper integration with the combined authority's allocation scheme would foster secured tenancies. When a member of PERU's research team tested that hypothesis by asking, "Has access to the local authority's referral system helped you give tenants wraparound services that reduced barriers to tenancy access and maintenance," our SHL contact replied:

"Yes. When we meet, we look at who we might be getting as a new tenant. We will look at any needs that they have. We will try and work out if they've got any support already in place. Or we will ask the customer when we meet them. And then when we do the sign-up with the new customer, if they've not got support in place, but we can tell they need it, we will get it put into place within Stockport Homes."

That said, our SHL contact said they confronted problems during SIP implementation that their relationship with the combined authority did not fix. Although they had a longstanding relationship with the combined authority, the inclusion of multiple organisations in the implementation process complicated negotiations over the lease that SIP tenants would sign:

"At the beginning, there were five partners involved. We needed to come up with a master framework and a lease agreement that suited all five partners...We had to start from scratch...There was just lots of to-and-fro until the lease agreement was signed off. And obviously each local authority housing partner that was involved had their own issues that they wanted to deal with."

Despite the length of time it took to forge a lease agreement, key partners were confident that the problems would eventually get fixed. For example, Resonance was looking for properties whilst the lease negotiation was going on. This enabled them to quickly purchase and let units once the lease format was decided:

"By the time it was resolved, Resonance were already looking at properties because we knew it would be resolved. We pretty much signed up for the first properties as soon as the lease agreements were sorted."

This suggests the benefits of SHL’s relationship with the combined authority did not circumvent every implementation problem. Our SHL contact in fact said Resonance could have bought properties in Stockport just as easily without SHL. When our colleague from PERU asked, “What do you think it would have been like for Resonance to buy properties in Stockport without your relationships,” the SHL administrator replied:

“Yeah, they'd have been able to do the same. They'd have been fine. I'm sure there are plenty of other housing organisations within Stockport that would probably work with them.”

The key factor that our contact cited to differentiate SHL from other organisations was their duty to accommodate homeless households. They said this responsibility made SHL willing to prioritise social over economic impact:

“...Whereas Stockport Homes, because we're part of the local authority, we are only in this for the right social reasons, to try and bring more stock to reduce homelessness. Whereas other housing providers in Stockport don't have the same duty of care or obligations placed on them.”

The evidence presented here therefore gives mixed support for the third hypothesis:

- **Hoop test:** SHL already had a relationship with the combined authority and Housing Associations in the community. SHL staff strengthened those relationships whilst using the local allocation scheme to select tenants for SIP properties. Proximity of SHL staff to the combined authority’s Housing Benefit team helped manage arrears. Although Resonance could only purchase 20 units in Stockport, this helped relieve pressure on the combined authority’s homeless system. The SIP did not allow SHL to deliver a “light” Housing First model because all tenants were selected through a staircase process and the tenants with complex needs were only given two-year leases.
- **Smoking gun test:** The SIP helped SHL deepen its connection with organisations in the local structure and alleviate pressure on the local housing market. However, social investment financing did not facilitate a “light” Housing First model, connect SHL to the local referral system, or minimise rent arrears.
- **Conclusion:** Every component of the third hypothesis passed the hoop test, but only two sub-hypotheses passed the smoking gun test.

Hypothesis 4:

Enhanced tenancy management will:

- Give tenants wraparound support to reduce barriers to access and maintain tenancies; and*
- Prevent / reduce arrears and evictions for tenants.*

We found mixed evidence for the fourth hypothesis. Our SHL contact described in the previous subsection how their in-house staff screened applicants through the allocation scheme and made service referrals based on those assessments. The in-house staff at SHL provided myriad services to some SIP tenants. Our contact said those services fortified tenancies by helping clients become more self-sufficient and/or settle in their new unit:

“We're not just a housing provider. There's lots of other housing services or related services available, whether it be the Money Advice team who can look at benefits and income maximisation. We've got an employment support team. So, if the customer wants to get back into employment, education or volunteering, we have volunteers within our organisation. And we have a housing support team with the customer if they just need support in initially getting the tenancy set up.”

A subset of clients were referred to outside agencies if SHL did not provide the services that clients required. For example, clients who accessed SIP properties through the RSAP were referred to Jigsaw Homes who delivered wraparound support:

“Out of the 20 [SIP properties], there's six which need to have support in place or should have support in place, Jigsaw lead on the support. With those six properties, we are pretty much just a property manager.”

This shows SHL staff were able to give SIP tenants wraparound support that helped them sustain tenancies. Our contact however said this capacity was not unique to SIP properties. When a member of PERU's research team asked, “Does this work any differently with SIP tenants than it does with non-SIP tenants,” our contact answered:

“Not really, no. We have a very small team called the Tenancy Ready Team. Anyone who we know is likely to get a tenancy soon, we will try and engage them with the Tenancy Ready Team who will look to work with the customer to address anything which could lead to tenancy failure...”

This is contradictory evidence for hypothesis 4a. On the one hand, wraparound support helped SHL staff sustain tenancies for SIP tenants. On the other hand, the supportive services they delivered to SIP tenants was no different than that given to non-SIP tenants. This suggests SIP properties were inconsequential to the type of services that SHL delivered clients and impact of those services on tenancy sustainment.

Lastly, our SHL contact supported hypothesis 4b above. The screening process that SHL used to select SIP tenants let it choose applicants that could afford those properties. The relationship between SHL's in-house staff and the combined authority's Housing Benefit team helped it address barriers to rental assistance through maximising benefits and completing affordability checks.

The evidence presented here therefore gives mixed support for the fourth hypothesis:

- **Hoop test:** SHL delivered services to SIP tenants that sustained their tenancies. If SHL did not provide a service in-house, then staff referred SIP tenants to an outside agency who delivered that assistance. Supportive services helped manage arrears.
- **Smoking gun test:** Supportive services were not unique to SIP properties because the same assistance was given to non-SIP tenants.
- **Conclusion:** The fourth hypothesis passed the hoop test and failed the smoking gun test.

Discussion

Here is a summary of our key findings in this subsection. A green box means a hypothesis passed a particular test, yellow box means it passed a particular test under certain conditions, and red box means it failed a particular test:

SHL: Hypothesis Test Outcomes				
<i>Hoop Tests</i>				
	H1	H2	H3	H4
Passed	a-f	a-c	a-g	a-b
Failed				
<i>Smoking Gun Tests</i>				
Passed			a,g	
Failed	a-f	a-c	b-f	a-b

Figure 22 presents the revised chronology of SHL’s theory of organisational impact. Our evidence supported most components of SHL’s theory of change. For the most part, our SHL contact said social investment financing was like traditional grants with respect to procurement and property management. The primary difference they identified was the breadth and depth of procurement. Our contact said the UK Government has rarely allocated funding for social housing procurement in recent years. When it has allocated funding for that purpose, funding has been limited with caveats on what can be purchased. The SIP was different because Resonance allocated a lot more funding that gave SHL flexibility to purchase desired units. It is important to note that this advantage is not inherent to social investment financing. The allocation of larger grants from the UK Government or a smaller social investment by Resonance would weaken the advantage of social investment financing to SHL.

Because SHL’s theory of change was largely supported, we made only minor adjustments to the causal model that was presented above. The first revision was the addition of “linkage to Housing Benefit team” to specify an unexpected factor that helped SHL manage the rent arrears of tenants. The second revision was the inclusion of contextual factors to specify conditions that limited the comparative impact of social investment financing and traditional grants.

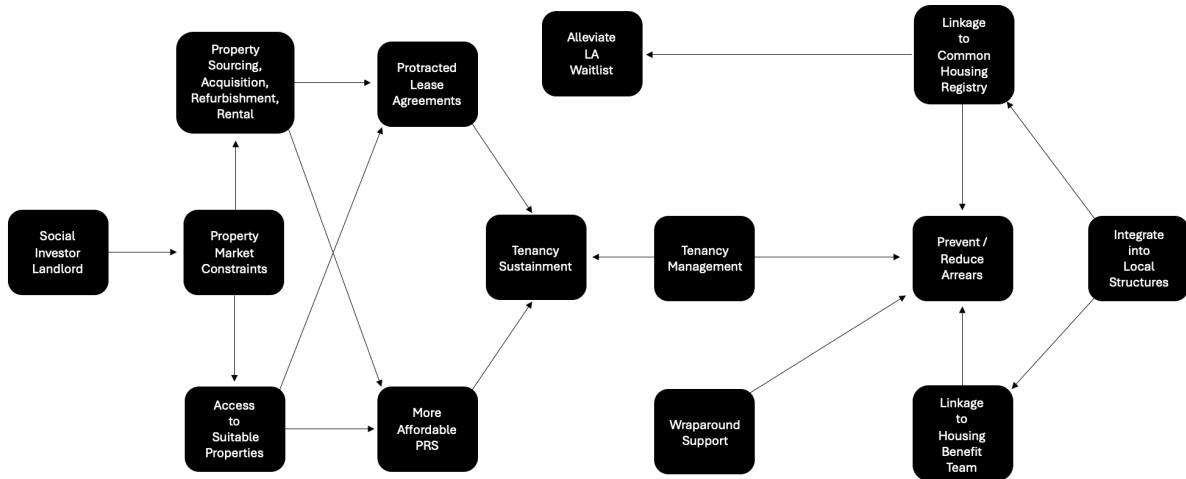


Figure 22. A Revised Model of Stockport Homes Group Organisational Impact.

4.3 Target Housing

4.3.1 Introduction

Target Housing adopted an ownership model for the SIP. SASH loaned Target Housing money that it used to buy properties. Team members purchased 18 properties in Sheffield, Rotherham, Doncaster, and Hull that suited their target populations. Sheffield Council then granted Target Housing funding to deliver wraparound services to people with complex needs through its THRIVE and criminal justice programmes. Whereas THRIVE clients received a “home for life,” clients in the criminal justice programme were housed on a 12-month lease.

Target Housing’s theory of change included several hypotheses about client and organisational impacts. Although these hypotheses are identical to those of their criminal justice programme, they are tested against a different subpopulation and lease model. We consequently evaluate the programmes in separate sections. The evaluation of Target Housing is divided into three parts: THRIVE, Criminal Justice, and organisational impacts.

4.3.2 THRIVE

Target Housing's theory of client impacts included the following six hypotheses:

1. Target staff will use their knowledge about the local housing market to help SASH buy properties of a type and in an area more tailored to client needs.
2. The ownership model will let Target control maintenance and tailor properties to meet the needs of clients.
3. Tailored accommodation builds rapport with clients that caseworkers use to enhance service delivery and stabilise tenancies.
4. The property ownership model will give Target staff agency over lease enforcement that they use to secure tenancies for difficult-to-let clients.
5. In-sourcing property management will let Target caseworkers build rapport with clients and ensure long-term tenancies by immediately solving their maintenance requests.
6. Bespoke accommodation will improve client well-being by giving them an appropriate place to rehabilitate and stop their cycle of homelessness.

We have chronologically organised those hypotheses into a causal model that is presented in Figure 23. After interrogating each hypothesis with our data, we will revise the model at the end of this section.

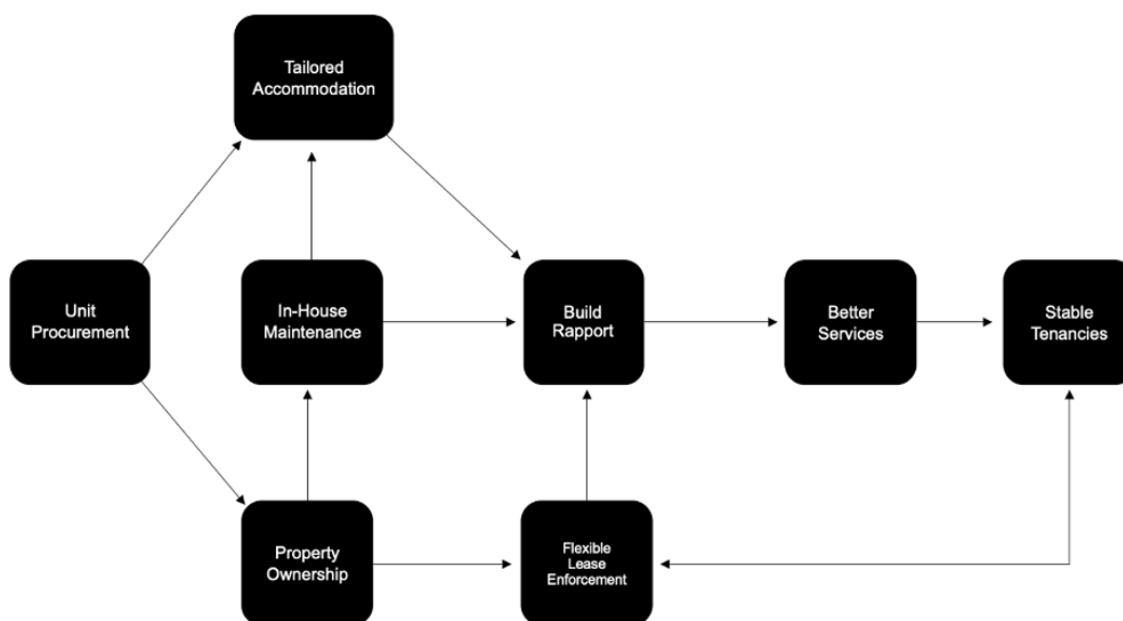


Figure 23. Target Housing's Initial Model of Client Impacts.

*Hypothesis 1:
Target Housing staff will use their knowledge about the local housing market to help SASH buy properties.*

We found evidence for the first hypothesis. Target bought 18 properties with SASH funding by the time this evaluation was conducted in spring 2024. Target staff shared their knowledge of the local housing market to help SASH purchase properties. For example, one staff member put forward a common view amongst administrators:

“SASH has given us the ability to go out, because one of the things that they recognise is that we know our market. We know our commissioners. Our commissioners know us. We know the local property market, they don't...What it's allowed us to do is purchase property where we believe we need it and we do that needs assessment and gap analysis with the local authority.”

Insights like the one expressed in this quote both support and extend Target's theory of change. On the one hand, in-house staff guided procurement with their knowledge of the local property market. On the other hand, the relationship of in-house staff with the local authority facilitated procurement of suitable accommodation for SASH. This highlights the salience of local networks and market knowledge to SIP implementation.

Our contacts appreciated the flexibility SASH gave them to procure units because it let them buy suitable properties for their clients:

“[The property ownership model has] given us the flexibility to be able to purchase properties in areas we probably wouldn't have been able to afford previously. We've also been able to buy single occupancy [units] as opposed to shared...[F]or me it's about the flexibility”

This included accessible single occupancy units so THRIVE clients could exit homelessness into a “forever” home whose lease lacked a predetermined end date. Although Target staff helped SASH buy properties, the units that they could access were not always accessible for clients who had physical disabilities that made it hard to live above the ground floor. Finding such units within budget constraints turned out to be more difficult than team members originally thought. They consequently had to make compromises during procurement that reduced the number of single occupancy units that were purchased.

We should not overstate the shortfall of single occupancy units in Target's portfolio. Although senior administrators noted a deficit, they estimated somewhere between 10–20 percent of their stock was shared accommodation. Target staff also struggled to buy units in some parts of Sheffield where clients wanted to live. This was problematic when clients were housed in a neighbourhood where they were exposed to abuse, violence, and/or exploitation. The ownership model let caseworkers relocate some clients to safer neighbourhoods, but this was not (immediately) possible in every case, as we demonstrate below. Regardless, a local commissioner told us procurement was faster with social investment financing than other finance models that services providers have used:

“[B]ased on experience of commissioning a range of services and seeing the range of challenges that sometimes providers have had in the past in terms of getting the sufficient number of properties. That just seems to be much less of a problem this time.”

Table 7. Distribution of Maintenance Request (In)completions (THRIVE).

Client	# Requests	% Requests	# Complete	% Complete	# Incomplete	% Incomplete
1	7	3%	6	86%	1	14%
2	11	5%	10	91%	1	9%
3	30	12%	28	93%	2	7%
4	20	8%	19	95%	1	5%
5	34	14%	33	97%	1	3%
6	57	23%	56	98%	1	2%
7	2	1%	2	100%	0	0%
8	42	17%	42	100%	0	0%
9	11	5%	11	100%	0	0%
10	30	12%	30	100%	0	0%
Total	244	100%	237	97%	7	3%

The evidence presented here supports the first hypothesis:

- **Hoop test:** Target Housing staff used their knowledge of Sheffield’s property market to buy units for THRIVE clients. Two important caveats to this conclusion are that political networks were also relevant to procurement and knowledge of Sheffield’s property market was not always sufficient to purchase desired units. Budgetary constraints limited the number of ground floor units, single occupancy properties, and range of neighbourhoods that Target Housing could access for SIP tenants.
- **Smoking gun test:** Our contacts said they could only buy those units with social investment financing because no alternative funding sources existed. However, Target staff could have used their knowledge of the local property market to buy units regardless of finance source.
- **Conclusion:** The first hypothesis passed the hoop but not the smoking gun test.

Hypothesis 2:

The ownership model will let Target control maintenance and tailor properties to meet the needs of clients.

Our team found evidence for the second hypothesis. The case file data showed Target staff were very responsive to maintenance requests. Table 7 indicates staff addressed 97 percent of all maintenance requests.²⁴ When that data is broken down by each client, we see four THRIVE clients (40%) had all of their maintenance requests addressed and nine (90%) had at least 90 percent of their issues fixed.²⁵ The data presented in Table 7 therefore suggests Target Housing staff were very responsive to maintenance requests from THRIVE tenants.

The ownership model let Target staff adapt properties to meet the needs of clients. Ownership let staff members adapt a SIP property before a tenant occupied it. But the most common examples we saw in the case file data were of adaptations that got made after someone occupied

²⁴ The client numbers used in each table do not match one another. Hence, client #1 in Table 7 is not client #1 in Table 8.

²⁵ Figures exclusive of the two clients who made no maintenance requests.

a property. For example, “Stan” was a middle-aged White man from Britain whose property was adapted when his health deteriorated:

Stan was a chronic alcoholic who suffered liver damage from Hepatitis C. THRIVE caseworkers initially helped Stan manage his alcohol consumption. Although they offered to get him into an alcohol treatment centre, Stan refused. One day, Stan’s caseworkers noticed him slurring his speech and unable to use the right side of his body. They immediately called 999 and Stan was rushed to hospital. Once he got admitted, hospital staff confirmed Stan had suffered a stroke and required treatment. Stan was hospitalised for three-and-a-half months as he underwent some speech, language, and physiological rehabilitation. Despite his treatment, Stan was diagnosed with aphasia and had limited mobility from his stroke. He consequently needed help with activities of daily living from care workers outside of the THRIVE when he was released from hospital. Soon after they started working with him, the outside care providers told THRIVE caseworkers that Stan was incontinent and regularly soiled himself around the flat. Despite their best efforts of caseworkers to clean Stan’s flat, neighbours complained about the smell of urine. THRIVE caseworkers tried to address the problem and arranged for the carpets to be replaced with vinyl flooring to help caseworkers clean accidents and the toilet raised to help the client urinate. Those adaptations allowed Stan to live in his home for five more months. Stan’s caseworkers eventually decided he could no longer live safely in scattered-site accommodation. He was consequently discharged from THRIVE to the care home that provided 24-hour assistance.

Stan’s experience shows how the ownership model let Target staff adapt properties to meet the emergent needs of THRIVE clients. Even though Stan was eventually referred to a group home, the adaptations that Target made let him reside in the unit for five months after he was released from hospital.

Our contacts at Target said the ownership model made it easier for them to adapt properties. Adapting private lets is a difficult and sometimes lengthy process. Because adapting a property took time, effort, and resources, administrators we spoke to said many private landlords would invent reasons to deny disabled clients as tenants. This does not mean unit adaptations were impossible. But even when adaptations were made, there was no guarantee the landlord would maintain long-term ownership of the property. As a result, tenants of adapted properties were at-risk of displacement if the landlord sold the property.

The threat of displacement could prevent THRIVE clients from settling into their new home. Our contacts concluded that, whilst adaptations were possible in non-SIP properties, the ownership model expedited the process for clients and made it more efficient for Target Housing:

“Purchasing these properties, because we've got a lot of people who have got maybe wheelchair users, amputees, that would need a specially adapted property. And we have been able to put a wet room, say in a purchased property before or we've been able to widen the doorway, just anything that the OT assessments could say. Obviously, on a rental property that is doable, but it is a longer and more expensive process in the long run.”

This suggests the ownership model let Target rehouse more people in shorter time than a standard let in the private or social market. It is reasonable to assume that reducing the amount of time it took to settle disabled clients in suitable accommodation had positive spillover effects such as enhanced physical and psychological well-being. This in turn could stabilise the tenancy of clients by reducing the need for relocation or lease termination.

That said, the ownership model did not always facilitate speedy adaptations. The ability of in-house staff to adapt properties varied by the kind of modification that a client required. For example, “Sam” needed a stairlift to travel up and down the floors of his home, but third-party organisations slowed the adaptation of his unit:

Due to this hip condition, Sam needs a stairlift to move between the two floors of his flat. The stairlift that was originally in his flat broke. After a failed repair, Sam’s caseworker contacted the manufacturer to demand a replacement. Sam fell down the stairs whilst the lift was broken. The manufacturer eventually replied that the council needed to conduct an OT assessment to approve funding for the stairlift. The caseworker then scheduled an assessment. An official from the council visited the property and agreed Sam needed the stairlift. The council then contacted the manufacturer to request a new stairlift. The caseworker and client both contact the manufacturer repeatedly to get the stairlift installed. The replacement stairlift was increasingly urgent because Sam’s hip surgery was scheduled for autumn. Unfortunately, the stairlift was not replaced before Sam’s hip surgery. The council in fact contacted Sam’s caseworker to notify her that Sam was ineligible for the new stairlift and that he needed to be relocated to a different property. The caseworker said this would be difficult because Sam likes his current home and he just had a hip replacement. In response, the council agreed to reassess Sam now that the hip replacement was finished. After conducting another OT assessment, the council agreed to purchase a new stairlift. The stairlift was finally installed nine months after it originally broke.

To fix Sam’s stairlift, Target staff submitted a grant application to the local authority. This was a lengthy bureaucratic process that involved multiple actors, phone calls, applications, and assessments. Even though Sam’s caseworker guided him through that process, it still took nine months to finally get the stairlift fixed. During that time, Sam fell down the stairs and had a hip replacement.

Sam’s experience shows the capacity for property adaptation by Target was constrained by external actors that caseworkers needed to finance or perform a modification. As a result, the second hypothesis was only supported under certain conditions. The ownership model facilitated modifications that could be performed by in-house staff; however, this was not always the case when adaptations depended on exogenous agencies.

Of course, Sam’s experience was contingent on characteristics of his respective council. Someone living in a council whose property adaptation fund was better funded and/or administered might experience a shorter wait than Sam did. The ownership model may therefore produce the kind of results that Target anticipated if investees buy properties in local authorities with an adaptive property fund that is more efficient.

The evidence presented here supports the second hypothesis:

- **Hoop test:** The ownership model facilitated maintenance requests that were made by THRIVE clients. Some property adaptations let THRIVE clients quickly get rehoused and maintain their tenancy. This was not true in every case, though. Some adaptations involved outside partnerships that could delay the process. Because local government allocates some grants for property adaptations, Target Housing sometimes got constrained by political forces that the SIP promised to liberate it from.
- **Smoking gun test:** The SIP facilitated ownership because alternative finance sources were unavailable. During a member check, our contact said Target would have the same control over properties that were purchased through traditional funding streams, But it would not have had the same control if clients let units from a landlord in the standard rental market.
- **Conclusions:** The second hypothesis passed both the hoop test and the smoking gun test under certain conditions.

*Hypothesis 3:
Tailored accommodation builds rapport with clients that caseworkers then use to enhance service delivery and stabilise tenancies.*

We found mixed evidence for the third hypothesis. Table 8 presents the distribution of engagement outcomes that were recorded in the case file data. It shows nine clients (90%) responded to at least 90 percent of engagement attempts by their caseworker. The other client replied to 75 percent of engagement attempts. Consistent engagement suggests caseworkers were able to build rapport with SIP tenants and encourage service usage. Strong engagement correlated with just a small number (6) of relocations, unit abandonments, and evictions.

Target staff explained client engagement during interviews and focus groups. One of our contacts at Target said tailored accommodation helped caseworkers build rapport by meeting the needs of clients:

“It just helps with supporting them because they know that it’s all through us. There’s no other third-party involved in it.”

Table 8. Distribution of Disengagement with Caseworkers (THRIVE).

Client	# Attempts	# Engagement	% Engagement	# Disengagement	% Disengagement
1	659	506	77%	153	23%
2	632	581	92%	51	8%
3	179	167	93%	12	7%
4	513	480	94%	33	6%
5	334	315	94%	19	6%
6	359	339	94%	20	6%
7	319	303	95%	16	5%
8	503	490	97%	13	3%
9	806	799	99%	7	1%
10	1008	1008	100%	0	0%
Total	5312	4988	93.90%	324	6.10%

Being able to adapt properties as in Stan’s case was important whilst working with clients who distrust the system because it gives caseworkers a chance to establish their credibility. But it could undermine trust if Target staff could not immediately meet the clients’ expectations as with Sam.

Our contacts had conflicting views about the impact of tailored accommodation on service usage. One administrator thought THRIVE clients were more likely to accept mental health services because they lived in tailored accommodation. But a senior administrator attributed differences in service usage to the project (THRIVE) rather than property-type. The same administrator attributed project-based differences to the level of support given to THRIVE clients and the incentives for personal changes that permanent housing gave them. Although this contact denied the impact of property finance on service utilisation, they did acknowledge the salience of secured tenancy. From their perspective, programmes that provide stable housing allow clients to get settled and devote time to things like mental healthcare.

The evidence presented here offers mixed support for the third hypothesis:

- **Hoop test:** We found evidence that caseworkers were able to build rapport with clients that facilitated service engagement. There was disagreement about the salience of tailored accommodation to creating those ties. The provision of tailored properties helped caseworkers define themselves as efficacious actors that clients could trust to meet their needs. This was facilitated when in-sourced maintenance could immediately adapt properties or fill maintenance requests but could be problematic if external partners impeded property adaptations.
- **Smoking gun test:** The impact of social investment financing on tenant stabilisation is unclear. The evidence presented here suggested project-type is more relevant to service usage than finance model. It is possible that in a tight rental market social financing is a necessary but insufficient condition to stabilise tenancies because alternative housing options are limited. Our team will consequently follow-up on this question in the next impact study.
- **Conclusion:** The third hypothesis passed the hoop tests under certain conditions and failed the smoking gun test.

Hypothesis 4:

The property ownership model will give Target Housing staff agency over lease enforcement that they use to secure tenancies for difficult-to-let clients.

We found evidence for the fourth hypothesis. The ownership of SIP properties let caseworkers practice harm reduction with THRIVE clients. A lot of SIP tenants were addicted to one or more drugs and/or lived with a severe and persistent mental illness. Their condition occasionally got expressed through behaviours that mainstream landlords in either the private or social market would negatively sanction. Table 9 shows 71 ASB complaints were recorded in the case file data. For several clients, ASB complaints stemmed from substance misuse and occurred at the beginning of their tenancy whilst settling into their accommodation.

Because Target Housing owned SIP units, its caseworkers could tolerate behaviours if they did not affect neighbours. For example, “Tom” was a late-aged White man from Britain who continued using Class A drugs after he became a SIP tenant:

When he entered THRIVE, Tom smoked heroin every day, but did not want to enter methadone treatment. THRIVE caseworkers respected his decision and helped him meet daily needs without reprimanding him for having drug paraphernalia in his flat. For example, Tom’s caseworkers regularly brought him food parcels and household goods to transform his flat into a home. THRIVE caseworkers also helped Tom access public benefits from the welfare bureaucracy and settle outstanding debts with the council. The rapport that THRIVE caseworkers built with Tom was expressed when he told her, “You are a good woman, you look after me so well...You are the best keyworker I have ever had.”

The ownership model let Tom’s caseworker tolerate substance abuse because she did not have to hide illegal drug use from a disapproving landlord. Doing so helped the caseworker avoid conflict with Tom by respecting his choice to continue using drugs. Avoiding conflict let the caseworker create a partnering rather than adversarial relationship with Tom. This positive relationship was expressed by Tom when he praised the caseworker for her support.

When someone’s behaviour generated ASB complaints from neighbours, the ownership model let caseworkers move the client to another property. For example, “Sarah” was a mixed-race woman whose apartment was “cuckooed” by drug dealers that created problems for Sarah’s neighbours:²⁶

When she became a THRIVE client, Sarah had been diagnosed with schizophrenia and struggled with addiction. Sarah supported her addiction to crack cocaine and heroin through begging and busking in her city centre. Within the first month of her SASH tenancy, local drug dealers cuckooed Sarah’s flat. This made Sarah fear for her safety and generated ASB complaints from neighbours. Sarah’s THRIVE caseworkers suggested she move to a different unit, but she initially kept refusing available properties because they were in deprived neighbourhoods where she felt threatened. Her caseworkers honoured Sarah’s decision and

Table 9. Distribution of Anti-Social Behaviour (ASB) Complaints (THRIVE).

Client	# ASB	% ASB
1	0	0%
2	3	4%
3	4	6%
4	5	7%
5	7	10%
6	7	10%
7	8	11%
8	9	13%
9	10	14%
10	18	25%
Total	71	100%

²⁶ Cuckooing occurs when someone moves into the unit without the leaseholder’s permission. This usually happens when a drug dealer occupies the home of a SIP tenant who has outstanding debts.

suggested she submit a police report. Sarah eventually made a police report and the officers promised to monitor her property. This did not stop the dealers from returning. Sarah's caseworkers then installed CCTV around her flat and additional window locks to prevent people from entering the unit. But she was eventually forced to move to a different SASH property in late-summer. Sarah was unhappy at her new flat because it required several repairs that took a long-time to fix and was located far from the city centre where she panhandled. ASB complaints from neighbours quickly stacked up and Sarah once again had to move. Around this time, Sarah decided to get off heroin with methadone. This decision was possibly motivated by the caseworker who suggested Sarah reevaluate her lifestyle choices when her tenancy was jeopardised. Upon moving to her third flat and getting stabilised on methadone, Sarah started to manage her tenancy better. She consistently cleaned her flat. ASB complaints ended. And Sarah independently asked a friend to leave her flat who was using drugs in her unit. Sarah's mood noticeably improved during clinical visits and she regularly attended health appointments on her own. Ever since, Sarah has been stably housed in the same unit.

This example illustrates how the property ownership model gave Target Housing caseworkers flexibility to stabilise tenancies. Property ownership let Sarah's caseworker adapt her unit to thwart drug dealers from occupying it and relocate her to another unit when the previous strategy failed. Although Sarah got moved to three properties, she eventually got settled and modified her behaviour to sustain the tenancy.

This conclusion was supported by Target staff. A member of PERU's research team asked staff members during an interview: "Has it been easier to manage lease violations by this type of clients and SASH properties, versus non-SASH properties?" The staff confirmed that lease violations tend to be lower in SIP properties and identified four reasons she thought this was so. The first explanation she gave pertained to the quality of SIP properties:

"And if they're in a nicer property, they're going to treat it nice from the start. And they're very thankful. A lot of our clients unfortunately have said 'It's too nice for me.' We had one. It was a flat. Very grateful, overwhelming for him. We've promised them a property that's lifelong and they then know that they've got this for life and they want to look after it better. They treat us better as in repairs and that they'll not usually damage the properties half as much because they know that they're nicer."

A higher quality unit was thought to incentivise good behaviour because it gave the client something to lose. The second reason they gave was that complaints came directly to Target staff rather than filtering through intermediaries. Quickly addressing complaints stabilised tenancies by letting caseworkers fix problems before they spiralled out of control. This was particularly helpful when a client abused illegal drugs:

"We have got some landlords who aren't happy that there's neighbour complaints or that there's drug dealing from that property. And they will ask for the property back. So, there's peace of mind when it's ours because we know that we control the property...Whereas if a landlord's accountable and is getting letters from public health about the state of the property, the pressure is then on us from the landlord."

The third reason she gave was that the leasing model let SIP tenants disguise the nature of their tenancy to neighbours. This helped destigmatise those clients and reduce discrimination by neighbours:

“We can have visitors in our properties. They're allowed to have people around. ...I've found that [tenants] will make the neighbours treat the property with more respect because they'll tell people that it's theirs. It's their property. We've had people who've integrated with the neighbours and pretended they've bought it and no one would know any different in the community.”

The last reason she gave was the location of SIP properties in better neighbourhoods. By accessing less deprived neighbourhoods, THRIVE clients could avoid negative influences that motivated lease violations:

“I think the ASB is a lot lower in properties that we own and that's because other people have bought their homes rather than it being a block of council and private rented flats or a Housing Association. The quality of neighbours is going to be better as well. And the community looks after them a lot better, so they want to respect the community back. That's what I've found.”

The evidence presented here supports the fourth hypothesis:

- **Hoop test:** The ownership model secured tenancies for difficult-to-let clients through four mechanisms: access to alternative properties, in-house management of ASB complaints, destigmatisation of SIP tenants, and isolation from negative influences. This met the needs of clients by letting them adjust to settled accommodation at their own pace, giving them a chance to learn from mistakes without returning to homelessness, removing them from negative or threatening influence, and/or letting them form new social connections. As a result, just six relocations, unit abandonments, and evictions were reported in case file data.
- **Smoking gun test:** The SIP made Target staff responsible for property management. This let caseworkers deal with ASB complaints in-house that would have otherwise been addressed by a landlord. In-house management of ASB gave caseworkers more flexibility to keep difficult-to-let tenants housed. This flexibility would have also been available if Target purchased the units with traditional forms of finance, but would not if their clients let units through the standard rental market where landlords address ASB complaints.
- **Conclusion:** The fourth hypothesis passed the hoop and smoking gun tests under certain conditions.

Hypothesis 5:

In-sourcing property management will let caseworkers at Target Housing build rapport with clients and ensure long-term tenancies by immediately solving their maintenance requests.

We found evidence for the fifth hypothesis. Table 7 previously showed Target staff addressed 72 percent of maintenance requests. This figure shows staff members fixed the vast majority of issues that SIP tenants raised with their caseworker. Our contacts said this helped them build rapport with clients. Demonstrated above, Stan's caseworkers quickly adapted his entire flat to meet his emergent health needs. And Sarah's caseworkers enhanced the security of home by adding cameras and window locks when drug dealers were trying to cuckoo her flat.

Both examples show how in-house property maintenance helped build rapport with SIP tenants. Modifying Stan's flat built rapport by demonstrating the responsiveness of caseworkers to his

evolving needs whilst maximising his independence in a scattered-site property. Enhancing the security of Sarah's flat built rapport by honouring her decision to stay in the flat until a property became available in a better neighbourhood. In each case, access to in-house property management helped caseworkers present themselves as someone there to help rather than control the client.

Several contacts supported this conclusion during interviews. One administrator identified several benefits that her team and clients got from the ownership model. Cutting out intermediaries who slow down maintenance expedited repairs. In addition to reducing the time lapse between request and repair, removing intermediaries was also said to help caseworkers build rapport with clients by quickly addressing their grievances:

“A lot of issues arise when it comes to repairs, because if something doesn't get repaired, a client can become very frustrated. And if we don't own the property and it's something structural or something quite major, we must go back to the landlord and it can take a long time for that repair to be rectified, which can damage the relationship, because the individual will say, ‘Well, I reported it last week. Why is nothing being done?’ and they don't think you're listening to them. Whereas if we own the property or it's a SASH property, we do everything. So, it can be done very quickly. The turnaround can be very quick. So, the client feels listened to because we're very responsive, which builds and maintains the relationship.”

Our contacts said the rapport that they developed with clients through in-house property maintenance has created sustainable tenancies in scattered-site units. When a unit could not be adapted to fit a client, the ownership model gave Target staff units to relocate them to suitable accommodation. That in turn helped them sustain tenancies and prevent re-entries to homelessness:

“They have maintained [the properties] and stayed in them a lot longer...If we have to move them internally, we can do that. It's not an issue. We've got the stock there. Whereas before, we might not have had the stock there and we might have been moving them to an unsuitable property like a two-bedroom house when they've got mobility needs and obviously gas and electric is way more expensive in a two-bedroom house than it would be in a one-bedroom flat.”

That said, there were limits to the impact of in-house maintenance on rapport building. Target's maintenance team could not fix every repair that needed to be made. Sam's example previously showed some maintenance requests required involvement by external agencies. The local council had to approve funding for Sam's new stairlift. Getting that approval took a lot of time and involved frustrating setbacks. The manufacturer of the stairlift then had to receive the council's approval and schedule installation.

During this nine-month process, Sam's caseworker helped him pressure both the council and manufacturer. On the one hand, this helped the caseworker build rapport with Sam by demonstrating their concern for his well-being. On the other hand, the delayed repair highlighted the caseworker's limitations and thus undermined the trust Sam had in their ability to support him.

The performance of external partners was therefore crucial to the establishment and/or maintenance of rapport that caseworkers built with clients. A poorly funded or mismanaged adaptive housing grant could undermine rapport and vice versa. An overwhelmed repair service

could undermine rapport by slowing vital maintenance repairs. A damaged relationship could reduce service engagement and destabilise someone’s tenancy.

Furthermore, the comparative impact of in-sourced property management on rapport was conditional on the type of landlord that Target staff worked with. Above, contacts said in-house property management enhanced rapport by reducing the amount of time it took to address maintenance requests for clients. However, when we discussed this with one of our interviewees, they recognised that there are some landlords that quickly address issues. This suggests a client who leases a unit from a responsive landlord is unlikely to experience better rapport with their caseworker than if they had been housed in a SIP property and vice versa.

The evidence presented here gives mixed support for the fifth hypothesis:

- **Hoop test:** The internalisation of property management helped caseworkers at Target build rapport with clients and create stable tenancies. The impact of in-house property management on rapport might vary by the type of maintenance request and characteristics of the local property market.
- **Smoking gun test:** The SIP let Target staff control maintenance while that responsibility was delegated to landlords in the standard rental market. This gave caseworkers a chance to develop rapport by demonstrating their efficacy to clients. The relative impact of SIP properties on rapport vis-à-vis units purchased through traditional funding streams would be non-existent because Target Housing would control maintenance in both instances. But the impact of SIP properties on rapport vis-à-vis units let through the private rental market would be substantial because control over maintenance varies in those instances.
- **Conclusion:** The fifth hypothesis passed the hoop test and the smoking gun test under certain conditions.

Hypothesis 6:

Bespoke accommodation will improve client well-being by giving them an appropriate place to rehabilitate and stop their cycle of homelessness.

We found evidence for the sixth hypothesis. Most THRIVE clients demonstrated gains in well-being once they were rehoused. Table 10 summaries the difference in well-being that clients reported to Target when they entered THRIVE. The most recent assessment undertaken by Target when this study was conducted in spring 2024:²⁷

For most well-being metrics, except personalised goals, THRIVE clients improved over the course of their tenancy. It is important to note that the well-being of many clients fluctuated during their lease. Some clients experienced a spike in well-being when they first got rehoused

Table 10. Summary of Well-Being Score Differences for THRIVE Clients.

	Feelings Safe	Confidence & Hope	Working with Other Services	Mental Health	Physical Health	Drugs/ Alcohol Misuse	Money & Finance	Managing Tenancy	Insight & Decreased Trauma	Structure & Things to Do	Connections & Relationships	Personalised Goal
MIN	-1	0	0	-2	-1	0	0	-1	0	0	1	-5
MEDIAN	1	2	2	2	1	3	3	2	0	3	3	0
AVERAGE	1.78	2.22	2.33	1.44	1.78	3.44	3.11	1.78	1.56	3.44	4.33	-0.33
MAX	5	6	5	6	6	8	8	6	8	8	10	10

²⁷ The descriptive statistics presented in Table 10 were produced from data contained in the case file of THRIVE clients.

that decreased once they were settled. Other clients reported low well-being when they were rehoused that gradually improved once they were settled and personal problems got resolved.

Our contacts at Target attributed gains in well-being to the SASH properties. One of the administrators described the way adapted properties helped their clients live more independently:

“[W]e can adapt the bathrooms and higher toilet seats and lower kitchen units for wheelchair users. Obviously, that would be a better quality of life. They [clients] probably wouldn't rely on carers as much and it might save them financially in the long run and give them more independence.”

A member of the evaluation team probed whether improvements in well-being could be attributed to the careful selection of tenants through the referral system. Our contact rejected that hypothesis on the basis that they had worked with tenants where adaptations were undertaken after a tenant moved in and the selection of tenants preceded the planning and implementation of adaptations.

The evidence presented here supports the sixth hypothesis:

- **Hoop test:** We found evidence that the well-being of clients improved across several metrics after they got rehoused in a SIP property.
- **Smoking gun test:** We found evidence that the screening process did not explain the observed differences in well-being and all the clients had complex needs that contributed to their homelessness.
- **Conclusion:** The sixth hypothesis passed both the hoop and smoking gun tests.

Discussion

Here is a summary of our key findings in this subsection. A green box means a hypothesis passed a particular test, yellow box means it passed a particular test under certain conditions, and red box means it failed a particular test:

Target Housing: Hypothesis Test Outcomes (THRIVE)						
Hoop Tests						
	H1	H2	H3	H4	H5	H6
Passed	Green	Yellow	Yellow	Green	Yellow	Green
Failed	White	White	White	White	White	White
Smoking Gun Tests						
Passed	White	Yellow	White	Yellow	Yellow	Green
Failed	Red	White	Red	White	White	White

Figure 24 presents the revised chronology of Target’s theory of impacts for THRIVE clients. Based on this evidence, we made the following revisions to Target Housing’s causal model for THRIVE clients. The new model accounts for the structural constraints / enablers (i.e., property markets, organisational adaptation, client characteristics, and network ties) caseworkers faced whilst

implementing the SIP, challenges clients faced whilst transitioning to permanent housing, degree to which clients engaged supportive services, and impact of service disengagement on the tenancy of clients.

By situating service delivery in context, the revised model incorporates things endogenous to and exogenous of the SIP that influenced the tenancy of clients. Detailing the process of service delivery denotes the challenges that clients faced whilst exiting homelessness and the role agency plays in how clients dealt with those problems once they get rehoused. Doing so lets the model account for a broader range of experiences that we observed.

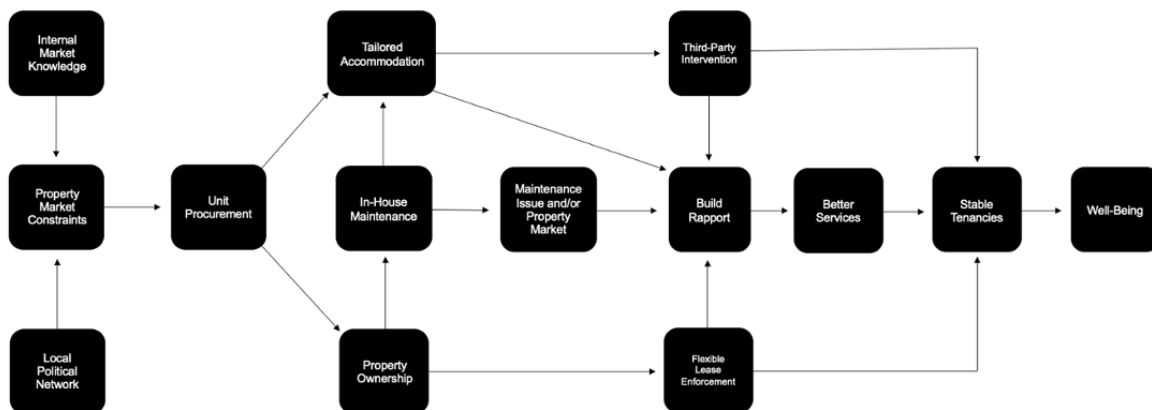


Figure 24. A Revised Model of Client Impacts for THRIVE Clients.

4.3.2 Criminal Justice

Target staff adopted an ownership model for the SIP. SASH loaned Target Housing money that it used to buy properties. Team members purchased 18 properties in Sheffield, Rotherham, Doncaster, and Hull that suited their target population. Target Housing’s criminal justice programme provided 12-month leases to prison leavers. At the end of their lease, tenants were expected to move-on to independent accommodation in the private or social housing sector.

Target’s theory of change had several hypotheses about client and organisational impacts. Although these hypotheses are identical to those of the THRIVE programme, they are tested against a different subpopulation and lease model. The authors consequently evaluate the programmes in separate sections. This section continues by first describing Target’s theory of change and then evaluating those hypotheses against our data.

Target Housing’s theory of client impacts included the following six hypotheses:

1. Target Housing staff will use their knowledge about the local housing market to help SASH buy properties.
2. The ownership model will let Target control maintenance and tailor properties to meet the needs of clients.
3. Tailored accommodation builds rapport with clients that caseworkers then use to enhance service delivery and stabilise tenancies.
4. The property ownership model will give Target Housing staff agency over lease enforcement that they use to secure tenancies for difficult-to-let clients.

5. In-sourcing property management will let caseworkers at Target Housing build rapport with clients and ensure long-term tenancies by immediately solving their maintenance requests.
6. Bespoke accommodation will improve client well-being by giving them an appropriate place to rehabilitate and stop their cycle of homelessness.

We have chronologically organised those hypotheses into a causal model that is presented in Figure 25. After interrogating each hypothesis with our data, we will revise this causal model at the end of this section.

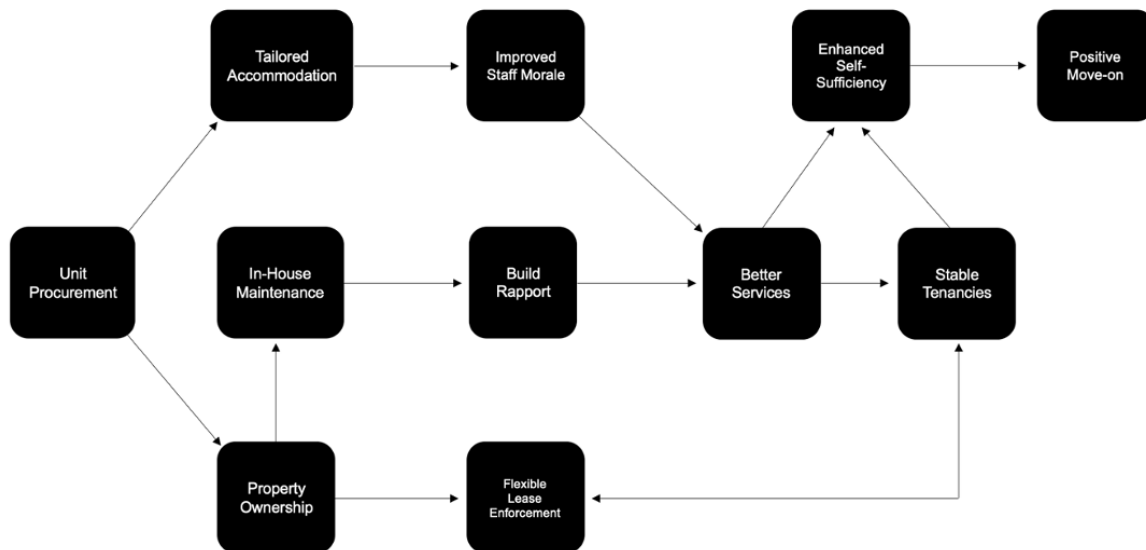


Figure 25. Target’s Initial Model of Client Impacts for the Criminal Justice Programme.

*Hypothesis 1:
Target sharing knowledge of the local housing market will help fund manager purchase properties.*

We found evidence for the first hypothesis. The KPI data showed Target Housing bought 18 properties with SASH funding when this evaluation was conducted in spring 2024. Target staff shared their knowledge of the local property market to help SASH buy properties:

“We know our market. We know our commissioners. Our commissioners know us. We know the local property market. They (i.e., SASH) don't...What it's allowed us to do is purchase property where we believe we need it and we do that needs assessment and gap analysis with the local authority.”

This quote both supports and extends Target’s theory of change. On the one hand, in-house staff guided procurement with their knowledge of the local property market. On the other hand, the relationship of in-house staff with the local authority facilitated procurement of suitable accommodation for SASH. This highlights the salience of political networks and market knowledge to SIP implementation.

Our contacts appreciated the flexibility that SASH gave them to procure units because it let them buy suitable properties for their clients:

“[On] the procurement side, whereas historically we've been on a budget, they were looking at properties that possibly weren't the best maintenance-wise, or the best area-wise. And the landlords, we were at the mercy of them, what they wanted to rent to us for our client group. When we've got the flexibility and the funds there to purchase properties, we're able to purchase those properties in the better area. So, we're able to set the tenants up with the better start in different areas with the better style of house.”

One caseworker we spoke to said access to neighbourhoods with less deprivation was essential to helping clients reintegrate into society and avoid negative peer pressure that can cause recidivism:

“There are areas that are known to have higher crime rate...When we're able to take that client out of that area and spread them into more residential areas...They've got a wider choice of people to associate with and they're being integrated back into the community rather than being put into a block of high rise flats that are around the people that are like-minded from the life that they're trying to get away from.”

Although Target staff helped SASH buy properties, it still struggled to purchase enough single occupancy units:

“We are looking more and more about having single occupancy. Where we've had previously shared accommodation two-bed shared, they're all wanting single occupancy. Fine. But it's not always easy to come by.”

These clients were thus more likely than THRIVE clients to reside in shared accommodation. This was problematic for tenants whose housemate had a chaotic lifestyle. For example, “Jay” was a middle-aged White man from Britain whose substance misuse pushed his flatmate out of the house share:

Upon entering the programme, Jay was going to a local Jobcentre to find employment and was eventually offered a job at a cafe. Just as he was settling into his new position, Jay's drinking spiralled out of control. While binge drinking, Jay stopped care of himself and his flat became so messy that his caseworker noted, “I looked at the pots stacked up in the kitchen and mouldy food and asked [Jay] to clean this and took a look in his room which had half eaten food and flies, there was also a strong smell of urine in the room.” This behaviour led to conflicts with Jay's housemate and an internal move to other SIP properties that were managed by Target Housing.

Jay's substance misuse created problems for his housemate. Using alcohol and/or drugs in their home could negatively influence Jay's housemate and encourage him to reoffend. Jay's disrespect for common areas incited conflict with his roommate and resulted in their relocation to another property. The inability of Target staff to buy enough single occupancy units therefore may have set some clients in their criminal justice programme up for failure when they got released from prison.

The evidence presented here supports the first hypothesis:

- **Hoop test:** Target staff used their knowledge of Sheffield’s property market to buy units for clients in their criminal justice programme. Two important caveats to this conclusion are that political networks were also relevant to procurement and knowledge of Sheffield’s property market was not always sufficient to purchase suitable units. Budgetary constraints limited the number of single occupancy units that Target Housing could access for clients in the SIP programme. This put some clients at a disadvantage when they re-entered society.
- **Smoking gun test:** Our contacts said they could only buy those units with social investment financing because no alternative funding sources existed. However, Target staff could have used their knowledge of the local property market to buy units regardless of finance source.
- **Conclusion:** The first hypothesis passed the hoop but not the smoking gun test.

Hypothesis 2:

The ownership model will let Target tailor properties to meet the needs of clients.

We found evidence for the second hypothesis. The ownership model enabled staff to provide higher quality units than the ones they usually accessed for clients in the standard rental market. When a member of our research team asked an administrator, “Have SASH properties enabled you to provide more suitable accommodation for clients,” an administrator for the criminal justice programme replied:

“Yeah. Because we have such a high turnover of tenants...We try and get [the units] turned over as best we can. We go in, [do] a deep clean [and] your general maintenance. But historically the properties that we've had have had sort of ten coats of gloss on the banister. They've not been of a good standard to start with.”

The ability of Target staff to maintain SIP properties let them provide clients higher quality units that they could more easily transform into a home. The administrator we spoke to thought this was essential to the reintegration of former prisoners who were accustomed to living in tight spaces:

“[The] majority of [our clients] will come from prisons, bail hostels, and other hostels, rooms in shared houses. They don't tend to use the full property...Whereas these new fresh properties that actually look like homes, you find that they do use the kitchen as the communal area, and they do use the front room and set it up as a communal area. So, it's getting them integrated, getting them out of the, ‘I have this one little room, whether that be a cell or a hostel room or a room in a shared house,’ to actually the next step of, ‘I'm getting up and I am in a bright, fresh, airy place that is actually a home.’ It does take them a while to get used to that because they do tend to just stay in the room. But having the better standard properties that we can offer, they're getting out of bed in the morning to a better outlook, even before they get out the front door.”

That said, Target staff have not yet tailored a SIP property to make it accessible for a client of their criminal justice programme. This was because none of those clients have needed an adapted property yet. The SIP however gave Target staff the flexibility to tailor properties, if needed. When

a research asked a Target staff member if they had adapted any properties for clients in the criminal justice programme, they replied:

“Not that I'm aware of at this moment in time. That is something that we would do. And obviously the properties that are being procured, if one has a downstairs shower wet room, when we're doing referrals and assessments, that would be something that we would consider to where we accommodate these people. But not that I'm aware of at this moment because I don't think it's been required.”

The evidence presented here supports the second hypothesis:

- **Hoop test:** The SIP gave Target staff properties that they could tailor to the needs of clients. This enhanced the quality of units that clients in the criminal justice programme were able to access vis-à-vis the standard rental market. Higher quality units facilitated social reintegration. When this evaluation was conducted, the staff at Target Housing had not yet needed to tailor any of its SIP properties. But they would be able to if someone needed an accessible property.
- **Smoking gun test:** During a member check, our contact said social investment financing did not matter because Target could tailor properties that were purchased through traditional funding streams. The key difference would be if the client lived in a standard rental property. In that scenario, a landlord would have to approve and finance the adaptation.
- **Conclusion:** The first hypothesis passed the hoop and smoking gun tests under certain conditions.

Hypothesis 3:

Tailored accommodation builds rapport with clients, helps caseworkers engage clients with supportive services, and facilitate personal change.

We found mixed evidence for the third hypothesis. The case file data suggested several clients in the criminal justice programme had a good relationship with their caseworker. Table 11 describes the distribution of service disengagement across clients in the criminal justice

programme.²⁸ Overall, those clients responded to 93% of engagement attempts from their caseworker. Only one client was engaged less than 90% of the time.

Each case log detailed how caseworkers built rapport with clients. For example, “Paddy” is a middle-aged White man from Ireland who entered the SIP after serving time for a drug-related offence:

Upon entering the programme, Paddy’s caseworker helped him complete benefit applications and took him to appointments at the bank. This allowed Paddy’s caseworker to build rapport that he praised during a probation visit, “[Paddy] said he spoke to his probation officer yesterday and was singing my praises for all my help. [Paddy] said he is feeling really positive thanks to me!”

Paddy’s caseworker therefore helped him (re)connect with services and comply with his probation obligations. The administrators our team spoke to did not attribute rapport building to SIP properties, though. When a research team member asked, “Has it been easier to build rapport with clients in SASH properties versus those in non-SASH properties,” an administrator at Target Housing responded:

“I don't see the property as an issue with our tenants because our tenants aren't like THRIVE tenants. They're on a short-term, 12-month basis...With the THRIVE tenants, I think that they know that's their home. Our tenants know it's only temporary supported accommodation. So, I wouldn't say that the property that they're in impacts on whether they're open to support. I think that's just all based on the individual tenant themselves...One of our tenants, you could put them in the worst place in the world and they would want to soak up all that support. You could put somebody in a SASH property that's all brand spanking new, and they could not be interested in support at all.”

This is an interesting statement. Our contact initially attributed rapport to the short-term lease given to clients in the criminal justice programme. After that, they attributed it to internal motivation for personal change. Although our contact cited both individual and structural reasons for rapport, they did not think the quality of properties affected the rapport that caseworkers created with clients in the criminal justice programme.

Table 11. Distribution of (Dis)engagement with Caseworkers (Criminal Justice Programme)

Client	# Attempts	# Engagement	% Engagement	# Disengagement	% Disengagement
1	262	224	85%	38	15%
2	134	123	92%	11	8%
3	287	266	93%	21	7%
4	111	103	93%	8	7%
5	276	266	96%	10	4%
6	176	171	97%	5	3%
7	7	7	100%	0	0%
Total	1253	1160	93%	93	7%

²⁸ The client numbers used in each table do not match one another. Hence, client #1 in Table 11 is not client #1 in Table 12.

As a result, our contact did not observe differences in the usage of mental health services by SIP and non-SIP tenants in their criminal justice programme. When a member of our team asked, “Have you noticed any difference in the willingness of SASH tenants to accept mental health treatment versus non-SASH tenants,” our contact answered:

“No, not in terms of us...I think that is on a personal client-worker relationship, how you build on that. I think that's more important than where they're living...You can give somebody everything and they could not want to access support. Or I've had people living in tents that really want to engage in mental health support...Again, I think it is on a tenant-by-tenant basis.”

The same contact extended this conclusion to engagement with substance abuse treatment and employment assistance. But they interestingly thought SIP properties could incentivise service usage if a client was motivated to change:

“I do think if you've got the willingness of the person initially, putting them in a SASH property is only going to improve their chances...It can't do anybody harm, to have a better environment. I always say to my tenants, ‘If the bedrooms are an absolute tip, if the house is a tip, when they get up in the morning, that's the first thing they see. That's then what's in their head...If they're getting up and they can see it as a home, they can see, ‘In two 3–4 years, I could actually have something like this that is actually my own,’ that may give them the push forward.”

This quote reveals a contradiction. On the one hand, the administrator thought the quality of a SIP property only mattered if someone was motivated to change. On the other hand, they recognised living in a low-quality unit could discourage someone from wanting to change. Our contact therefore understood the importance of unit quality to SIP tenants but thought the impact of those properties on service engagement was contingent on individual factors.

The evidence presented here gives mixed support for the third hypothesis.

- **Hoop test:** We found evidence that most SIP tenants in this programme were engaged with their caseworker and some of them had developed good rapport with staff.
- **Smoking gun test:** Target staff did not think SIP properties affected rapport but could affect service engagement and personal change under certain conditions. If a client was motivated to change, then SIP properties gave them a better chance to achieve their personal goals. The SIP property might internally motivate personal change by giving the client a goal to work towards. Although our contact recognised the potential of SIP properties to independently motivate personal change, they still believed individual characteristics were more important than contextual ones.
- **Conclusion:** The second hypothesis passed the hoop but not the smoking gun test.

Hypothesis 4:

The flexibility offered by the fund manager allows Target to obtain properties that secure tenancies for difficult-to-let clients by meeting their unique needs.

We found evidence for the fourth hypothesis. Table 12 shows four clients (57%) had received an ASB complaint. Two of those clients (50%) had only one complaint whilst the other two received

between seven and eight complaints. This means 88% of ASB complaints were received by two clients. If we contrast the two programmes, we see clients in this programme on average received 2.48 ASB complaints and THRIVE clients got 7.1, on average. Clients in this programme who lived in SIP properties thus received roughly 65% fewer ASB complaints than their counterparts in the THRIVE programme.

A Target Housing staff member who worked with these clients attributed the small number of ASB complaints to SIP properties. When one of our team members asked, “Have you found it easier to manage lease violations with SASH tenants versus non-SASH tenants,” our contact replied:

“Yeah. Whether you've got a nuisance tenant or a nuisance neighbour, we are the first and only port of call. So, we can manage things better, rather than all of a sudden, getting a landlord who will say, ‘Right. That's it. I've had neighbour complaints and I'm sick of it. So, I'm selling the property’. You've got those threats there from landlords all the time because they don't want to deal with the wrath of a neighbour complaint.”

This quote describes how the power dynamic that Target staff face in the standard rental markets was particularly problematic for their clients. Our contact believed most landlords sought to minimise ASB complaints that they received from tenants. Someone who causes multiple complaints can push “good” tenants out of the property and concentrate deprivation. It is therefore unsurprising that landlords tried to evict clients who frequently got ASB complaints. This could make it hard for some clients in the criminal justice programme to get settled and make the advancements toward self-sufficient that were needed to move-on to independent accommodation.

A good example of how the SIP helped Target Housing caseworkers keep a difficult-to-let client housed was found in the case file data. “Kay” was a middle-aged British woman who struggled to set boundaries with an abusive male partner:

Table 12. Distribution of Anti-Social Behaviour (ASB) Complaints (Criminal Justice Programme)

Client	# ASB	% ASB
1	0	0%
2	0	0%
3	0	0%
4	1	6%
5	1	6%
6	7	41%
7	8	47%
Total	17	100%

Before entering the programme, Kay had a history of substance abuse that heightened during stressful periods and was diagnosed with Borderline Personality Disorder. Kay has been in a series of abusive relationships that resulted in several police interventions. This made her extremely vulnerable to exploitation by predatory men. When Kay entered the programme, she was dating an abusive man who was in-and-out of prison for (domestic) battery. When she initially got housed in a SIP property, Kay welcomed her partner to live with her. An incident soon followed and the police were called. During that incident, Kay's partner was arrested for assaulting an officer. Kay continued to see her partner whilst he was incarcerated and let him live with her again when he got released. Shortly after his release, Kay's boyfriend assaulted her again and got reincarcerated. Kay continued seeing her partner whilst he was incarcerated and allowed him to stay with her when he got released. Not long after, Kay reported problems to her caseworkers that she was having with her partner, "[Kay] spoke at length about issues she had had with [her partner] since his return last Friday – banging on the door, sleeping outside her house. She did call the police to him last night as he wouldn't go away." This cycle of conflict ended, not long after this incident, when Kay's partners passed away.

This example shows how SIP properties helped caseworkers keep Kay housed despite the conflicts that her relationship created. The domestic conflicts that Kay experienced affected her neighbours because they overheard arguments, interacted with a violent man, and frequently dealt with police who responded to 999 calls. The internalisation of property management let caseworkers address ASB complaints that would otherwise have been made to a landlord. The impact of Kay's relationship on her neighbours would likely encourage many landlords to repossess her property to resolve their grievances.

It could be reasonably argued that clients in that programme would not have to worry about eviction if they just followed the rules. Our contact said this was not always possible because some neighbours discriminated against their clients once they figured out Target was providing them services:

"And once the neighbours get the landlords' numbers, they will bombard them all the time...We've had people who haven't even moved in yet, and that's actually why we've taken the Target logos off the vans, because we were literally pulling up outside and as soon as they saw the Target, they'd googled it, saw what we did, straight onto the landlord and it you started off like that. They never really had any chance."

SIP properties helped Target circumvent this problem by giving in-house staff control over property management. This let caseworkers manage the impact of discrimination on the sustainability of their clients' tenancy, "We're the first and only port of call. So, it tends to work better."

The evidence that we presented here supports the fourth hypothesis:

- **Hoop test:** The ownership of SIP properties helped Target staff stabilise tenancies for difficult-to-let clients in their criminal justice programme. The internalisation of property management and removal of third-party landlords from tenant conflicts let caseworkers be more lenient whilst addressing anti-social behaviour (ASB). Additional leniency allowed some clients in the criminal justice programme to maintain their tenancy as they addressed personal issues whilst settling into their new home. If ASB persisted, then the caseworker could move them to another SIP property.
- **Smoking gun test:** The SIP made Target responsible for property management. This let caseworkers deal with ASB complaints that would have otherwise been addressed by a landlord. In-house management of ASB gave caseworkers more flexibility to keep difficult-to-let tenants housed. During a member check, our contact said Target would have the same capacity whilst delivering services to clients who lived in units that were purchased through traditional funding streams because they would control property management, but not with clients who let a unit from the standard rental market because a landlord would manage ASB complaints.
- **Conclusion:** The fourth hypothesis passed the hoop and smoking gun tests under certain conditions.

Hypothesis 5:

The in-sourcing of property management allows Target to build rapport with clients and ensure long-term tenancies by immediately solving their maintenance requests.

We found mixed evidence for the fifth hypothesis. Table 13 presents the distribution of maintenance requests across clients in this programme. Two clients (29%) had not (yet) submitted a maintenance request whilst one of them (14%) had all of their maintenance requests filled. Of the remaining clients, two had none of their maintenance requests filled and the other two had 63–71% of the requests addressed. In total, 58% of maintenance requests had been resolved for clients in this programme. This figure is 40% less than the completion rate for THRIVE clients. But to be fair the number of maintenance requests that were submitted by clients in this programme was much less than those in THRIVE.

Fewer maintenance requests from clients in this programme helped caseworkers maintain rapport with clients. During an interview, an administrator from that programme described

Table 13. Distribution of Maintenance Request (In)completions (Criminal Justice Programme)

Client	# Requests	% Requests	# Complete	% Complete	# Incomplete	% Incomplete
1	2	11%	0	0%	2	100%
2	1	5%	0	0%	1	100%
3	0	0%	0	0%	0	0%
4	0	0%	0	0%	0	0%
5	8	42%	5	63%	3	37%
6	7	37%	5	71%	2	29%
7	1	5%	1	100%	0	0%
Total	19	100%	11	58%	8	42%

maintenance issues as a potential source of conflict. That administrator attributed these conflicts to the coping strategies of their clients:

“A lot of our tenants don't know how to express their frustration...If they're suffering from anxiety or frustration or they have anger issues, for them to sometimes have outbursts due to something that could have been an easy fix, the frustration, it's got on top of them. They then vent that to a support worker or to maybe somebody who they live with. And then obviously puts their tenancy at risk because they've been aggressive or violent...”

A lot of clients have experienced trauma, grew up in the care system, and/or participated in informal markets. To survive these situations, clients may have lost faith in British institutions and/or developed coping strategies that offend mainstream society. Our contact thought maintenance requests could trigger defensive actions from clients that undermine their tenancy.

Although maintenance requests were minimal, the internalisation of property management allowed the caseworkers to circumvent those conflicts by cutting out intermediaries and resolving issues that clients submitted more quickly. When a member of our research team asked, “Has control over maintenance reduced the amount of time it takes to address maintenance requests for you,” the administrator we spoke to said:

“Yeah. We report our issue straight through to property admin. It's so much more convenient for them just to say ‘Yeah, brilliant. We have got somebody in the area. They can go and do that sort of now.’ Whereas obviously when it's a landlord issue, they obviously have to then go to the landlord or maybe the agent or then go to the landlord to get permission. Then they will say ‘Well, we can only come out Friday at 2 o'clock.’ Well, that's not really suitable for the tenant. It just enables us. We're more involved. We're more in control of it. We can get things turned around quicker.”

This quote states the internalisation of property management expedited the resolution of maintenance requests from clients. Target staff could quicken maintenance repairs because there were fewer stakeholders involved in the process. The experience of that administrator however contradicts with the evidence we presented in Table 13. Even though in-house property management would theoretically let caseworkers quickly address maintenance issues, the case file data suggested 42% of them were unresolved.

Our contact said incomplete maintenance requests were unevenly distributed across programmes for three reasons. Where there were single occupancy units, there were more incomplete requests because Target staff could not enter the property without the client present. When it was a shared unit, the requests were easier to complete because Target staff had more opportunities to enter the flat. Furthermore, THRIVE clients were more invested in the properties because they had a home for life. Clients in this programme, however, were only in the property for 12 months. It was consequently believed that they did not intend to make the SIP property a permanent home. Lastly, THRIVE clients meet with caseworkers eight hours per week while clients in this programme meet them for four hours. So, there were fewer opportunities for caseworkers and maintenance to access the properties. This explains the higher rate of incompletes for this programme vis-à-vis THRIVE.

After our contact described the impact of in-house property management on the resolution of maintenance issues, the interviewer asked, “Has this improved your relationship with clients?” The administrator explained how the internalisation of property maintenance let her team build trust with clients:

“Yeah, definitely. At home, if you're waiting for your plumber and people are fobbing you off, you get riled up and think they're actually not doing anything, even if it's going on behind the scenes. If we can say, ‘Yeah, we can do this. We've got a direct number. We can ring one of our property admin. They can update you straight away.’ ...With our tenants, they don't tend to feel listened to. So, with us, if they're telling us there's this issue and we can say ‘Right, well, it's booked in for this day, at this time,’ and it actually gets done, then they then feel more confident in us.”

The evidence we presented here supports the fourth hypothesis:

- **Hoop test:** The internalisation of property management gave caseworkers a chance to build rapport with clients by addressing maintenance requests that landlords in standard rental properties took longer to resolve. The case file data showed a significant number of maintenance requests were unresolved. Problems that were unaddressed by in-house staff could weaken the rapport that caseworkers had with clients. It is unclear if better rapport that was developed with clients sustained their tenancies. An administrator suggested internalised property management will sustain tenancies by eschewing landlord-tenant conflicts that facilitate eviction. This implies the mechanism through which internalised property management affects tenancy sustainment is different than the one hypothesised by Target Housing's theory of change.
- **Conclusion:** The first hypothesis failed the hoop test.

Hypothesis 6:

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.

We found mixed evidence for the sixth hypothesis. The administrator that we spoke to at praised the SIP for allowing them to tailor properties to the needs of clients, even though they had not needed to do so. When asked, “Have you noticed any difference in quality of life between SASH tenants and non-SASH tenants,” Our contact at Target Housing replied:

“The potential is there for us to be able to accommodate and do the alterations to the properties...We've got the availability to make those properties fit those tenants for their quality of life rather than being constrained by a landlord.”

The ownership model and internalisation of property management therefore gave Target Housing staff the ability to modify units for clients. Because staff members had not yet adapted a property for clients in this programme, we were unable to test the hypothesis stated in Target Housing's theory of change. We instead asked a slightly modified question to test the theory about well-being, “Have you noticed any difference in people's well-being or between people that are housed in SASH versus non-SASH properties?” Our contact replied:

“Yeah. I do believe a lot of that is down to the area because they tend to be more out of town. But also again the standard of the property. They get up and they walk into a property and it's very much like what they've always had in terms of like the jail cell or a hostel...Whereas they walk into somewhere that's more community-based and they see different people around them and they see there's the potential there to actually make

positive changes in their life, which is only going to improve their mental health, should they wish then to take on that support that's there.”

This quote suggests the location and size of SIP properties provided clients an enabling environment that enhanced their well-being. Our research team found conflicting evidence for that claim in the case file data. For example, “Jack” was a middle-aged White man from Britain who faced threats from former associates that lived near the property he got through the SIP:

After serving a partial prison sentence for intent to supply Class A/B drugs and assault, Jack was released and then recalled to prison for another eight months. After he entered the programme, Jack’s caseworkers never found evidence of ASB when they visited his home and he regularly engaged his caseworker and probation officer. Not long after he entered the programme, a gang that he knew from prison, who lived in his community, had put a hit out on his life. Target offered to move him to another property, but he thought that would be pointless since they could find him anywhere in Sheffield. Jack consequently asked his caseworker if he could relocate to another part of the UK. His caseworker took Jack to a neighbouring local authority to present as homeless and get prioritised for a social let. Although local authorities are statutorily mandated to make exceptions for local connection when someone is fleeing violence, the authority that they approached decided this kind of violence did not qualify for that exemption. At the time of this study, a resolution had not been reached and Jack remained in a flat where his life was put at risk.

Jack’s experience shows the location of SIP properties did not always facilitate well-being in the way our contact reported. Because Jack lived in an area that was dominated by an hostile gang, his life was in danger. Target Housing unfortunately could not buy a unit where Jack felt protected from gang members. Jack’s caseworker at Target Housing consequently suggested he present to the council as homeless to immediately qualify for social housing in another council. At the time of this study, Jack had not yet qualified as homeless because he lacked a local connection to other councils and council officials had rejected his homeless application on the basis of escaping violence. Jack’s example is therefore a case where the location of SIP properties neither enhanced client well-being nor protected them from homelessness.

The evidence presented gave weak support for the sixth hypothesis:

- **Hoop test:**²⁹ The interview and case file data gave a nuanced picture of the relationship between bespoke properties, well-being, and housing stability. The SIP allowed clients in this programme to access properties in better areas that are more amenable to wellness and sustained tenancies. However, the impact of those SIP properties on those outcomes varied across the unique circumstances of each client. Hence, support for the sixth hypothesis was conditional on individual-level factors that mediate the impact of SIP properties.
- **Smoking gun test:** Our contacts previously said social investment financing let them access units in better neighbourhoods than clients could usually get in the standard rental market. Because our contact connected well-being to neighbourhood conditions, we conclude the SIP properties likely enhanced the well-being of most clients above what they would have experienced in the standard rental market.

²⁹ Unfortunately, our team was unable to quantify well-being for clients in the criminal justice programme because that data was excluded from most of their case files. We consequently had to test the sixth hypothesis with qualitative data.

- **Conclusion:** The sixth hypothesis passed the hoop and smoking gun tests under certain conditions.

Discussion

Here is a summary of our key findings in this subsection. A green box means a hypothesis passed a particular test, yellow box means it passed a particular test under certain conditions, and red box means it failed a particular test:

Target Housing: Hypothesis Test Outcomes (Criminal Justice)						
Hoop Tests						
Passed	Green	Green	Green	Green	White	Yellow
Failed	White	White	White	White	Red	White
Smoking Gun Tests						
Passed	White	Yellow	White	Yellow	White	Yellow
Failed	Red	White	Red	White	White	White

Figure 26 presents the revised chronology of Target Housing’s theory of client impacts. Based on our analysis, we made a few changes to Target’s theory of change (see Figure 26).

The first change we made was the addition of conflict avoidance as a mediating factor between in-house maintenance and better services. This provides a more nuanced account of the mechanisms through which the property ownership model affected the relationship between caseworkers and clients.

The second change we made was the inclusion of client characteristics as a mediating factor between better services, stable tenancies, and enhanced self-sufficiency. This specifies a relationship between organisational- and individual-level factors that affected the programme’s impact on clients.

The third change we made was the inclusion of property characteristics and client lifestyle as predictors of enhanced wellness. Like the second modification, this revision helped us situate the SIP in a nested context where multilevel factors shaped the experience of and impacts on clients.

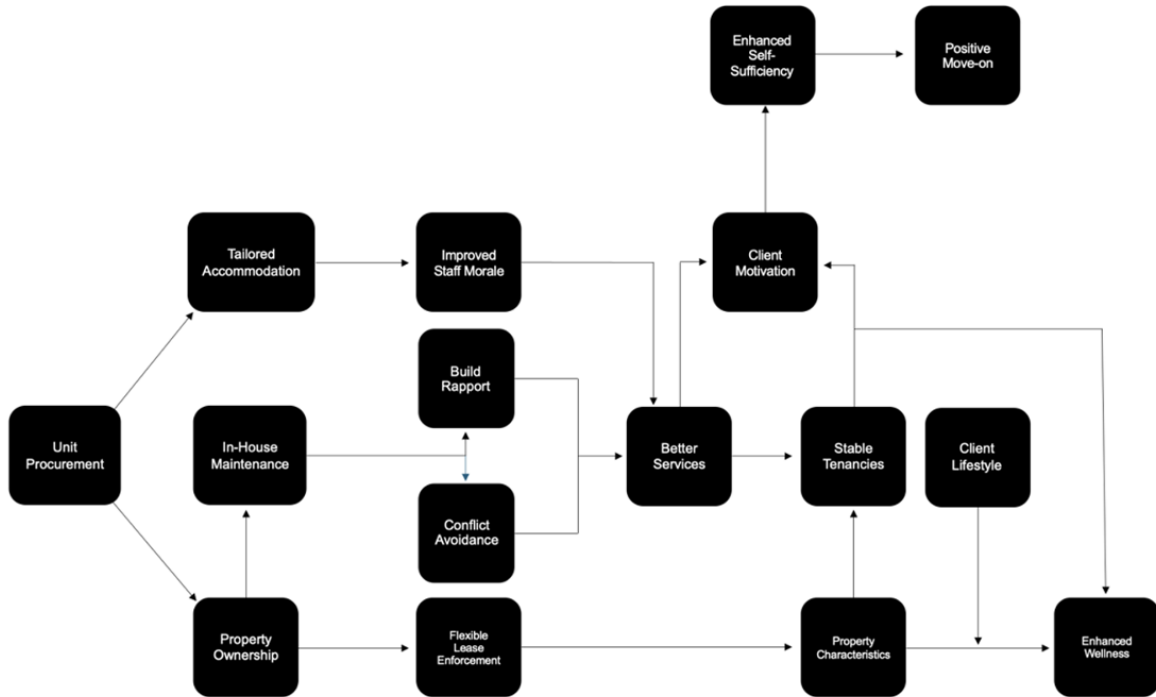


Figure 26. A Revised Model of Client Impacts for the Criminal Justice Programme.

4.3.3 Organisational Impacts

Target Housing's theory of organisational impacts included the four hypotheses that are listed below:

1. Target Housing will get better properties than those it previously accessed from social, public, and private landlords.
2. Team members will be able to access or adapt units that are more suitable for clients than those you normally get from social, public, and private landlords.
3. Access to high quality units will improve staff morale, motivate them to provide better services to clients, and reduce turnover.
4. The ownership of social investment properties will strengthen Target Housing's relationship with other service providers.

We have chronologically organised those hypotheses into a causal model that is presented in Figure 27. After interrogating each hypothesis with our data, we will revise this causal model at the end of this section.

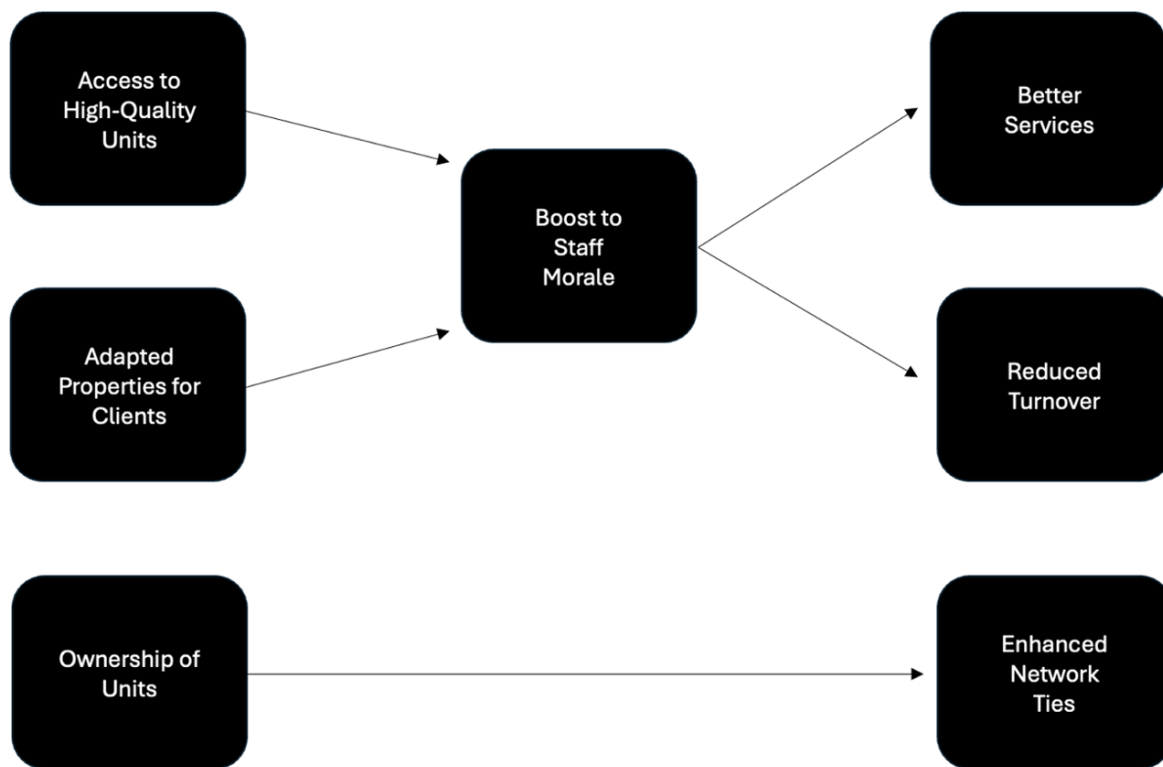


Figure 27. Target’s Initial Model of Organisational Impacts.

*Hypothesis 1:
Target Housing will get better properties than those it previously accessed from social, public, and private landlords.*

We found evidence for the first hypothesis. Everyone we spoke to at Target Housing said SIP properties occupied by clients in both programmes were of higher quality and located in better neighbourhoods than those they usually accessed from private, public, or social landlords:

“We’re able to get them in better areas. And the quality of the property, once we’ve purchased them and set up, it just seems a lot better.”

Our contacts said their control over property maintenance facilitated upgrades that raised the quality of SIP units above those they often rented from landlords in the local housing market:

“We’ve been able to do upgrades so they are better inside than they would be from a private landlord. Bearing in mind that when we go to other social landlords, we get the properties completely empty, they’ve not even carpeted and half of the time they’re not even painted. So, we’ve been able to put a lot of work into them. But I think the main thing for me is the areas and just the general standard of property, compared to our other landlords.”

And control over unit procurement helped Target staff buy properties in desirable neighbourhoods:

“We were in full control of what we purchased. When it’s a landlord, they come to us and say, ‘We’ve got XYZ’ and we take basically what we’re given. With the SASH money, we were able to do what we wanted with it as long as we could afford it. We could look everywhere and anywhere, which opened things up massively. We’ve got properties with nicer gardens, and we’ve got properties that have got adaptations done and just in general, they’ve just got a nicer feel about them because we’ve had the ability to steer it ourself.”

It is plausible that a service provider could access similar neighbourhoods with a rental subsidy (i.e., Housing Benefit) under certain conditions. To test that hypothesis, one of PERU’s research staff asked an administrator at Target Housing if this would possible. The administrator replied:

“There is literally no rented accommodation available in Sheffield, Doncaster, Rotherham, Barnsley and if there is, we’re offered it.³⁰ If we’re talking about the standard of what we’ve currently got, the rents would be astronomical and therefore Housing Benefit might not pay it. If we put a Housing Benefit claim through, that is double what we would normally charge, they might throw it back.”

This quote suggests the tightness of a local rental market may impact the advantage of using social investment properties to deal with homelessness. In loose property markets, where there are high vacancy rates, a rental subsidy might allow someone quicker access to high-quality housing than it would take to procure units that are financed with a social investment. In tight property markets, where vacancy rates are low, it might be easier to access high-quality units with a social investment financing. Property market data estimates rent inflation varied between 6 percent and 10 percent across councils in South Yorkshire’s Combined Authority: Barnsley,³¹ Doncaster,³² Rotherham,³³ and Sheffield.³⁴ Rent inflation suggests low vacancy rates throughout the city region and thus highlights the importance of social investment financing to neighbourhood attainment.

The evidence presented here supports the first hypothesis:

- **Hoop test:** Social investment financing let Target staff lease better units to clients than what it usually accessed through the rental market.
- **Smoking test guns:** Our contact said during a member check that this was only possible with social investment financing because the standard rental properties that they could access with Housing Benefit were extremely poor quality and the dearth of government grants meant they could not purchase the units through traditional means.
- **Conclusion:** We therefore conclude that the first hypothesis passed the hoop test and the smoking gun test.

³⁰ We interpret this contact’s use of the word “literally” as a figure of speech that implies there is a limited supply of rental accommodation in their city region.

³¹ https://www.ons.gov.uk/visualisations/housingpriceslocal/E08000016/#rent_price

³² https://www.ons.gov.uk/visualisations/housingpriceslocal/E08000017/#rent_price

³³ https://www.ons.gov.uk/visualisations/housingpriceslocal/E08000018/#rent_price

³⁴ https://www.ons.gov.uk/visualisations/housingpriceslocal/E08000019/#rent_price

Hypothesis 2:

Team members will be able to access or adapt units that are more suitable for clients than those you normally get from social, public, and private landlords.

We found evidence for the second hypothesis. Our contacts reported SASH funds allowed them to access adapted units for clients. The internalisation of property management let Target staff modify units to the needs of clients:

“We in theory own the property so we can do what we want. If it is a private rented or another social housing property, we have to go to the landlord to approve works and it might be that they say no. Whereas if it's our property, we can in effect do as we please with it.”

The flexibility that in-house maintenance granted Target Housing staff let it adapt units faster than those accessed from landlords:

“Adaptations on any property, we can do almost immediately without having to consult anybody, which means that it's so much easier...For example, if a client needed a ramp, we couldn't just put it on, we'd have to go to the landlord. The landlord then has to make the decision about whether or not they could. They might not be in the country. They might not be responsive. So, we could be waiting six weeks for something that if we own the property, we could do in six days.”

The evidence presented here supports the second hypothesis:

- **Hoop tests:** Social investment financing gave Target staff access to more adapted properties. We previously showed adaptations were also made during rather than prior to a tenancy. Some adaptations involved more actors and took longer to complete. This highlights the salience of external constraints on the flexibility that social investment financing gave investees to adapt properties.
- **Smoking test guns:** On the one hand, Target would have similar capacity to adapt units purchased with traditional streams of funding. The main difference is that Target was only able to access social investment financing to purchase the properties. Target would not have the same capacity to adapt properties that were let through the standard rental market. This was a unique advantage of social investment financing.
- **Conclusion:** We therefore conclude that the second hypothesis passed the hoop test and smoking gun test under certain conditions.

Hypothesis 3:

Access to high-quality units will improve staff morale, motivate them to provide better services to clients, and reduce turnover.

We found mixed evidence for the third hypothesis. One of our contacts at Target who worked with THRIVE clients gave a conditional response to the question: “Do you feel better about your job after working, when you work with SASH tenants versus non-SASH tenants?” From their perspective, it was impossible to generalise because each client is different to work with:

“I don’t really know. It's difficult because the clients are all different and this client group is hard at the best of times. I think once they're settled, they're easier to work with, but it just depends. For some of them, having a nice house is not their main goal. Their main goal could be to reduce the substances or even increase using, because now they've got somewhere safe to use. I think having better properties in better areas and being able to do repairs more efficiently, would mean that the client would engage better with the support worker. There's no doubt about that. So maybe that would be a contributing factor.”

Better engagement of clients with their caseworkers would reduce the stress of service delivery for Target staff. Lower stress could in turn reduce burnout among caseworkers and increase staff retention. Of course, this is a hypothesis that our interview data cannot test, but it is a plausible theory that identifies a different mechanism through which the ownership model may reduce staff turnover and enhance service delivery.

Not everyone we spoke to thought SIP properties affected staff morale and service delivery. The administrator we spoke to disagreed with their colleague’s conclusion about SIP properties. From their perspective, the willingness of clients to engage services was the main determinant of staff morale:

“I don't think the properties really have any impact on us, or on me, as a worker. I think obviously you put your all and you put everything into working with the tenant regardless of where they live. And sometimes you get the better wins when you're working with someone that is more very chaotic and you've made them have that little improvement. But it all depends on the individual tenant rather than the property.”

Although the third hypothesis focusses on the quality of SIP properties, one administrator described the ownership model’s impact on staff members. From their perspective, the removal of third parties reduced the stress of casework by making the client’s tenancy more secure:

“It's easier to maintain the relationship because there's no third-party involved. There's no landlord on our back, threatening to take the property back. The complaints, if any, are coming directly to us. It's a lot easier when there's no other landlord involved...There's a lot more legwork for caseworkers, if we don't own the property...”

A similar impact was noted with unit maintenance:

“It's exactly the same with the repairs. I know it might seem a little thing that we're having to email a landlord, but if we own all the properties, we're dealing with it straight away. We've not got a property admin team that is having to chase landlords every day because something needs doing.”

The ownership model was also said to enhance the job security of caseworkers by generating an independent source of income:

“We own more properties than we ever have. We know that we've got a rental income coming in, which makes me feel more secure in my job because I know that we've got a backup plan. When it was all rentals, a landlord could pull them at any point and then I might not necessarily have a job because we've not got the income. Whereas you know, the more properties we own, the more financially stable we are for the future.”

The evidence presented here gives mixed support for the third hypothesis:

- **Hoop test:** Target improved staff morale by in-sourcing property management. Reducing the number of stakeholders that caseworkers engaged to deal with a problem let them address issues more quickly and less stressfully. Doing so increased job satisfaction for some staff members. Better job satisfaction would then trickle down to clients through positive interactions with their caseworker.
- **Smoking test guns:** Target would have similar control over maintenance in units purchased through traditional streams of funding. The main difference is that Target was only able to access social investment financing to purchase the properties. But Target would not have the same control over maintenance in properties that were let through the standard rental market. This was a unique advantage of social investment financing.
- **Conclusion:** We therefore conclude that the third hypothesis passed the hoop test and smoking gun test under certain conditions.

Hypothesis 4:

The ownership of social investment properties will strengthen Target Housing's relationship with other service providers.

We found evidence for the fourth hypothesis. Our contacts at Target Housing said they have strengthened their relationships with external actors. For example, the SIP enabled Target staff to grow their relationship with a local agency that provided services to domestic violence survivors:

“We have strengthened and been able to build on relationships as a result of the increase in the portfolio...We can go to other agencies and advertise that we've got these properties, which has strengthened the relationships with others. [For example,] IDAS [Independent Domestic Abuse Services]. We work in partnership with them in quite a few areas, but we've got properties in Sheffield that are on the domestic abuse project. So, that's built up our relationship with them...”

SIP participation also helped our contacts build that relationship by giving them specialised knowledge about social investment financing:

“IDAS are in the process of getting their first loan with SASH. We've given them a lot of advice and guidance around that. That's built the relationship as well...It's gone from just a provider-provider relationship to a, we're rent fronting for them, we're advising them, we're really supporting them...We're giving each other advice and talking outside of the parameters of the projects and it's more of an organisation conversation, rather than it being just in set areas...”

This transformed the power dynamic between those organisations because Target Housing now had a vital resource that could help IDAS expand its portfolio.

Aside from building ties with other service providers, the SIP also helped Target staff get more social investment financing. For example, SASH agreed to loan Target a downpayment for ten properties in Sheffield that will rehouse some people who were rough sleeping:

“Sheffield Council did a gap analysis to see how many entrenched rough sleepers they'd got...So, they approached us and wanted to know if we wanted to go into partnership with them, to bid for some capital and revenue, which we did. So, we were successful in bidding for 10 properties and the revenue as well and I believe that because it's a split of like 70/30, so we put in 30 percent, Homes England put in 70 and SASH are giving us the money to put the 30 percent down. So, without SASH we wouldn't have been able to bid because we didn't have the money to put up front.”

The SIP also helped Target staff compete for new grant funding to let more properties in Sheffield:

“We've successfully bid with the Big Lottery community fund for 12 properties for females that have had multiple children removed...That's a grant and we unfortunately don't have any money left through SASH to purchase any properties, so it will all be rentals. However, the reason that Changing Futures approached us in the first place was because they knew that we'd got the history with social investment and therefore like our procurement team were very up on procurement and knew that we'd got the ability to get the properties that we stated that we would.”

And potentially helped Target staff retain a contract to deliver services to clients existing the criminal justice system:

“I genuinely believe that it enabled us to retain the contract. So, the contract went out, I can't remember, the contract went out a couple of months ago. We put in our bid, and we successfully attended to retain the contract. Now on the Sheffield offender, we own I think it's probably between 15 and 20 properties, which is 40 bed spaces. So, what the SASH money enabled us to do was to be at the front of the market because nobody else in Sheffield could get the bed spaces in the time frame needed.”

Lastly, the SIP has helped Target staff build their relationship with the council. The local authority had experienced a spike in homelessness. A commissioner we spoke to said Target Housing have helped the council meet its statutory obligations with its SIP properties:

“It's certainly helped. But it's certainly not solved the problem...The numbers coming through are just huge and growing. There's just not enough properties in the market to meet the need. So, yes, it's made a contribution. Yes, it's been positive...But if we're talking about impact across the system as a whole. It is relatively small because the problem is so big.”

Although the SIP properties helped the council meet its statutory obligation to unintentionally homeless households, the impact was small because demand far surpassed supply. A team member asked the commissioner if the council's experience with the SIP would facilitate new grant opportunities for Target Housing. Our contact could not guarantee Target would receive new grants. They did say however that the SIP enhanced Target Housing's portfolio and thus its ability to compete in prospective grant cycles.

The evidence presented here supports the fourth hypothesis:

- **Hoop test:** The SIP has both strengthened and transformed the relationship of Target Housing with some service providers in Sheffield. We found evidence the SIP has created new opportunities for social investment and traditional grants to Target Housing. This has expanded Target Housing’s property portfolio in Sheffield and thus enhanced its position within the local service industry.
- **Smoking test guns:** Target Housing was approached by grantees because of its success implementing the SIP.
- **Conclusion:** We therefore conclude that the third hypothesis passed the hoop test and smoking gun test.

Discussion

Here is a summary of our key findings in this subsection. A green box means a hypothesis passed a particular test, yellow box means it passed a particular test under certain conditions, and red box means it failed a particular test:

Target Housing: Hypothesis Test Outcomes (Organisation)				
Hoop Tests				
Passed	Green	Yellow	Green	Green
Failed	Grey	Grey	Grey	Grey
Smoking Gun Tests				
Passed	Green	Yellow	Yellow	Green
Failed	Grey	Grey	Grey	Grey

Figure 28 presents the revised chronology of Target Housing’s theory of organisational impact. Based on this evidence, we made the following revisions to Target’s organisation impact model. Figure 28 accounts for the additional mediating variables that administrators mentioned during our interviews: better working conditions, increased job security, and more funding opportunities. The new model also connects new funding opportunities to increased job security for Target Housing staff. Although the administrators we spoke to did not explicitly make that connection, PERU’s research team anticipates this logical connection and will test that hypothesis in the next wave of our evaluation study.

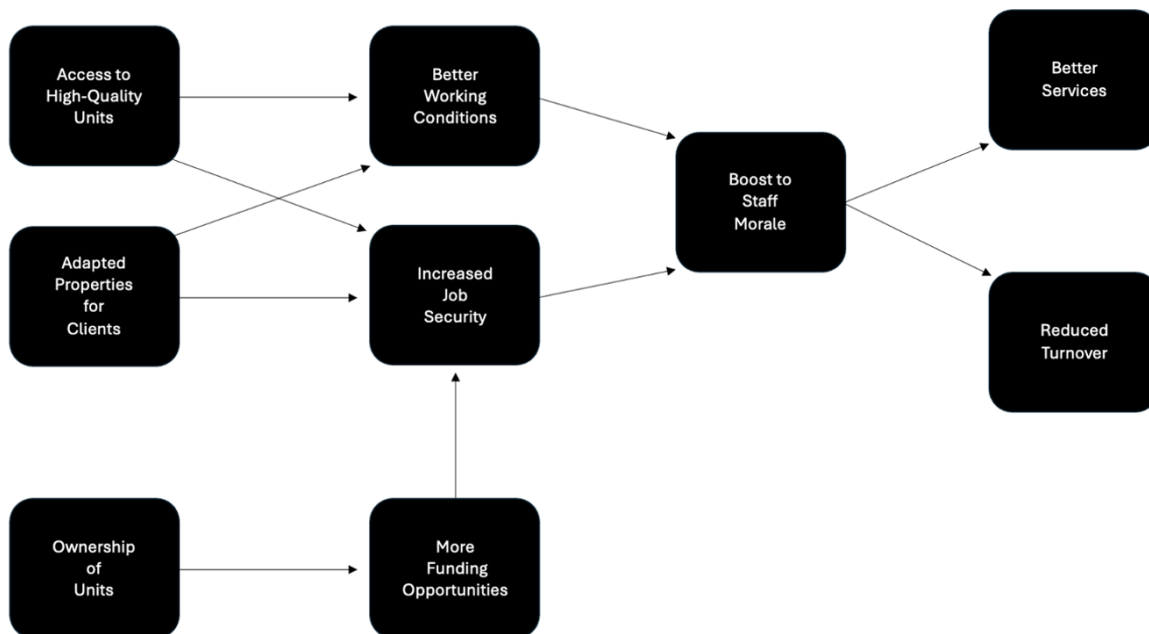


Figure 28. A Revised Model of Target’s Organisational Impacts.

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 creates opportunities for private investment.

Social investment financing had not been used in the UK 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. The current report is one of two impact studies that will be published over the next two years. We used archival, interview, focus group, and administrative data to answer the list of questions that were presented in the introduction.³⁵ Our data analysis supported the following answers to those questions:

³⁵ 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.

Clients	<ul style="list-style-type: none"> Does the pilot lead to longer-term planning and more continuity of service for people in the SIP? 	This was true across all of the case studies we examined.
	<ul style="list-style-type: none"> Does the SIP impact on the length of time of tenancies are sustained? 	With few exceptions, SIP tenants were sustaining their tenancies, even if some had to be relocated.
	<ul style="list-style-type: none"> Does the SIP impact on people's satisfaction with accommodation, including its quality, their choice of accommodation, and whether individuals are near to amenities or services, friends and family? 	For the most part, clients were satisfied with the quality and location of their property; however, there were a few cases where clients needed to live elsewhere, but an alternative property in a desired location was unavailable.
	<ul style="list-style-type: none"> Does the SIP increase people's wellbeing? 	We found evidence that most clients experienced gains in well-being after they became SIP tenants.
Service providers	<ul style="list-style-type: none"> Does the SIP improve housing providers' balance sheets through adding to net assets? 	We are unable to answer this question at this point in the evaluation.
	<ul style="list-style-type: none"> Does the SIP increase confidence of investors to invest in the organisation? 	We are unable to answer this question at this point in the evaluation.
	<ul style="list-style-type: none"> Does the SIP support organisations to scale their provision? 	All participating agencies said the SIP increased the scale of services that they provided, but sometimes this was only a small increase.
	<ul style="list-style-type: none"> Does the SIP reduce costs borne by housing providers and improve their efficiency, i.e. less reliance on managing a large volume of tenancies in the private-rented sector? 	The SIP reduced the number of properties that service providers had to manage in the private-rented sector, but the decrease was small because the pilot purchased a small number of units.

Local systems	<ul style="list-style-type: none"> Does the SIP impact on the local homelessness and rough-sleeping accommodation sector? 	The SIP has informed conversation in some areas about housing-led service models and motivated some stakeholders to integrate it into their strategic plans.
	<ul style="list-style-type: none"> Does it lead to systemic change? 	The SIP was too small to affect systemic change within local housing systems.
	<ul style="list-style-type: none"> Does the SIP alleviate some pressures on local authority or Housing Association waiting lists? 	The addition of new properties for homeless households has decreased pressure on waitlists, but the impact has been small.

We also developed the following hypotheses from the Year 1 and 2 reports that we will test in the Year 3 report:

Emergent Hypotheses	
H1	The SIP will deliver higher quality properties in preferable locations.
H2	The SIP will give providers greater flexibility over property adaptation and maintenance.
H3	The SIP model will facilitate rapport with tenants.
H4	The impact of social impact investing on rapport will vary by fund design.
H5	The move-on requirement will negatively affect the social impact of those funds.
H6	Social policies must be aligned with social impact investing to facilitate economic and social impacts.
H7	Property market constraints will necessitate programme flexibility.
H8	The SIP will give caseworkers more flexibility to deal with ASB than standard rental units.
H9	Un/intended organisational impacts will fortify local homeless systems.

H10 The SIP will positively affect the fund managers.

Appendices

Appendix A

The Generic Model Used to Test Each Theory of Change.					
Primary Hypothesis	Expected Evidence	Test	Secondary Hypothesis	Collected Evidence	Conclusion
		Hoop (Case file / KPI data)			
		Smoking Gun (Interview / focus group data)			
		Hoop (Case file / KPI data)			
		Smoking Gun (Interview / focus group data)			
		Hoop (Case file / KPI data)			
		Smoking Gun (Interview / focus group data)			

Appendix B

Theme	Goal	Frequency	Achievement
Move-on prep	Explore move-on	23	8
Engage support workers	Engage support	53	24
	Meet with support worker	4	2
Enhance life skills	Budgeting assistance	11	7
	Set up daily plans	4	4
	Self-motivate	1	1
Access benefits	Receive food voucher	3	3
	Apply for travel card	5	3
	Get library card	0	0
	Apply for water assistance	8	4
	Apply for housing benefit	4	2
	Apply for PIP	4	2
	Maximise benefits	6	5
	Get UC	2	1
Pay bills	Apply for council tax	17	14
	Set up utilities	7	6
	Pay utility bills	1	0
	Pay council tax	1	1
	Pay rent arrears	2	1
Improve health	Identify medical condition	1	1
	Access medical care	3	2
	Address mental health issues	13	4
	Get dental treatment	2	2
	Improve sleep	1	1
	Manage addiction	4	2
	Register with GP	4	3
	Develop hobbies	1	1
	Get medical records	1	1
	Use external support services	2	2
Increase income	Improve mobility	1	0
	Increase income	5	3
	Get a job	4	3
	Get off benefits	1	0
Homemaking	Enrol in college	3	1
	Decorate flat	2	2
	Get Internet connected	3	2
	Address maintenance issues	0	0
	Settle into home	5	3
	Access email	1	1
Strengthen ties	Tidy flat	2	1
	Expand social circle	1	1
	Learn how to use phone	1	0
	Learn English	1	1
	Reconnect with family	1	1
	Repair relationship with partner	2	0
Address legal problems	Get travel docs	1	0
		4	4
Total		226	130
Percent		100%	58%