



Social Investment Pilot Evaluation: Executive Summary

3 April 2025

Research led by Manchester Metropolitan University shows that Better Society Capital's £50m Social Investment Pilot, in partnership with the government, effectively supports sustainable housing solutions for people experiencing homelessness.

During the pandemic people rough sleeping were identified as a particularly vulnerable group that needed to be protected. The UK Government implemented "Everyone In" to shield that people who were rough sleeping from COVID-19. [1] It directed local authorities to shelter households who were rough sleeping in accommodation where they could self-isolate. [2] 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.

This is the second annual report from the evaluation of the social investment pilot. It uses case file, interview, and administrative data to explore the theories of change within the programme and to identify the emerging impact of the programme. The report also includes some preliminary findings that support an ongoing economic evaluation.

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) [3]; 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.

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. 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.
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.
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.

The fourth approach is not part of the current evaluation.

[1] - [Homelessness Monitor England 2020: COVID-19 Crisis Response Briefing](#)

[2] - [Coronavirus: Support for rough sleepers \(England\)](#)

[3] - Professor Gary Painter of USC moved to the University of Cincinnati during the evaluation

Key findings

There are currently a total of 462 properties, which comprise 716 units, that are within the scope of the evaluation. 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.

Most properties and units are in areas with a high number of homelessness assessments. One hundred and thirty seven properties (33% of total) 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 local authorities according to homelessness assessments. More than three-quarters of properties (341 properties, 79%) are located in the top half of local authorities by rough sleeping figures. Local authorities in the top decile include Bristol, Greenwich, Hillingdon, Kingston upon Hull, Lambeth, Liverpool, Manchester, Oxford, Redbridge, and Southwark.

Most properties and units are in areas with a high number of households living in temporary accommodation. One hundred and forty one properties (36% of total) 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 local authorities according to households living in temporary accommodation.

Most properties and units are in areas with high income deprivation rates. One hundred and twenty five 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%.

We analysed the number of properties per local authority 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. Most properties and units are in areas where rents are higher as a proportion to income. 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 local authorities.

The evaluation team undertook in-depth, qualitative case studies with a number of providers. This included analysis of client case files and interviews and workshops with staff. We looked in-depth at:

- Nacro's provision in a single London borough which was intended to offer accommodation in one-bedroom units for up to two years
- Target Housing's provision for THRIVE clients which provides permanent accommodation and life-long support for vulnerable people, who have experienced lives characterised by adverse experiences, trauma and chaos including drug and alcohol problems, mental health problems and chronic health conditions
- Target housings provision for criminal justice clients
- Stockport Homes Limited provision of two- or three-bedroom units with minimal

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. • A few clients reconnected with family. • Some clients 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.
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.

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

Our in-depth case studies have shown the following positive outcomes for clients:

- The programme leads to longer-term planning and more continuity of service for people in the SIP. This was true across all of our case studies.
- The SIP had a positive impact on the length of time tenancies are sustained. With a few exceptions, SIP tenants were sustaining tenancies even if some had to be relocated.
- 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.
- We found evidence that most clients experienced gains in well-being after they became SIP tenants.

We also found some positive outcomes for service providers:

- All participating agencies said the SIP increased the scale of services that they provided, but sometimes this was only a small increase.

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.

We also looked at the impact of the SIP on local housing systems. The SIP was too small to affect systemic change within local housing systems, however, we identified some small, but positive impacts:

- The SIP has informed conversation in some areas about housing-led service models and motivated some stakeholders to integrate it into their strategic plans.
- The addition of new properties for homeless households has decreased pressure on waitlists, but the impact has been small