

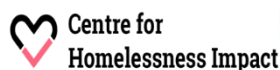
**Manchester  
Metropolitan  
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## **Everyone In Social Investment Pilot: Final Evaluation Report**

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December 2025

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**Table 1. List of Abbreviations.**

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

# Executive Summary

## 1. Introduction

The UK Government announced “Everyone In” in March 2020 to rehouse people who were sleeping rough during COVID-19. Of the £161 million that the UK Government allocated for this initiative, £15 million was set aside for a Social Investment Pilot (SIP). This was an opportunity for Better Society Capital (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 Ministry of Housing, Communities and Local Government (MHCLG), partnered with BSC to pool public and private resources for not for profit organisations to purchase housing units and rehouse people who had experienced rough sleeping or homelessness or who have been at risk of or experienced rough sleeping or homelessness homeless or at risk of homelessness.

The Government allocated £15 million of its £161 million Everyone In funding to match BSC’s investment, creating an initial £30 million pilot. That figure was then increased to £50 million when MHCLG and BSC each allocated an additional £10 million. This £50 million was used to help attract a further £138m of additional investment into the three fund managers.

Three fund managers - Social and Sustainable Capital (SASC), Resonance, and Bridges Fund Management - implemented distinct financial models with not-for-profit housing providers. This evaluation focuses on SASC and Resonance, which operated the Social and Sustainable Housing (SASH), National Homelessness Property Fund 2 (NHPF2), and Resonance Everyone In Fund (REIF).

The central idea was to treat property as a social-impact asset class. Investors were seeking modest financial returns alongside exchange measurable social outcomes. Across these funds, four financing logics were tested: leasing to charities, leasing to housing associations, property ownership via social loans, and equity investment in ethical lettings companies.

## 2. The Evaluation

The evaluation, led by the Policy Evaluation and Research Unit (PERU) at Manchester Metropolitan University with partners from the Universities of Glasgow, Heriot-Watt, and Cincinnati, the Centre for Homelessness Impact and People’s Voice Media, ran over three years (2022–2025). It combined process tracing to identify causal mechanisms, community reporting to capture lived experience, and economic evaluation to assess value for money.

The aims were:

- To understand whether social investment can effectively channel private capital to increase the supply of housing for people who have experienced homelessness.
- To assess outcomes for individuals, service providers, and local systems.
- To compare value for money with traditional grant or payment mechanisms.

Four implementation questions guided analysis - reach, fidelity, the amount of support received, and differentiation - and two overarching impact questions addressed efficiency and comparative effectiveness. Case studies were conducted with Nacro, P3, Stockport Homes Limited (SHL), and Target Housing.

### 3. Implementation

#### Reach

By March 2025, 528 properties had been procured across England. Units were heavily concentrated in local authorities with the highest levels of homelessness, temporary accommodation, and income deprivation.

- 91 percent of properties were located in the 40 percent of local authorities with the highest number of homelessness assessments.
- 83 percent of properties were located in the 40 percent of local authorities with the highest numbers of households living in temporary accommodation.
- 84 percent of properties were located in the 40 percent of local authorities with the highest income deprivation rates.

Tenants were predominantly single adults or lone parents moving from temporary accommodation or the streets. The SIP thus reached its intended population and was geographically well-targeted.

#### Fidelity and delivery

Despite inflation, volatile property markets and administrative complexity, the pilot was implemented largely as designed. BSC's due diligence and the fund managers' operational flexibility were key enablers. Local delivery partners embedded trauma-informed, person-centred, and strengths-based approaches. Evictions were rare. Where deviations occurred, such as adjustments to price caps, eligibility rules, or lease terms, they reflected adaptive management rather than programme drift.

#### Enablers and barriers

Success depended on rapid mobilisation during the pandemic, pre-existing trust among funders and providers, and strong information flows. Barriers included market inflation, uneven Housing Benefit administration, and the dual landlord–support role faced by frontline staff. Caseworkers often had to balance relational work with rent collection and compliance, straining professional boundaries.

#### Differentiation

Compared with grant programmes, the SIP delivered faster procurement, higher-quality housing, and greater stability for tenants. Delegating control to fund managers introduced new reporting burdens but allowed flexibility to tailor investment to local markets. The model demonstrated that government can safely devolve financial control to trusted intermediaries under robust monitoring.

### 4. Economic Impact

Economic modelling showed the SIP overall to be cost-neutral or cost-saving from the perspective of the public purse relative to private-rented or temporary accommodation. The SIP also enhanced the financial and/or market position of the housing providers. Using access to accommodation in the private rental sector as a comparator we estimated that social-investment provision matched or outperformed conventional public funding on economy, efficiency, and effectiveness, while delivering secure investor returns. Looking more specifically at different providers we found that:

- For Nacro (Resonance), supported leases in London cost around 15 percent less than equivalent private lets and offered better housing quality.
- Stockport Homes (Resonance) saved an estimated 12–22 percent compared with private rents and over 70 percent relative to temporary accommodation.
- P3 (SASC) achieved modest surpluses while building a property portfolio forecast to yield a real return of up to 7.8 percent if refinanced in 2030.
- Target Housing (SASC) generated annual surpluses, with projected real returns near 5.8 percent, and substantial potential capital gain if properties are retained post-2030.

## 5. Organisational Impact

Social investment acted as a catalyst for organisational learning, legitimacy, and capability-building.

- Nacro deepened its partnership with the Greater London Authority Clearing House system, accessed higher-quality stock, and gained credibility as an “investment-ready” housing partner.
- Target Housing underwent transformative change: property ownership integrated housing and care functions, enabling rapid maintenance, adaptable housing, and improved relationships with commissioners and justice partners.
- P3 expanded property ownership and financial confidence but saw limited difference in client outcomes compared with its existing practice.
- Stockport Homes Limited (SHL) used the SIP to supplement existing capacity and diversify funding routes. The pilot added a modest number of high-quality homes, strengthened relations with fund managers, and modestly enhanced procurement agility. However, given SHL’s large portfolio and established systems, the organisational effects were incremental rather than transformative.

Across all organisations, the SIP fostered new hybrid competencies: integrating social-care ethos with financial literacy, property management, and investor reporting. This cross-sector learning is one of the programme’s most durable legacies.

## 6. Client Impact

Across providers, clients experienced meaningful gains in housing stability, safety, and wellbeing. Secure, high-quality homes in decent neighbourhoods improved dignity, mental health, and engagement with support.

“Since moving into the accommodation, I've been able to handle my life, I've become more independent.

Lived Experience Storyteller, Lewisham

“When you’ve got somewhere to call home, which they’ve [P3] provided, you’ve got a base.”

Lived Experience Storyteller, Wolverhampton

“I manage my bills, [tenancy,] shopping and all that. I can do all that.”

Lived Experience Storyteller, Wolverhampton

“Growing up the way I did and living where I did previous to where I am now it's very much ‘we’ can do things and not ‘I’ can do things - that's how I try to live my life now, being part of, included in, the community, and not separate from them.”

Lived Experience Storyteller, Lewisham

- Nacro tenants, mostly from temporary accommodation or rough sleeping, reported feeling “safe for the first time.” Supportive casework fostered recovery, but two-year tenancy limits hindered sustained independence.
- P3 clients benefitted from stability and co-produced life-skills support, though outcomes mirrored those in non-SIP stock, indicating that relational practice mattered more than financing model.
- SHL tenants enjoyed good-quality homes, secure tenancies and strong tenancy management, but the small scale meant individual outcomes were typical of SHL’s broader provision rather than distinctive to the SIP.
- Target Housing’s THRIVE and Criminal Justice programmes delivered the strongest evidence of improvement. Ownership allowed rapid repairs, home adaptations, and harm-reduction approaches for tenants with complex needs. Tenancies were stabilised through flexibility and trust, and well-being indicators rose over time.

## 7. Thematic Insights

Beyond the core aims, a structured analysis of the data gathered during the evaluation identified several cross-cutting themes:

- Market dependency: inflation and regional housing disparities influenced procurement speed and cost.
- Governance and data: inconsistent data quality initially hindered oversight. Standardised KPIs and regular reporting improved accountability.
- Workforce sustainability: caseworkers were pivotal to success but sometimes faced heavy caseloads and role tension.
- System integration: the SIP worked best where local authorities processed Housing Benefit efficiently and coordinated referrals.
- Sustainability and exit risk: fixed lease terms ending in 2030 risk destabilising tenants unless refinancing or rollover mechanisms are secured.

## 8. Synthesis and Conclusions

The Everyone In Social Investment Pilot met its principal objectives. It proved that social investment can mobilise private capital to deliver affordable housing for people experiencing homelessness, generating tangible social outcomes and maintaining investor confidence. The programme achieved high implementation fidelity, strong targeting, and favourable value for money.

The evaluation also revealed some limitations. In three of the five pilot areas, the service was not set up to provide permanent housing and how long someone could stay was tied to how long they received support. However, most NHPF2 properties and THRIVE did effectively provide permanent housing, which is a step beyond what is typically offered

Taken together, the findings suggest that social investment in this pilot was not a replacement for grant funding or wider housing reform. Instead, it worked best as a complementary tool embedded within relationship-based, person-centred, and well-governed services and contributed to reducing homelessness as a result.

That said, without adequate welfare support and genuinely affordable permanent housing, even well-designed programmes risk “cliff edges” This is a limitation of the funding mix, not of social

investment as a concept. The fact that NHPF2 and THRIVE did provide effective permanent housing shows what is possible.

The SIP offers:

- Proof that private and public capital can be blended for social purpose.
- Evidence that investment models can coexist with relational service design.
- Evidence that investment models can deliver favourable value for money.
- Evidence that engagement with investment models can foster innovation and build organisational capabilities.
- A foundation for scaling future housing finance instruments anchored in social outcomes.

while acknowledging the following limitations:

- The distributed nature of the SIP and the relatively low number of properties purchased in any one of the areas in this pilot precluded any significant level of scaling in any of the areas that the SIP was implemented in.
- Evidence that investment models come with some market dependency and administrative complexity.

A future pilot should build on these examples to explore whether social investment can more consistently deliver permanent housing solutions.

# 1. Introduction

## 1.1 Everyone in Social Investment Pilot

The UK Government announced “Everyone In” in March 2020 to rehouse people who were sleeping rough during COVID-19.<sup>7</sup> Of the £161 million that the UK Government allocated for this initiative, £15 million was set aside for a Social Investment Pilot (SIP). This was an opportunity for Better Society Capital<sup>8</sup> (BSC) to test a social investment product that it had designed before the pandemic started. The initial £15 million was then increased to £50 million when MHCLG and BSC each allocated an additional £10 million. This £50 million was used to help attract a further £138m of additional investment into the three fund managers.

The UK Government’s Department for Levelling Up, Housing, and Communities, now Ministry of Housing, Communities and Local Government (MHCLG), partnered with BSC to pool public and private resources for not for profit organisations to purchase housing units and rehouse people who have experienced rough sleeping or homelessness or who have been at risk of rough sleeping or homelessness homeless or at risk of homelessness. The pilot was implemented by three fund managers, Bridges Fund Management, Social and Sustainable Capital, and Resonance, who partnered with local housing providers including charities and Housing Associations. 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 people who were rough sleeping, homeless or at risk of rough sleeping and homelessness, 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

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<sup>7</sup> [CBP-9057.pdf \(parliament.uk\)](#)

<sup>8</sup> Known as Better Society Capital when this project started.

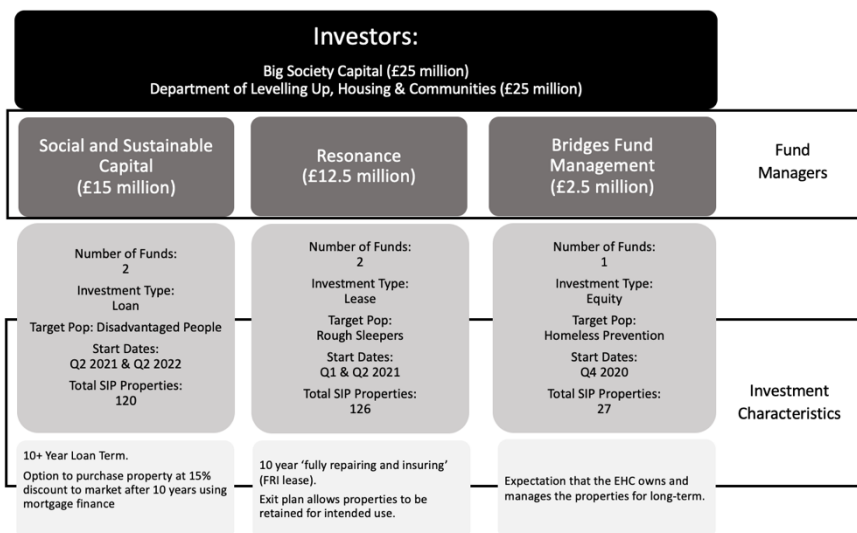


Figure 1. The Structure of the SIP Investment Funds.

this model, properties are owned by the company. Example: Bridges investment in the Ethical Housing Company in the North East.

The evaluation took place over three years, led by the Policy Evaluation and Research Unit (PERU) and involving housing researchers at the University of Glasgow, Heriot-Watt University, and the University of Cincinnati<sup>9</sup>; research staff at the Centre for Homelessness Impact; and a team at People’s Voice Media.

The evaluation was of the first three models and two fund managers: Resonance and SASC. It did not cover Bridges Fund Management. Figure 1 presents the structure of the SIP. It shows MHCLG matched BSC’s investment to yield £50 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 implemented a different investment model:

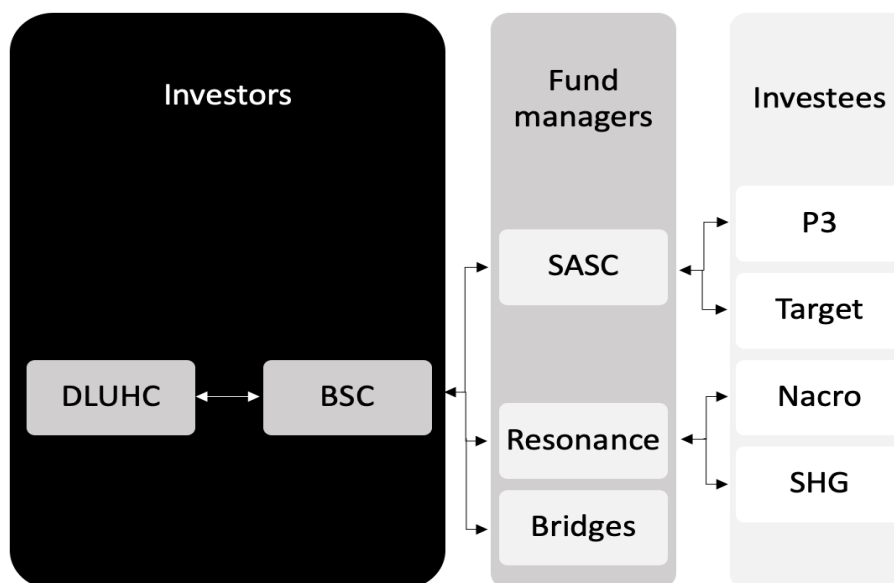


Figure 2. A Model of Information Flows Between the Stakeholders in this SIP.

<sup>9</sup> Professor Gary Painter moved from the University of Southern California to the University of Cincinnati during the evaluation.

loan, lease, and equity. Each investment model targeted a different subpopulation, varied in the number of units that were procured, and offered provider organisations and 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 data linked to a set of Key Performance Indicators (KPIs) about service delivery that were shared with fund managers. Fund managers used KPI data to write quarterly reports for BSC. BSC shared those reports with MHCLG.

## 1.2 Social Investment Portfolios

Both fund managers collected data on the properties purchased with their social investment. SIP funding was spread across five investment management projects, three were the focus of the evaluation: 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).

Data linked to KPIs was available for the SASC, NHPF2 and REIF funds collated in the funds' 'Impact Canvas' reports. While SASC-funded information was most detailed, information about the location and number of units was available for each of the SASC, NHPF2, and REIF. This report uses data based on the units funded until Quarter 2 of 2025.

We first provide descriptive statistics about SIP tenants and then the locational characteristics of SIP properties.

## 1.3 Description of the funds

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

### **1.3.1 Social and Sustainable and Housing Sidecar (SASC)**

This section describes the composition and varied demographic characteristics of households living in SASC-funded units up to Q2 2025.

By the second quarter of 2025, the units funded through SASC housed 192 households. Approximately half (49 percent) of these units were categorised as sharers while just under half (45 percent) were allocated to single households. Only 9 households were classified as single parent households, and 2 as couples with no children were listed (see Figure 3).

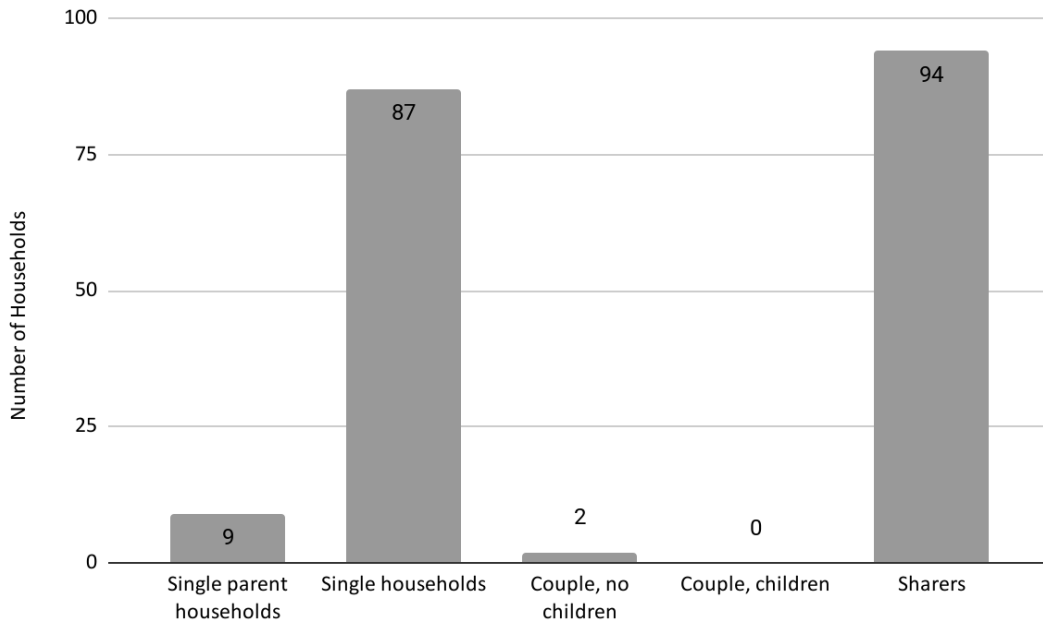


Figure 3. Number of households housed by household type.

Many participants in the SASC programme reported having experienced different forms of housing insecurity (see Figure 4). As of Q2 2025, just under half of the households were previously in temporary accommodation (42 percent), with approximately a third (35 percent) in shared temporary accommodation and a small number (6 percent) in private temporary accommodation. Additionally, 25 percent of individuals had experienced rough sleeping prior to the programme.

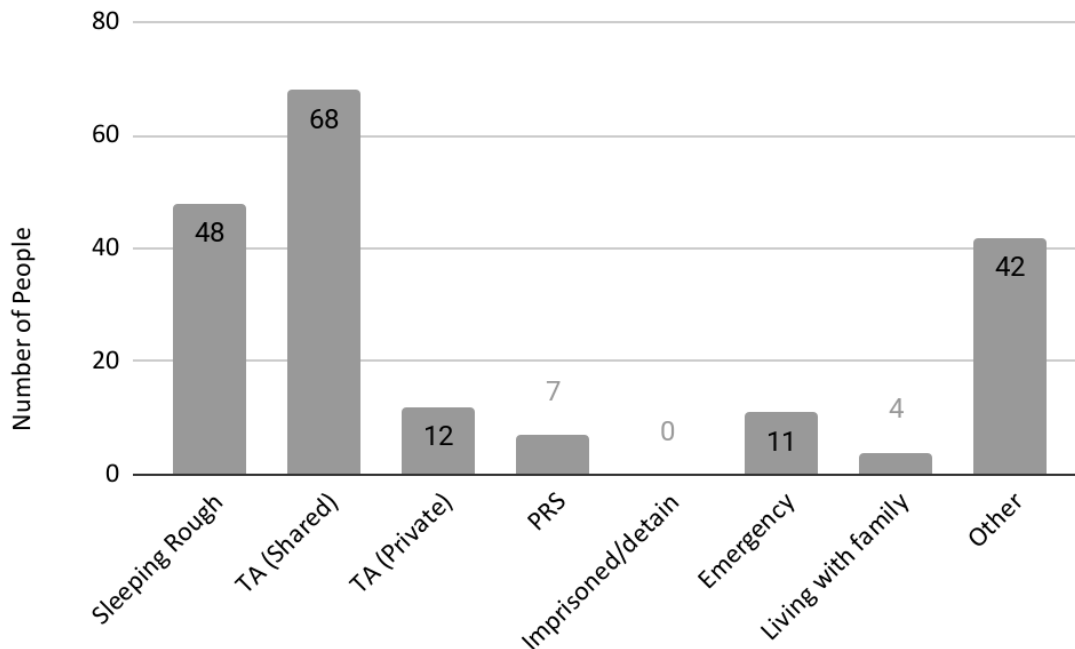
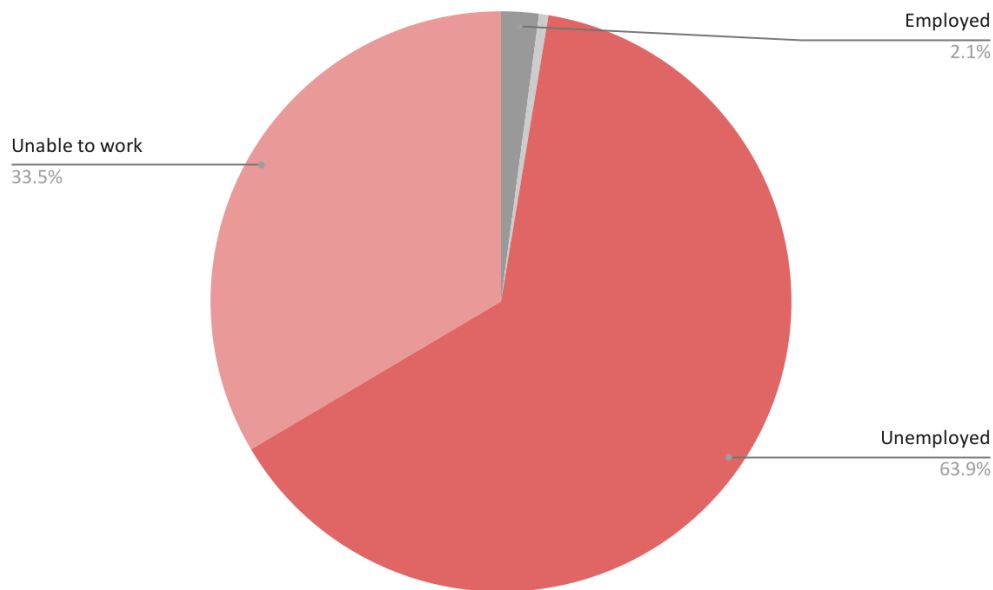


Figure 4. Number of people housed by previous housing situation.

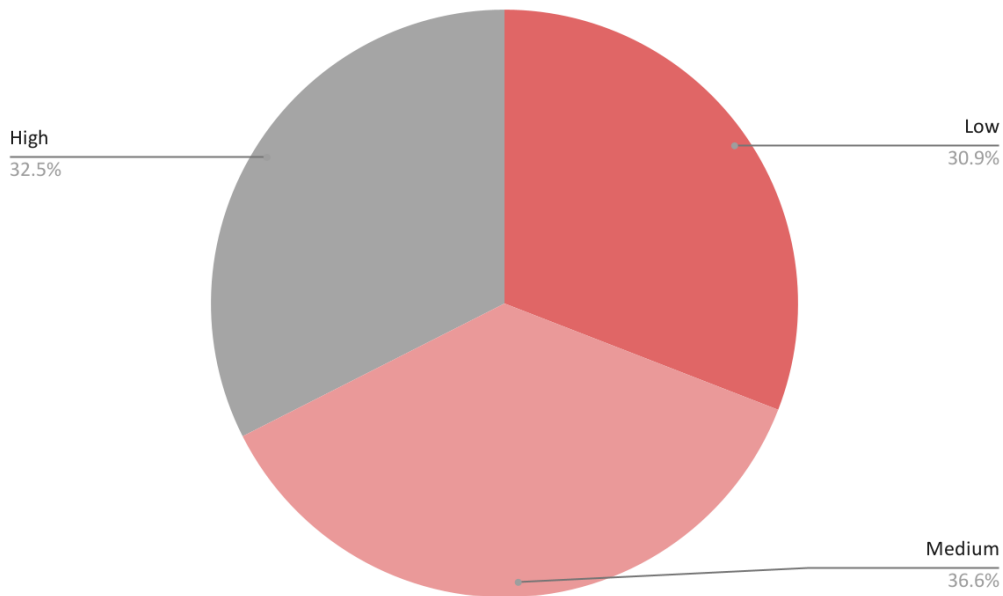
Figure 5 shows very few households in SASC-funded housing were employed on entry to the property (2.1 percent). Around two-thirds (64 percent) were unemployed. Approximately a third

(34 percent) were unable to or facing barriers to work and this proportion had almost doubled over the last year. Less than 1 percent of households included someone in education and there were no households that include someone in training.



*Figure 5. People housed by employment status on entry.*

Almost one-third (33 percent) of people housed in a SASC-funded unit reported having a high level of need for support or multiple such needs (see Figure 6). This group included 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. Over a third (37 percent) of people housed reported medium support needs. This category includes those 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. Just under a third (31 percent) of individuals had low support needs, meaning they recently started experiencing homelessness and/or reported experiencing less significant health or support needs.



*Figure 6. Number of people housed by support needs.*

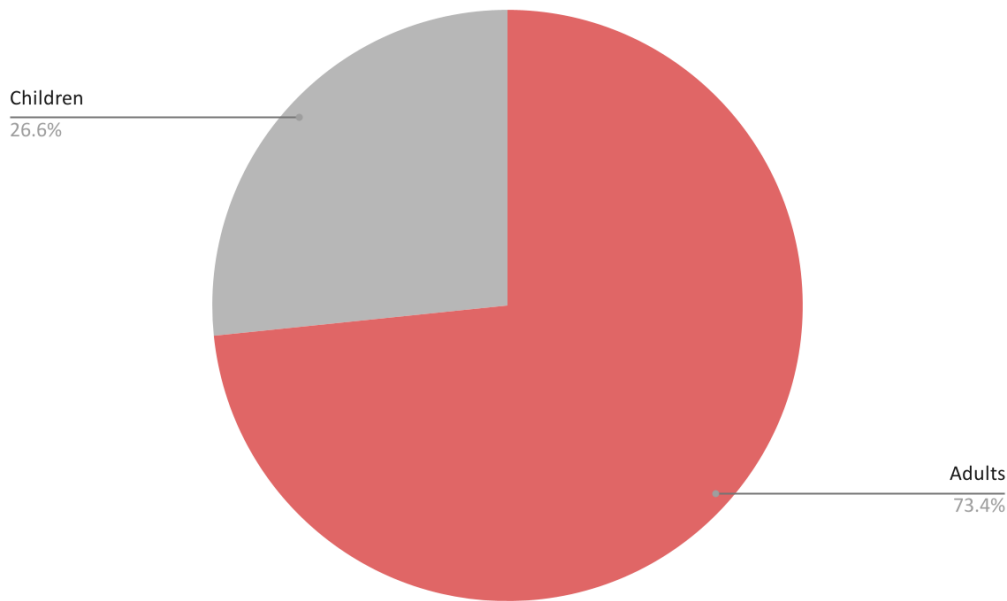
Just over half (52 percent) of households had been in their accommodation for less than a year, 26 percent had been housed between one and two years, and 15 percent between two and three years.

Satisfaction levels with accommodation was high, with 98 percent of households reporting being satisfied or more than satisfied in 2025, a notable increase from 85 percent in 2024.

### **1.3.2 NHPF2**

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

The units funded by NHPF2 investment housed 398 people in total. Of these, Figure 7 indicates 292 (73 percent) were adults and 106 (27 percent).



*Figure 7. Number of people housed by age.*

Of the 124 households for which data was available 108 households (87 percent) were housed in temporary accommodation prior to entry to the NHPF2 funded property. The most recent data did not specify in what other forms of accommodation the remaining 13 percent were housed (e.g., emergency or other categories), but data from 2023–2024 showed that 9 percent were recorded as being in emergency accommodation prior to entry to the NHPF2 funded property.

Of the 96 tenants for whom data on employment status in 2024–2025 was available, 41 (43 percent) were not eligible or able to work, 31 (32 percent) were employed (in full-time, part-time, or zero-hours roles), and 24 (25 percent) were eligible for work but not in employment.

In the most recent data available (2024-25), Figure 8 shows single households were the largest household type, accounting for 72 percent of households. Single parent households made up 16 percent of households. Couples without children accounted for 5 percent, and couples with children 7 percent of households.

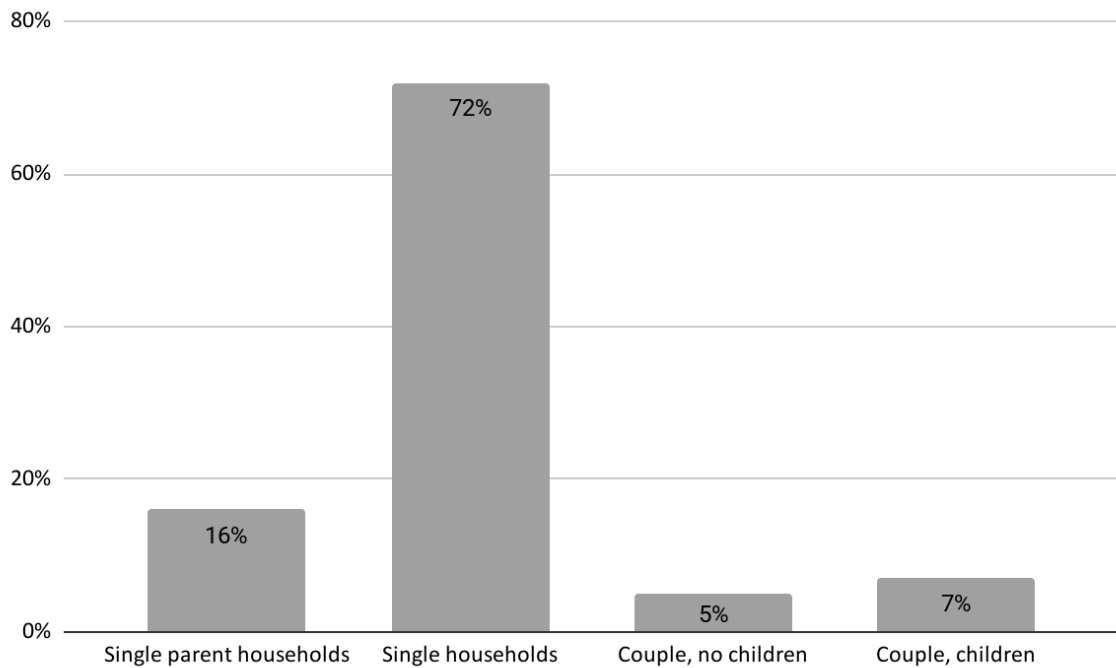


Figure 8. Number of people housed by household type.

In the most recent data for 2024–2025, just under half (44 percent) of people housed in NHPF2-funded units reported having a high level of need for support or multiple support needs (see Figure 9). Medium support needs accounted for approximately a third (35 percent), while low support needs made up approximately a fifth (21 percent), the smallest group.

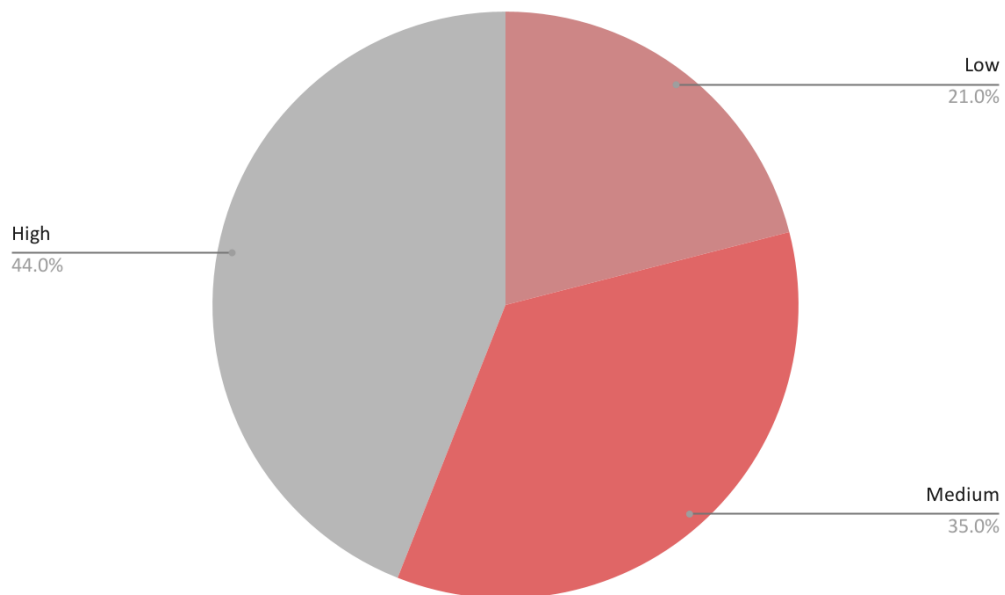


Figure 9. Number of people housed by support needs.

### 1.3.3 REIF

This section describes the composition and varied demographic characteristics of households living in REIF-funded units.

56 people were housed, all of whom were adults, in single households, rehoused from temporary accommodation.

Employment status on entry into REIF-funded supported housing in 2024–2025 was recorded for 26 tenants of whom approximately half (50 percent, n=13) were unemployed, a fifth (19 percent, n=5) were employed and approximately a third (31 percent, n=8) were unable to work (see Figure 10).

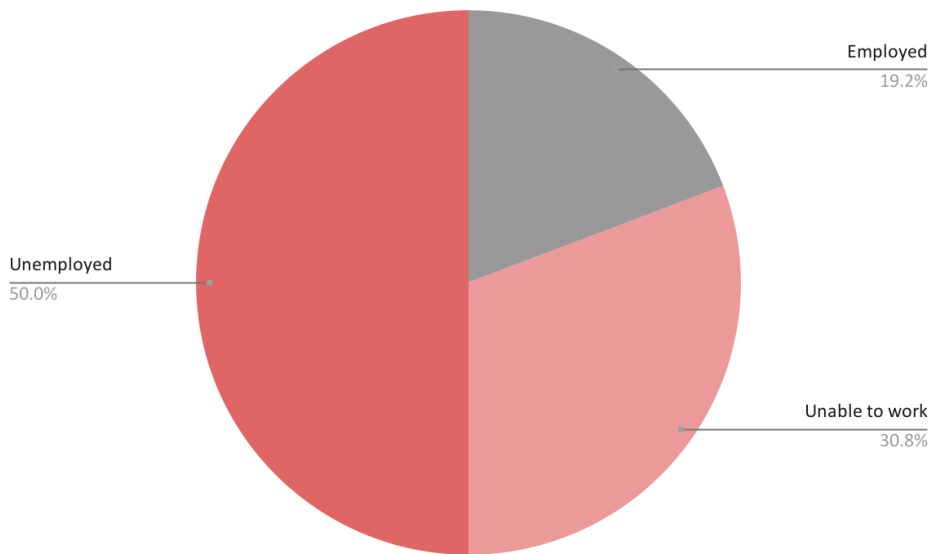


Figure 10. People housed by employment status on entry to property.

## 2. The Evaluation

Having described the Social Investment Programme we now describe the evaluation.

### 2.1 Aims and objectives of the evaluation

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 were:

- 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.<sup>10</sup>

<sup>10</sup> <https://www.evaluation.org.uk/app/uploads/2021/09/Evaluation-Project-Brief-Social-Investment-Pilot-Sep-2021.pdf>

Linked to these aims were 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.

These aims and objectives guided the early stages of the evaluation, which started with a feasibility study in which theories of change were developed for each of fund managers and their respective investment approaches. 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.<sup>11</sup> The theory of change covers inputs, outputs, short-term outcomes, long-term outcomes, mechanisms, and contextual information. Working from the theories of change the evaluation team developed a more detailed set of evaluation questions that reflected the overall aim and objectives of the evaluation but that were more specific to the programme.

The main implementation evaluation questions were as follows:

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

The overarching impact and economic evaluation questions were as follows:

- How efficient, cost-effective and impactful is delivery of accommodation via social investment, in comparison to grant-giving or other established payment mechanisms?
- How does the efficiency, cost-effectiveness and impact of different social investment models provided through the programme compare regarding the outcomes for individuals?

These impact and economic evaluation questions were then broken down into more specific questions as they pertained to clients (the people housed), local service providers (the organisations to whom funding to acquire properties was advanced) and local housing systems:

**Table 2. List of Evaluation Questions for Different Stakeholders.**

<i>Stakeholder</i>	<i>Questions</i>
Clients	<ul style="list-style-type: none"> <li>• Does the pilot lead to longer-term planning and more continuity of service for people in the pilot?</li> <li>• Does the pilot impact on the length of time of tenancies are sustained?</li> <li>• Does the pilot impact on people's satisfaction with accommodation, including its quality, their choice of</li> </ul>

<sup>11</sup> [Evaluability assessment: Developing program theory - Wholey - 1987 - New Directions for Program Evaluation - Wiley Online Library](#)

	<p>accommodation, and whether individuals are near to amenities or services, friends and family?</p> <ul style="list-style-type: none"> <li>• Does the pilot increase people’s wellbeing?</li> </ul>
Service providers	<ul style="list-style-type: none"> <li>• Does the pilot improve housing providers’ balance sheets through adding to net assets?</li> <li>• Does the pilot increase confidence of investors to invest in the organisation?</li> <li>• Does the pilot support organisations to scale their provision?</li> <li>• 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?</li> </ul>
Local systems	<ul style="list-style-type: none"> <li>• Does the pilot impact on the local homelessness and rough-sleeping accommodation sector?</li> <li>• Does the pilot lead to systemic change?</li> <li>• Does the pilot alleviate some pressures on local authority or Housing Association waiting lists?</li> </ul>

## 2.2 Evaluation methodology

The evaluation started with a feasibility study in which a detailed evaluation methodology and specific evaluation methods were developed. 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 address the evaluation questions. The evaluation design therefore uses process tracing, most significant change, and economic evaluation to analyse the SIP’s implementation and impact.

### 2.2.1 Process tracing

Process Tracing is a ‘within case’ approach to impact evaluation that can be defined 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.” (Bennet & Checkel, 2015, p. 7)

We used it because it helped us to test causal inference in a situation where we could not construct a ‘traditional’, counterfactual impact evaluation. Process tracing involves sequencing who knew what, when and what they did in response can help establish causal direction (Bennett, 2010).

For this evaluation we treated each provider and the local authority area within which it operated as a single case. Process Tracing then provided a methodologically robust approach to evaluating impact without the need for a counterfactual. In each area we assembled a wide range of qualitative and quantitative ‘diagnostic’ pieces of evidence to support or overturn alternative explanatory hypotheses (Bennett 2010). Central to this process was identifying sequences and causal mechanisms (Bennett 2010). Ricks and Liu (2018) set out a series of steps involved in process tracing and we followed these in this evaluation:

- Identify hypotheses: Draw on broader generalisations and evidence from within the case to generate a series of (preferably competing) testable hypotheses about how an

intervention may connect to an outcome. The theory of change exercise that preceded the process tracing provided a useful starting point for the generation of hypotheses.

- Establish timelines: Working primarily with providers but also fund managers we established a timeline for each case study. Ricks and Liu (2018) identify several purposes for the time-line. First it clarifies the researcher's thought processes. Secondly it establishes temporal precedence. Thirdly, it provides a 'face-validity' test for the hypotheses being tested. Fourthly it helps to identify major events that could have shaped the outcome of interest.
- Construct a causal graph: A causal graph visually depicts the causal process through which X causes Y and follows the timeline. It identifies the independent variable(s) of interest and provides structure to the process of enquiry by showing all the moments when the concerned actor (an individual, an organisation or a group) made a choice that could have affected the result (Ricks and Liu 2018).
- Identify alternative choices or events: At each relevant moment in the causal graph, a different choice could have been made and these alternatives were identified (Ricks and Liu 2018).
- Identify counterfactual outcomes: Counterfactuals are vital to process-tracing, as Ricks and Lui (2018: 844) explain: "When treating hypothetical predictions, it is imperative that another outcome was possible. If there is no plausible theory-informed alternative outcome, then no real choice or event has taken place. Thus, the link between the input and the outcome was predetermined; hence, process-tracing provides little value added."
- Find evidence for the primary hypothesis
- Find evidence for rival hypotheses

### **2.2.2 Capturing lived experience**

Community Reporting is a qualitative research method which uses peer-to-peer approaches to gather, understand, and mobilise stories of lived experience. It uses digital, portable technologies to support people to tell their own stories, in their own ways via peer-to-peer approaches. It then connects these stories with the people, groups and organisations who are able to use the insights within them to make positive social change. When used like this, storytelling allows for the representation of 'different voices and experiences in an accessible way'. Central to Community Reporting is the belief that people telling authentic stories about their own lived experience offers a valuable understanding of their lives.

Community Reporting has three distinct components – story gathering, story curation and story mobilisation. To ensure a degree of consistency within the Community Reporting practice and how it is implemented, Responsible Storytelling is embedded into each Community Reporting activity. Responsible Storytelling accounts for the ethics and values of Community Reporting; ensures appropriate content; ensures the necessary permissions and consent are gained; and puts people's online and offline safety at the heart of the practice.

Story curation involved working with Community Reporters, storytellers and people connected to the storytelling context to review and analyse the stories gathered to produce a set of findings. This participatory process borrows from established qualitative data analysis practices such as discourse analysis and grounded theory which provide a framework through which hypotheses can emerge from the data rather than being imposed upon it. Our intention was to use the Most Significant Change (MSC) methodology in the case study sites. MSC 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. Stories are first collected from people using services and then go through a series of review stages with staff in provider organisations to build

a deep understanding of the most significant changes achieved by service being evaluated.

During the recruitment phase for this project, we faced challenges. Some providers have been less able to engage than others, but, even when providers have been actively supportive of the evaluation, we have found that the complex needs of many of the residents – as well as the stigma of being ‘labelled’ as homeless – have meant we have had to use alternative models of story gathering in order to better support people to share their lived experience. Methods used have included:

- Workshops in which residents are trained in peer-to-peer story gathering methods.
- Sessions held at the offices of the providers in which residents attend one-to-one interviews with a Community Reporter from the People’s Voice Media team.
- One-to-one interviews held at the residents’ accommodation, in which a Community Reporter from the People’s Voice Media team visits them to gather their story in their home environment.

We made these adaptations to ensure people felt comfortable sharing their story in a way that best suited them, and to allow us to gather as many stories as possible to give the most depth to the evaluation. We were only able to gather stories from three providers (Nacro, Target, and P3) and only in limited numbers. We were also unable to speak to staff in as much depth as we would like, and, as a result, this report has focused primarily on resident experience and the impact of housing and our ability to fully implement the MSC methodology was limited.

### **2.2.3 Economic evaluation**

The underlying approach to the economic evaluation is to establish, map and measure the flows of finance in the overall intervention. More specifically, we consider such flows from the point of view of the housing providers, the social financiers and ultimately the investors.

The two social financiers adopt different approaches to making housing available to providers: in the case of Resonance, ten-year leases to Nacro and SHG, and in the case of SASC, a form of loan finance to Target and P3, allowing them to “purchase” the property, but where the outstanding balance is due for repayment at the end of the intervention.

Further complicating the issue, each of the housing providers has adopted a different model to making the housing available. Similarly, the relevant counterfactual varies with the provider – though in every case a reasonable counterfactual would be to utilise the Private Rental Sector, PRS. Ultimately, therefore, it is not one model of evaluation we must develop, but rather six; though each is based on a similar financial approach.

As the intervention is still ongoing the overall return depends on future out-turns; in particular, the final value of the property portfolio. To model future financial flows, we specify a portfolio of properties for each housing provider, – and hence each social financier – based on the mix of property types and location purchased in each case. This allows us to determine: i) the approximate rental cost of a similar portfolio in the Private Rented Sector – we use this data in the counterfactuals and ii) the value of a similar portfolio of houses.

The likely rate of increase of house prices for each of the four portfolios is forecast using time-series modelling. To estimate future receipts and costs in real terms, we proxy the rate of price inflation in the UK economy using the GDP deflator. This is also forecast using time-series modelling, as is the rental cost in the private sector. Where LHA rents are received by the housing provider, we note the stepwise nature of LHA rates, and assume, though these broadly track local rents in the longer-term, they are stable for extended periods of time. Based on past periods of stability in LHA rates, we forecast a step-change to these will occur in 2028.

The profitability of Everyone In provision to the housing providers is based on income and costs in a year (in the case of Nacro and SHG) – or years (in the case of P3 and Target). We assume, if the providers at least break even in the years under consideration, it is likely they will continue to at least break even over the period ending December 2030.

The real return to investors is determined by combining the total expected net real financial flows to December 2030 with the likely value of the property portfolio as at December 2030. Comparing this to the value of the investment allows us to determine the expected real rate of return.

## 2.3 Selection of case studies

Given that evaluation questions seek to understand the interplay between funding models, types of provider organisation and local housing systems, a focus on local authority areas seemed most appropriate. We selected case studies that represented each of the providers: Nacro, P3, SHL, and Target Housing. This also included both of the fund managers. We then selected local authorities within which each of the providers operated aiming for a mix of local authority types – unitary and district – and local authorities in more urban and more rural areas. We also had to make some pragmatic choices based on levels of cooperation offered by local provider teams.

The final selection of case studies is described in Table 3:

Table 3. Description of Case Studies that are Analysed in this Evaluation.								
		Org Type	Inv. Model	Prop Quant	Prop Type	Client Group	LA Type	Place Type
Nacro		Charity	Lease	56	1-bed	General homeless population	Borough/ Combined Authority	Urban
P3		HA	Lease	36	1-bed	General homeless population	Unitary	Rural
SHL		ALMO	Lease	28	Mixed	General homeless population	Borough/ Combined Authority	Urban
Target	THRIVE	HA	Owner	11	Mixed	Severe Mental Illness	Unitary	Urban
	CJS	HA	Owner	7	Mixed	Criminal justice	Unitary	Urban

## 2.4 Main data sources

### 2.4.1 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 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 SASH 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.

#### **2.4.2 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. The 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. Research assistants quantified key variables from the case files that were relevant to each theory of change. Each research assistant independently counted selected variables before their outputs were compared and reconciled to reduce bias. 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.

Table 4 describes the case file data that we collected and the demographic characteristics of clients whose experience is documented in those records. The 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 formal process tracing 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.

**Table 4. Description of the Case File Data and Service Recipients (2023–2025).**

		Total	Male	Female	White British	Racially Minoritised People	Aged 40 to 60
Nacro		29	27	2	17	12	17
Target	THRIVE	11	8	3	9	2	8
	Criminal Justice	7	6	1	6	1	3
<b>Total</b>		<b>46</b>	<b>41</b>	<b>5</b>	<b>32</b>	<b>14</b>	<b>27</b>

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.

### 2.4.3 Interview data

Table 5 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 5. Description of the Interviewees That Participated in this Evaluation.**

Stakeholder Class	Organisation	Frequency
Investor	MHCLG (formerly, DLUHC)	2
	BSC	2
Fund manager	Resonance	1
	SASC / SASH	1
Investees	Nacro	9
	P3	9
	SHL	3
	Target	20
Commissioners	GLA	1
	GMCA	0
	Sheffield	2
<b>Total</b>		<b>50</b>

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 support process tracing 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. Implementation evaluation

Overarching questions that guided the implementation evaluation were:

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

We used administrative data generated by the providers and fund managers to analyse whether the programme reached its intended recipients. We also undertook a programme of interviews with key informants to evaluate implementation during the first year of the evaluation (2023-4). We reported on this at length in our first annual evaluation report and we summarise these findings here.

### 3.1 Did the programme reach its intended recipients?

Given the SIP's objective to support people experiencing or at risk of homelessness and rough sleeping a high number of units purchased through the fund should be located in local authorities (LAs) 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 March 2025), were assessed against five key measures of need in each LA:

- the number of homelessness assessments ([January-March 2025 MHCLG Statutory Homelessness Statistics](#))
- the number of people experiencing rough sleeping ([Autumn 2024 MHCLG Rough Sleeping Snapshot](#)). We note the 2025 Snapshot is not yet available.
- the number of households living in temporary accommodation ([January-March 2025 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](#)). We note this is the latest year for which this data is available.
- The percentage of total monthly household income spent on private rent, by Local Authority ([2024 Office of National Statistics Private rental affordability, England and Wales](#)). We note this is the most recent data available.

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 local authorities 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 local authority in which it is located and to the attendant decile for each indicator.

### 3.1.1 Geographical Dispersion

The SASC, NHPF2, and REIF included a combined total of 560 properties, spread throughout England and Scotland. NHPF2 has the highest number of properties (392), followed by SASC (112) and REIF (56). Figure 11 shows more properties and units were located in the North West, and London. No properties were located in the North East of England. Only properties in England are ( $n = 528$ ) are included in the analysis that follows, due to a lack of comparability between homelessness statistics across England and Scotland.

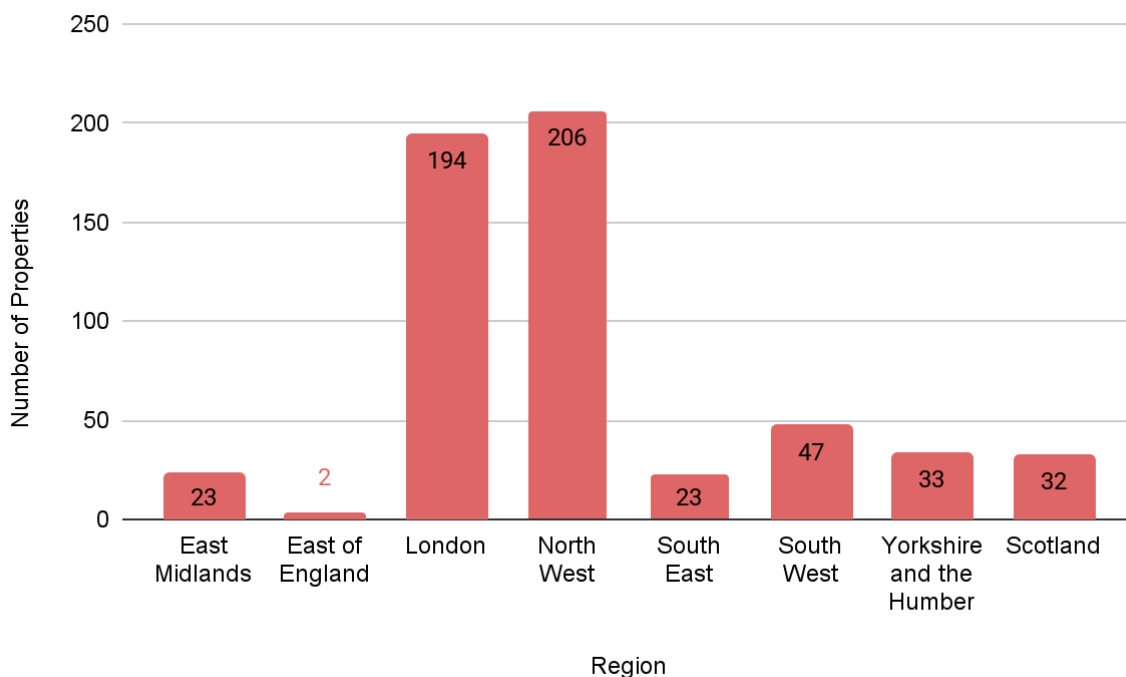


Figure 11. Number of properties per region.

### 3.1.2 Targeting based on homelessness assessments

Most properties were in areas with the highest number of homelessness assessments, broadly in keeping with the previous report. Figure 12 demonstrates 180 properties (c.34 percent of the total) were located in the top 10 percent of Local Authorities with the highest number of homelessness assessments (D10). A further, 219 properties (c.41 percent) are in the next 10 percent of local authorities (those ranked between the 80th and 90th percentile (D9)).

Across the top 40 percent of Local Authorities (D7 to D10), there were 481 properties (c.91 percent of the total). The overall picture therefore is that most properties are in areas with higher numbers of homelessness assessments. This pattern is largely driven by the NHPF-funded programme, which accounted for 71 percent of all properties, and 78 percent of properties in the top 40 percent of Local Authorities by homelessness assessments.

Only 25 properties (c.5.0 percent of the total) were in local authorities with homelessness assessments at or below the median level (D1-D5).

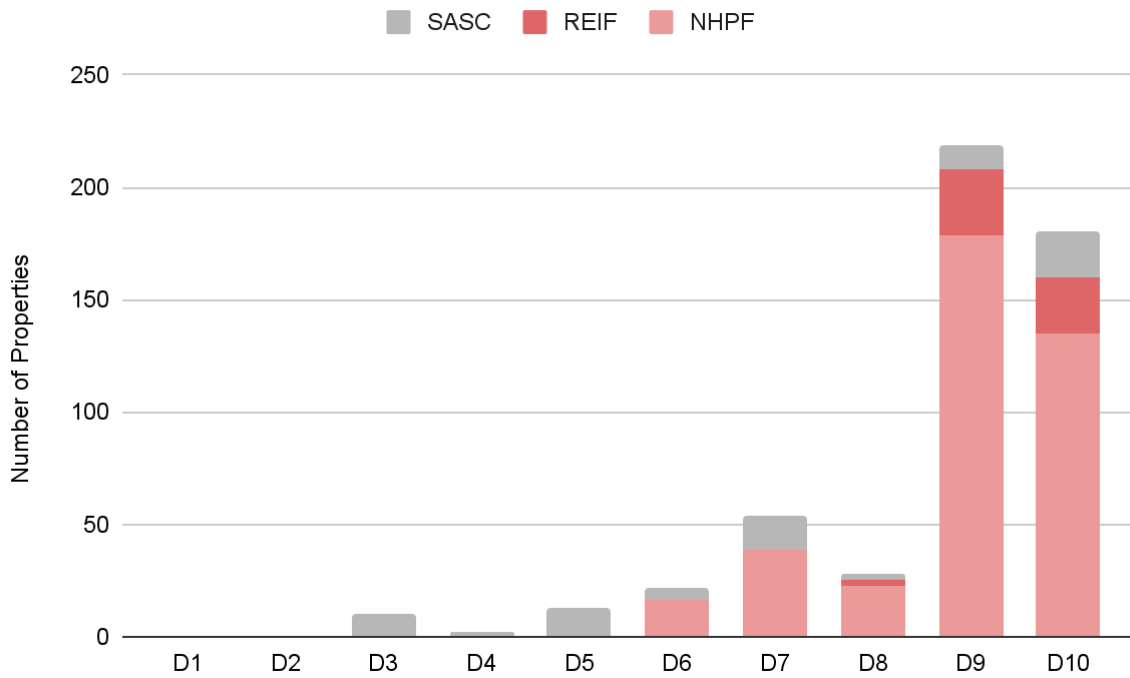


Figure 12. Number of Properties per LA by Decile of Initial Homelessness Assessments.

### 3.1.3 Targeting based on rough sleeping figures

Programme units were distributed across a wider range of local authorities when indexed against rough sleeping levels (MHCLG Rough Sleeping Snapshot 2024) as opposed to homelessness assessments.

Figure 13 shows the highest concentration of properties was in the 8th decile (191 properties, c.36 percent of the total), that is, in local authorities that are among the top 20-30 percent nationally for the number of individuals sleeping rough. A further 136 properties were in the top decile (c.26 percent), meaning the 10 percent of local authorities with the highest rough sleeping counts. There remains a strong presence overall in local authorities with higher levels of rough sleeping: together, deciles D8-D10 account for more than 70 percent of all properties.

However, only 4 properties (c.1 percent) were located in the 7th decile, a substantial reduction from the previous report, reflecting shifts in local authority decile rankings rather than movement of properties. While the pattern has shifted, the core finding remains: most programme units were located in areas with higher numbers of people sleeping rough.

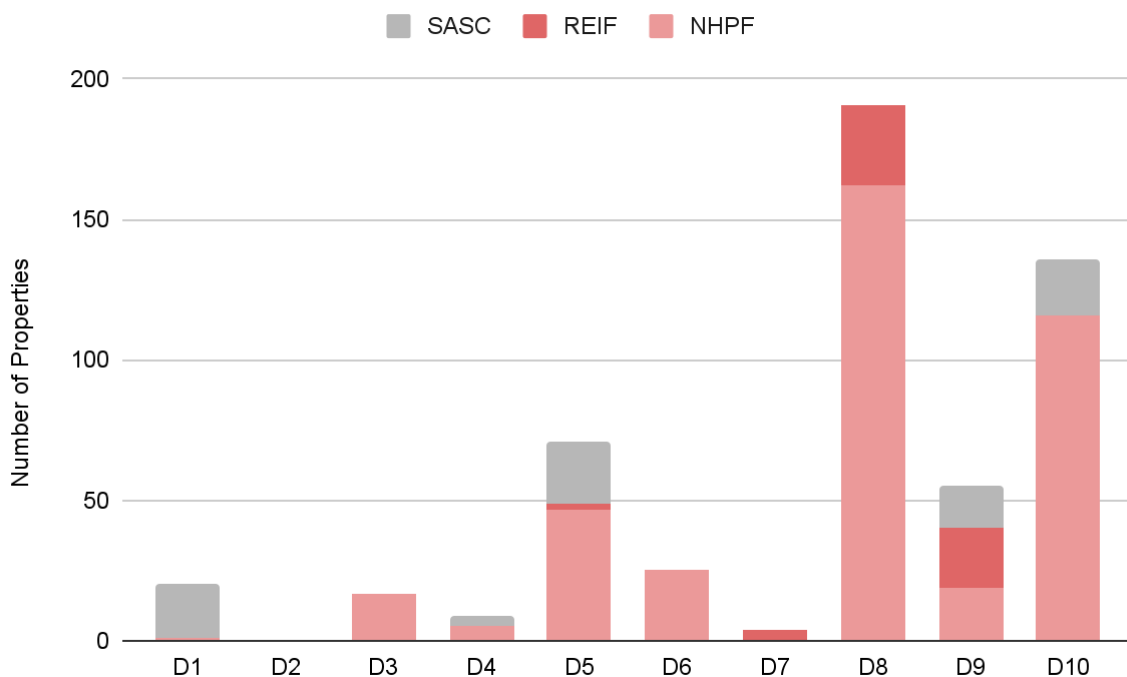


Figure 13: Number of Properties per LA by Decile of Rough Sleeping Count.

### 3.1.4 Targeting based on Households in Temporary Accommodation

Figure 14 indicates most properties were located in areas with the highest numbers of households living in Temporary Accommodation (TA). Based on the latest analysis, 238 properties (c.49 percent) are in the top 10 percent of local authorities based on the number of households in TA. A further 59 properties (c.12 percent) are in the next 10 percent (ranked 80th to 90th percentile). In total, 403 properties (c.83 percent) were in the top 40 percent of local authorities with the highest numbers of households in TA.

This demonstrates a clear alignment with areas of greatest need based on demand for TA. The concentration is driven largely by the NHPF-funded programme, which accounted for more than two-thirds of units in these highest-pressure areas.

Only 34 properties (c.7.0 percent) were in local authorities at or below the median level of TA. Most of these were SASC-funded units.

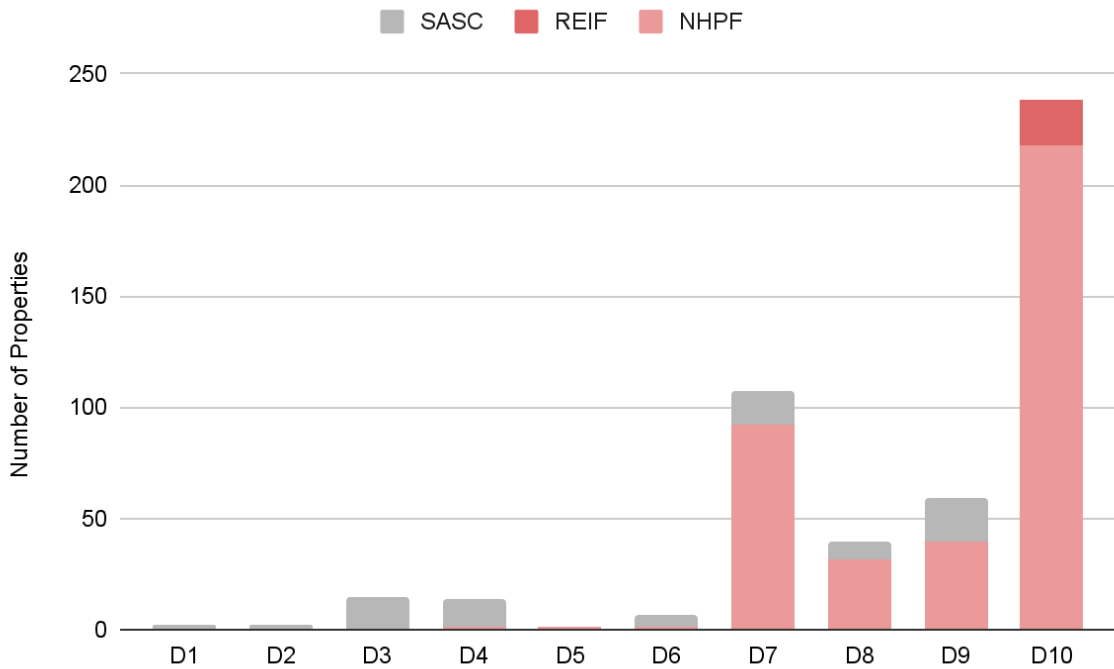


Figure 14: Number of Properties per LA by Decile of Households in Temporary Accommodation.

### 3.1.5 Targeting based on Income Deprivation Rate

Most properties and units were in areas with high income deprivation rates (see Figure 15). In the latest analysis, 147 properties (c.28 percent of the total) were located in the 10 percent of areas with the highest income deprivation rates.

446 properties (c.84 percent of the total) are located across the top 40 percent of Local Authorities, compared with c.75 percent in the previous report. This concentration is driven primarily by properties in the REIF and NHPF-funded programmes, which together make up the large majority of units in the top 40 percent.

Only 63 properties (c.12 percent of the total) were in local authorities with income deprivation rates at or below the median, fewer than the c.21 percent recorded in the previous report.

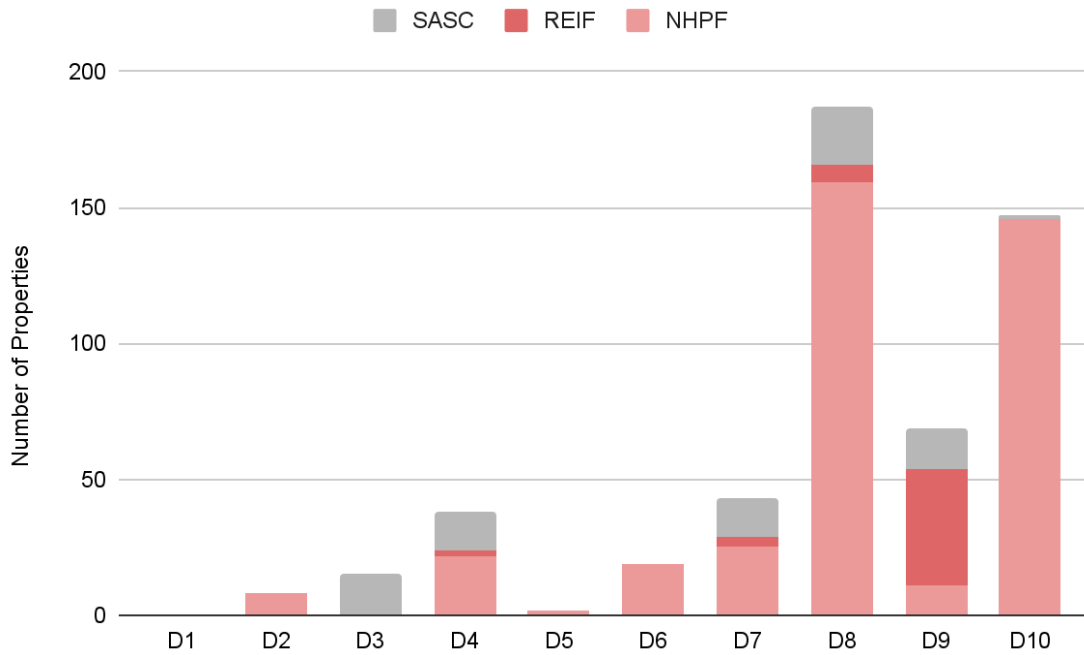


Figure 15: Number of Properties per LA by Decile of Income Deprivation.

### 3.1.6 Targeting by Affordable Rental Housing

Figure 16 shows the distribution of properties across Local Authorities, grouped by deciles of housing affordability. 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. Therefore, lower deciles reflect areas where rents make up a smaller percentage of median incomes in that area and higher deciles reflect rents that are higher in relation to median incomes in that area.

In the this analysis, 47 properties (c.9.0 percent of the total) were located in the 10 percent of areas with the least affordable housing. Overall, 341 properties (c.65 percent) were located in the top 40 percent of least affordable areas.

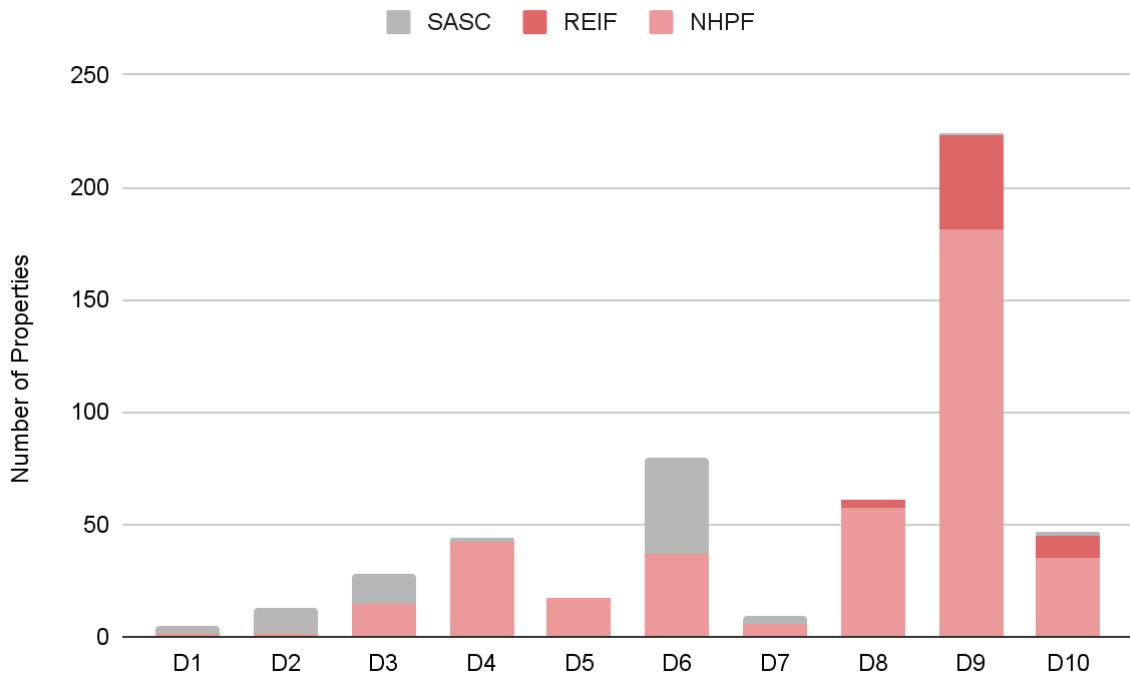


Figure 16: Number of Properties per LA by Decile of Rent Affordability.

### 3.1.7 Discussion

In summary:

- Across all funds, single households were the dominant category of household composition for tenants.
- NHPF2-funded units showed a decrease in single households (from c.81 percent in 2023-2024 to c.72 percent in 2024-2025), though they still constitute the largest household type. Single parent households in NHPF2 have increased slightly as the programme has expanded to c.16 percent, though this remains well below the c.40 percent reported in 2022-2023.
- Households across all funds continue to have a high proportion of people who are unemployed or face barriers to work. Notably, in SASC units, the proportion unable or facing barriers to work has almost doubled from c.17 percent in the previous report to c.33 percent.
- Temporary accommodation continues to dominate as the largest category of households' prior housing situation across all three funds.

The three BSC-sponsored affordable housing funding programmes explored in this analysis were well targeted in terms of all measures of housing need, with most properties located in the top few deciles of local authorities for each measure. For homelessness assessments c.91 percent of properties were in the top 40 percent of local authorities, with c.34 percent of all properties in the top decile (D10). Similarly, for temporary accommodation, c.83 percent of properties are in the top 40 percent of LAs, and for income deprivation c.84 percent are in the top 40 percent. These patterns demonstrate clear alignment with areas experiencing the most acute homelessness pressures and socioeconomic disadvantage.

## 3.2 Has the programme been implemented as intended?

### **3.2.1 Programme Theory of Change**

Across the different delivery partners, the underlying theories of change shared several common mechanisms. First, secure and good-quality housing was seen as the foundation for stability, recovery, and engagement with support services. Second, evidence-based, person-centred casework, drawing on trauma-informed and strengths-based practice, was expected to foster independence and self-sufficiency. Third, ongoing collaboration and learning between investors, fund managers, and service providers would create a virtuous cycle, building evidence and confidence to attract future investment.

### **3.2.2 Implementation Overview**

BSC played a central role in designing the SIP, securing funding and conducting due diligence. It persuaded ministers, departmental leaders, pension funds and philanthropic foundations to participate. The selected fund managers then recruited local delivery partners and took responsibility for acquiring and, in some cases, managing properties.

Implementation involved detailed financial and operational governance arrangements. Fund managers were required to submit quarterly performance reports based on key performance indicators, with BSC and MHCLG using these to monitor progress. Money was released in stages as each fund manager achieved agreed milestones. Regular meetings between fund managers and local partners were used to troubleshoot procurement difficulties, maintenance issues and tenancy challenges.

At the service-delivery level, charities and housing associations embedded approaches that were person-led, trauma-informed and strengths-based. Evictions were rare. Caseworkers focused on building trust, mediating neighbour conflicts and adapting support to the changing needs of clients. Many organisations had to hire additional staff, create new roles, or amend their internal procedures to meet the administrative and reporting demands of the SIP.

### **3.2.3 Enablers of Implementation**

Several factors proved instrumental in enabling the SIP to take root. The pandemic itself created an unprecedented sense of urgency and unlocked new funding streams for homelessness, while also reducing bureaucratic obstacles that might normally have slowed innovation. Because BSC had developed the SIP design before COVID-19, it was able to present a fully formed proposal precisely when government was seeking rapid, scalable solutions.

Existing relationships between BSC, MHCLG (as was), fund managers, and frontline charities and housing associations allowed the programme to be mobilised quickly. The structure of delegated discretion gave fund managers the flexibility to adjust procurement rules and eligibility criteria to reflect local housing-market conditions.

Effective communication and information flows were also crucial. Regular KPI reporting and frequent meetings allowed issues to be identified early, kept staff morale high, and reassured investors about progress. Professional advice from fund managers helped charities to implement the model, while the charities and housing associations' own local market knowledge informed fund managers' purchasing decisions. The very existence of the SIP properties strengthened the position of some partner organisations, who had previously held only a limited

stock of their own properties, enabling them to form new collaborations with local commissioners and other service providers and to access essential resources for tenants.

### **3.2.4 Barriers and Challenges**

The evaluation identified a range of barriers grouped into three broad areas.

#### *Market Constraints*

The first set of barriers were related to the housing markets where fund managers bought properties. Rising inflation that stemmed from COVID-19 caused housing prices to increase significantly in the UK (ONS, 2023). Fund managers set a price cap to meet procurement targets. But soaring costs made it hard for fund managers to buy quality units within their initial price range.

The impact of inflation on house prices varied across local authorities. For Resonance, this expedited procurement in some councils but slowed it down in others resulting in repurposing the funding towards families moving out of temporary accommodation in one area where one-bedroom flats were in short supply. SASC reported similar constraints in a housing market outside of our sampling frame, but was able to buy desired properties in the case studies that we analysed.

Fund managers responded to inflation by rising price caps and/or expanding procurement timelines. But even with these adjustments, some investees said inflation still made it hard for them to buy the ground-floor properties that their clients needed. This either limited the number of people with severe physical disabilities that accessed SIP properties or forced people with those conditions to live in suboptimal accommodation.

Other investees said they were unable to purchase one-bedroom units. Key stakeholders addressed this by changing the eligibility criteria for SIP tenants, modifying quality thresholds, and/or offering house shares to some clients. The latter caused problems when the tenants did not get along with each other and occasionally led to tenant relocations.

In other cases, fund managers could not buy properties in desired neighbourhoods. Although the price of housing in ‘good’ neighbourhoods was a factor, staffing constraints also limited the geographic spread of SIP properties in some case studies because investees lacked enough caseworkers to assist clients who were dispersed geographically. Some clients were consequently housed in “poor” neighbourhoods and/or ones geographically isolated from their support network. This could undermine investee’s goal to make SIP tenants more self-reliant and socially integrated.

Regardless of the cause, unexpected constraints in the property market slowed procurement. Fund managers were unprepared for this and had to quickly adjust their procurement policies to accommodate market conditions. Doing so sometimes meant investees had to modify the housing offers that were made to clients. On occasion, this compromised the social impact of those programmes by placing clients in suboptimal properties.

Local property markets also made it harder to move-on clients with a one- or two-year lease. In some cities, where private lets are expensive and social housing stocks cannot meet demand, clients have limited options to move-on when their SIP lease ends. The pool of potential move-on accommodation was truncated by high rents, which sometimes exceeded those of social lets,

that investees charged clients to cover the cost of services and accommodation. This concerned some staff that a portion of SIP tenants would refuse or would be unable to pay those rents.

Aside from that, an obvious implication of high rents is SIP tenants would be unable to save money to move-on when their lease ended. With inadequate savings, those clients would be forced to let units that were lower quality than their SIP property.

Some investees worried that clients would balk at moving onto independent accommodation when their SIP lease ended. Some investees planned for that situation by setting aside resources to extend the lease of clients who struggled to move-on for six to 12 months. At the time of this study, few clients had involuntarily needed to move-on. So, the evaluation team cannot comment on the efficacy of that approach. But the key point is rents in the standard rental market interacted with those of SIP properties to complicate programme goal achievement by agencies that provided temporary accommodation.

### *Tenant Characteristics*

The second set of barriers pertain to the characteristics of tenants. Some SIP programmes used a ‘treatment first’ model to deliver services. That model assumes clients had become “housing ready” after receiving rehabilitative services in the hostel system (Padgett, Henwood, and Tsemberis, 2016). SIP tenants who were in a treatment first programme were assessed for housing readiness before occupying a property. Assessment processes sometimes failed to select housing ready tenants who could manage their tenancy.

This created a problem for caseworkers when clients did not immediately make personal changes when they became SIP tenants. Three SIP programmes provided fixed-term leases that ended after one or two years. Tenants in those programmes were expected to participate in supportive services that prepared them to move-on when their lease ended. But even with the looming threat of displacement or homelessness, some caseworkers struggled to get their clients engaged with services.

The need for caseworkers to motivate service engagement sometimes conflicted with their property management role. In addition to helping clients become self-reliant, caseworkers had to collect rent, coordinate maintenance repairs, address neighbour complaints, and/or facilitate property relocations. When clients struggled to fulfil their lease obligations, caseworkers had to confront their actions and consequently jeopardise rapport. Repeated efforts to obtain unpaid rent caused some clients to question the motives of their caseworker. This demotivated service engagement and preparation to move-on to independent accommodation.

The onus on caseworkers to maintain properties sometimes undermined rapport with clients if a problem could not be immediately solved. Weakened rapport made it tough for caseworkers to encourage clients to use supportive services. On the one hand, that could limit the SIP’s social impact by destabilising tenancies and putting clients at risk of homelessness. On the other hand, it could undermine economic return for investors if clients stopped paying rent or the service providers was prohibited from letting units in a building.

That said, implementation problems were also confronted by staff who managed ‘Housing First’ programmes. Housing First is a service model that defines permanent accommodation as a prerequisite for rehabilitation because the basic needs of service users need must be met before personal changes can happen (Tsemberis, 2010). Unlike treatment first programmes, which screen applicants for housing readiness, Housing First providers assume everyone is ready for housing, regardless of their desire to change. Target’s THRIVE programme operated a model similar to Housing First.

SIP tenants who participated in that programme often had a severe mental illness and/or substance misuse problem that complicated their tenancy. Some clients were “cuckooed” ie their property was taken over without the tenant’s permission, by drug dealers that created problems for their neighbours. This generated complaints from neighbours and eventually resulted in two property relocations. Doing so required financial outlays by Target and tensions with neighbours at different properties that could prevent other clients from living in those units.

At other times, the behaviour of clients required Target to finance unit adaptations. One tenant needed their bathroom modified after their suffered a stroke that stemmed from their alcoholism. Another tenants had CCTV installed outside their front door and additional locks put on their windows to prevent drug dealers from cuckooing their property. Both examples demonstrate tenant characteristics were sometimes a barrier to SIP implementation by Housing First programmes.

The key difference between Housing First and treatment first programmes was the former worked with clients indefinitely. This was essential for clients with complex needs who could not sustain a tenancy in independent accommodation after one or two years. Treatment first programmes were designed for clients who needed short-term assistance, but participants said most of those clients required long-term support and were unprepared to move-on when their lease ended. Although the agencies delivering treatment first programmes were on track to meet their economic targets, the social impact of those interventions could be undermined by the mismatch between client needs and lease model.

#### *Organisational (in)capacity*

The last set of barriers concern incapacities of organisations that in/directly implemented the SIP. We focused attention on local government, investors, and investees. Participants faced barriers that differed across local governments. Some fund managers negotiated lease contracts with a combined authority that included multiple councils. This created problems when Resonance was developing a lease for SIP tenants with a local authority. An administrator from SHL said this was a long, arduous process. It was originally assumed the longstanding relationship between the local authority and SHL would expedite that contractual negotiation.

Resonance was thus surprised when the process took longer than anticipated and delayed the leasing of SIP properties. This interacted with the property constraints mentioned above. Procurement and letting consequently took longer than Resonance originally anticipated.

Local authorities also varied in the efficiency of their benefit system. SIP tenants relied on Housing Benefit to pay rent. Housing Benefit is administered by local government and therefore subject to organisational variation. Although two investees said their local authorities quickly and accurately processed Housing Benefit applications, another one reported long delays in their authority with two clients in constant debt with the council and one tenant with substantial arrears because the local authority didn't recognise the property was supported living accommodation and refused to pay all the rent. Delayed changes of Housing Benefit both hindered economic returns and potentially set up conflicts with tenants that could undermine their rapport with caseworkers.

Local governments also interrupted rent payments with annual reviews. If clients failed to notify caseworkers about the review, then their Housing Benefit would be terminated and rent arrears would increase. Like delayed changes, a termination could interrupt income and risked conflicts with tenants. Because caseworkers managed SIP properties, they were also point of contact that clients blamed when things went wrong. This tension could undermine service engagement and

the social impact of a SIP programme. The limitations of local government in processing Housing Benefit claims was therefore a barrier to SIP implementation that investees had to manage.

We also considered implementation from the perspective of investors. MHCLG staff said the SIP's novelty initially made it difficult for them to plan implementation. Whereas traditional grants had clear reporting processes to measure performance by trusted partners, the SIP ceded more control to third-party agencies with whom MHCLG was unfamiliar. The delegation of control to third-party agencies was complicated because MHCLG staff reported to Ministers who were politically accountable to voters.

Beyond financial reporting, investors had to create new mechanisms to provide updates on operations and impact. Investors quickly developed a new reporting system that was appropriate for the SIP. Working out appropriate data flows that met requirements for data confidentiality and appropriate data sharing was sometimes complex. A set of KPIs were ultimately selected that BSC used to produce quarterly reports for MHCLG staff. At accompanying quarterly meetings, MHCLG staff received progress updates and asked questions about implementation issues that had emerged.

Lastly, the organisational processes of investees complicated implementation. Here we focus on two processes that are related to topics that were previously discussed. Procurement is the first process. Some investees helped their fund manager buy properties. Because some investees were service providers who had only leased properties, they had to develop knowledge about the procurement process while implementing the SIP. This slowed procurement with mistakes that investees committed while learning the process. Investors reported that procurement was also slowed by bureaucratic processes that the investees used to procure units, including practices such as approvals to buy properties going to a monthly trustees meeting or board meeting.

In addition to procurement, organisational capacities also complicated data production for and sharing with investors. Investors identified that assembling evidence of impact was a key risk to the programme. Inadequate data made it hard for BSC to give MHCLG updates on SIP progress. Resonance attributed their data lags to inadequate guidance given to investees. Establishing clear data policies at the front end of the pilot would have smoothed communication between each stakeholder. Given the novelty of using this asset class to address homelessness and the dearth of research on its efficacy, it is reasonable to assume sceptical private investors will understandably expect quality data for quarterly reports.

### **3.2.5 Programme-Level Findings**

#### *Investor perspectives: MHCLG and BSC*

Both MHCLG and BSC shared the goal of reducing homelessness while proving that a social-investment vehicle for affordable housing was feasible. Each faced internal and external persuasion challenges. Within government, MHCLG officials had to convince ministers and departmental heads that this novel product would deliver value for money. Externally, BSC had to persuade private investors that social outcomes could be achieved without sacrificing financial return.

BSC's reputation for rigorous risk management and its established relationships with fund managers were key enablers. The pandemic created a moral and political imperative that aligned the interests of investors and policymakers. Nevertheless, inconsistent data reporting made it difficult to maintain oversight, and sharp rises in housing prices slowed procurement. Digital

communication during lockdowns, however, allowed BSC, MHCLG, and the fund managers to maintain close coordination and respond quickly to emerging problems.

### *7.2 Fund-manager perspectives: Resonance and SASH*

The two fund managers had to balance twin accountabilities: achieving measurable social impact while delivering returns of between three and six per cent to investors.

Resonance encountered market barriers and political complexities, particularly in Greater Manchester. Differences between investors' reporting requirements added administrative burden, and disagreements with some service providers about property standards caused delays. Resonance responded by relaxing procurement requirements, altering eligibility rules to make use of available stock, and maintaining regular dialogue with its partners.

SASH faced challenges of its own. Some of its investees were slow in decision-making or reluctant to share client data for privacy reasons, and several councils disagreed with SASH over how SIP properties should be used. The organisation mitigated these issues through collaborative problem-solving, gradual property purchasing to avoid overstretch, and the creation of peer-learning forums for investees.

In both cases, successful implementation was supported by organisational experience, flexible management, and long-standing relationships with BSC.

### **3.2.6 Local Implementation and Case Studies**

#### *Nacro (Resonance)*

Nacro leased 56 high-quality properties from Resonance in East and South-East London for ten years, sub-letting them to tenants for two-year periods. Tenants were typically people who had been sleeping rough or were at risk of homelessness and who often had complex support needs.

Implementation was supported by Resonance's professional advice, high-quality properties that enhanced engagement, and Nacro's local networks that provided furnishings and ancillary services. Barriers included initial difficulties with Resonance's digital reporting system, GLA funding restrictions that limited wrap-around support to two years, and high rents that made it difficult for clients to move on. Nacro responded by hiring new staff, extending some tenancies to up to 18 months beyond the limit, and embedding evidence-based approaches such as harm-reduction and trauma-informed care. Fidelity to the original plan was high, though time restrictions on support conflicted with the needs of more complex clients.

#### *P3 (SASH)*

P3 used a loan from SASH to buy 36 properties across Gloucestershire, Wolverhampton and Lincolnshire. Clients were homeless or at risk, most of them single adults.

The organisation faced difficulties with tight local housing markets, occasional interpersonal conflicts in shared housing, and the dual role of being both landlord and support provider. Nevertheless, high-quality homes fostered trust and motivation among tenants, and P3's in-house maintenance team enabled quick responses to property issues. Its existing infrastructure and experience with homeless services proved invaluable. The charity maintained a policy of using eviction only as a last resort. Although the secure housing improved stability, many tenants still struggled to move on because of high rents and a lack of affordable private lets.

#### *Stockport Homes Group (SHG) (Resonance)*

SHG leased 18 properties from Resonance in Stockport. As an established housing association with deep knowledge of the local market, SHG was well placed to assist with procurement.

The organisation faced a very tight housing market that limited access to one-bedroom flats and experienced prolonged contract negotiations with the Greater Manchester Combined Authority. Nevertheless, SHG's in-house expertise and maintenance services allowed rapid inspections and repairs. Resonance granted it flexibility to adjust eligibility criteria, allowing the inclusion of homeless families when suitable single-person units were unavailable. Although this represented a deviation from the original target group, it increased throughput and made effective use of available stock.

#### *Target Housing (SASH)*

Target Housing purchased 18 properties across Sheffield, Rotherham, Doncaster and Hull, serving ex-offenders, domestic-abuse survivors and people facing multiple disadvantage.

Housing-market constraints limited access to ground-floor flats for disabled clients, and rapid organisational growth created internal pressures. Information-sharing with external agencies was sometimes hampered by confidentiality rules, and high rents restricted positive move-on. Nonetheless, the SIP expanded Target's property portfolio, improved relationships with funders, and enabled it to serve new client groups. Staff reported that quality accommodation enhanced trust between caseworkers and clients. Target hired new employees, created new processes for purchasing and letting properties, and adopted person-led, strengths-based and trauma-informed methods of support.

### 3.3 Implementation conclusions

#### **3.3.1 Reach**

Resonance properties were concentrated in London and Greater Manchester, areas with high levels of homelessness and deprivation, while SASH properties were more geographically dispersed across the UK. Available KPI data indicated that tenants were mostly single adults or lone parents who had previously been rough sleeping or living in temporary accommodation. This suggests that the SIP largely reached its intended population.

#### **3.3.2 Fidelity**

Delegating substantial control over implementation to third-party fund managers introduced new layers of complexity and reduced MHCLG's direct oversight of public funds. This carried political and reputational risks if the programme failed to deliver. There was also a risk that failure to achieve the expected level of financial return would discourage private investors from supporting future ventures of this kind.

Volatility in property markets could affect both costs and returns, jeopardising the financial sustainability of the funds. At the operational level, inadequate data reporting or inconsistent performance information could limit accountability. Finally, there were client-level risks: if the selection of tenants or the provision of support was poor, tenancies might break down, undermining both social and financial outcomes.

However, in broad terms, these risks either failed to materialise or were mitigated. All participating organisations successfully accessed properties, provided secure accommodation and delivered support consistent with their theories of change. Deviations largely reflected external constraints such as market conditions or short-term funding for support.

### **3.3.3 Dosage**

Tenancies lasted for two years in three case studies, with intensive support at the beginning that tapered as tenants became more independent, but were not time limited in the two other ones. Caseworkers created and regularly updated individual support plans, connected clients to health and employment services, and addressed behavioural or tenancy issues as they arose. Some organisations extended leases for clients who required longer support.

### **3.3.4 Differentiation**

Compared with traditional grant-funded programmes, the SIP displayed several distinctive characteristics. It enabled faster and larger-scale acquisition of housing, since fund managers could purchase portfolios rather than rely on incremental grant cycles. The model provided access to better-quality homes in safer neighbourhoods, offering tenants stability and dignity. The security of longer leases allowed caseworkers to spend more time building relationships and applying evidence-based interventions that were not feasible within short-term grant frameworks.

The SIP's structure also strengthened participating charities by giving them tangible assets and predictable revenue streams, improving their resilience and competitiveness for future grants. The relationship between fund managers and delivery organisations was less vulnerable to short-term political change than traditional funding relationships.

However, the approach also exposed charities to new financial risks, such as potential penalties for void properties or rent arrears. A few practitioners expressed concern that secure tenancies could sometimes reduce clients' motivation to move on, and all participants acknowledged that affordability constraints in the wider housing market remained a structural limitation.

### **3.3.5 Discussion**

The evaluation identified several themes that recurred across all tiers of the programme. On the side of barriers, the most persistent issues were the challenge of convincing sceptical policymakers and investors to back an untested model, the lack of standardised reporting, the impact of inflated property prices, delays caused by multi-agency governance, gaps in data sharing, limited staffing, and the complexity of clients' needs.

Equally, a set of common enablers emerged. The pandemic created the urgency that made innovation politically possible. The existence of a well-developed design and extensive professional networks allowed rapid mobilisation. Flexibility and discretion at the operational level proved vital, as did the role of high-quality housing in building trust with clients. Mutual learning and collaboration between investors, fund managers and service providers strengthened relationships and kept the programme on course.

Across the programme, effective strategies included coalition-building across sectors, thorough due diligence in partner selection, adaptive management of timelines and procurement policies, incremental funding releases tied to milestones, intensive and relational casework using trauma-informed practice, and mediation to prevent evictions.

The Social Investment Programme has demonstrated that property-based social investment can provide secure housing for homeless households while maintaining investor confidence and generating modest financial returns. The pilot successfully rehoused hundreds of people across England, strengthened delivery organisations, and produced valuable learning for the design of future blended-finance models.

Implementation fidelity was generally high despite the challenges of the pandemic and volatile housing markets. The programme achieved its intended reach, delivering meaningful support through stable tenancies and person-centred casework. It also differed markedly from traditional grant funding by providing greater flexibility, sustainability and partnership balance, even though it introduced new administrative complexity.

Social investment is not a substitute for public funding, but the evaluation shows that it can be a useful complement when combined with adequate welfare support, capable local governance and relational models of service delivery. The approach offers a route towards more sustainable homelessness provision if these wider conditions are in place.

## 4. Economic Impacts

This section presents the economic impact of social investment financing on each case study in the following order: Nacro, P3, SHL, and Target Housing. We also estimate the expected returns, over the life of the intervention, to Resonance and SASC. These expected returns involve the specification of a time-series model to forecast future price changes.

### 4.1 Nacro

Nacro run a supported housing scheme in London leasing properties from Resonance (social investor) for clients accessed from the GLA clearing house service aimed at settling homeless people (individuals).

Nacro have a five-year programme with GLA offering two-year tenancies to their clients (with housing support services). Resonance purchased the properties in discussion with Nacro and the latter have a ten-year leasing arrangement and responsibility for internal repairs, décor etc.

#### **4.1.1 Investment**

Resonance have purchased around 56 one-bed self-contained flats for the project. Resonance lease the properties to Nacro and earn a rental return. 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 good quality and spread around south-east and east London, and while the Nacro's tenants are geographically clustered (for management purposes), they are not segregated into blocks of flats for people with vulnerable with complex needs – instead they are housed in mixed neighbourhoods.

Resonance set the lease charge, and this goes up with the rate of inflation. The costs of Nacro are 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. This is included in the rent, circa £414 per week (it was £329 when the scheme started).

The rents are not “affordable” for a person who is working in typical employment. This is because the exempt rent is generally more than can be afforded by a person on the minimum wage. Poor employment prospects thus have the downside of entrenching welfare dependency, undermining the potential transitional nature of the accommodation.

### 4.1.2 Key Client Groups

Clients with different complex needs receive 3 hours housing support a week. There is a careful adoption approach to decide whether the client fits and Nacro fits the client – this far this has worked very well; and they have delivered a good record of sustained tenancies, with few, if any, examples of problems with neighbours or difficulties in maintaining tenancies (albeit with support). Clients present with a range of complex needs including mental wellbeing issues, physical health, tenancy sustainment issues and drug and alcohol dependence.

### 4.1.3 Income

The finances turn on the combined revenue from exempt HB (i.e. not limited by the relevant Local Housing Allowance limit) and the GLA’s funding of housing support staff deployed by Nacro. The EHB is not paid at a standard rate – Nacro puts together a budget which meets the different elements. An average weekly rent in 2024 was estimated to be circa £414, rising to £429 by early 2025. The delivery of the exempt HB is clearly critical to the project as this is greater than the LHA rate. As discussed above, a proportion, circa 58 percent, of the rent – on average estimated at £250 – is passed back to Resonance.

Resonance is responsible for external repairs – Nacro is responsible for tenant damage, day to day maintenance &c. Void costs and arrears are estimated to be 2 percent of income; in 2024/25 maintenance costs were £76,500. There are four annual reports from Nacro to Resonance; the annual cost of these, and the startup costs (pro-rata over ten years) is estimated to be £2,320. The cost of moving on a tenant is estimated to be £1750. In the 2022/23 year, there were 10-12 move-ons and it is hoped to hit the target of 15-20 each year (out of the 56); however, for the first nine months of 2025, only five tenants have been moved on. In the following we use a move-on rate of 12 for indicative purposes.

Income in a typical year (the data below are in April 2025 prices) is shown in Table 6 below.

Table 6. Typical Annual Income/Costs of Everyone In Properties Leased by Nacro.				
Annual Income (Weekly rent 56 properties)		Return to Resonance (58%)		Retained by Nacro (including costs as below)
£1,231,623		£716,294		£515,329
Typical Annual Costs				
Void/Arrears	Maintenance	Reporting	Move on	Total
£24,632	£76,500	£2,320	£21,000	£124,452

In April 2025, bearing in mind changing house prices<sup>12</sup> we estimate the portfolio was worth £15,216,321, which implies a nominal rate of return to Resonance of 4.71 percent. As we show below, the return to Resonance is not the same as the return to investors because of the fees and costs of running the fund. It will be seen, in a typical year, Nacro is forecast to make a surplus.

### 4.1.4 Counterfactual

An obvious alternative to housing people in Everyone In property would be for Nacro to find the same mix of accommodation in the PRS. Where a private landlord is providing the property, the EHB required would be higher. Rents are variable, depending on the lease agreement, but we understand £500 pw is a reasonable approximation. The annual cost would therefore be

<sup>12</sup> HM Land Registry (2025) *UK House Price Index: Reports*. Available at: <https://www.gov.uk/government/collections/uk-house-price-index-reports> (Accessed: 14 August 2025).

£1,461,400. This is 18.6 percent greater than the cost of accommodation and support under Everyone In.

#### 4.1.5 Risk

In line with the programme Theory of Change, Nacro believe what their model offers to tenants and partners is strong (secure and good quality accommodation); there is consistency of support workers for clients; the finances work for all parties; flat quality also means that there has not needed to be much upgrading or major maintenance. They contend that the weaknesses are: the inflexibility of the two-year lease to tenants; the housing support offer is challenging to staff; ongoing challenges with living costs and utilities for clients. The lower than expected move-on rate is indicative of the difficulty of finding suitable accommodation in the PRS for tenants.

Nacro recognise the risk that they have only two-year fixed tenancies and a five-year programme which is evaluated and monitored by GLA but a ten-year lease to fulfil. As with all the models reliant on exempt HB, there is also some degree of policy risk. It is not possible to quantify this risk, and hence we do not model it here.

#### 4.1.6 Summary

We anticipate that, under reasonable assumptions, Nacro will continue to at least break even on the intervention. The cost of the accommodation to the LA is reduced compared to renting the equivalent portfolio from the PRS. It follows Everyone In represents a substantial cost saving over the counterfactual PRS provision.

## 4.2 P3

P3's part in Everyone In involved working alongside Social and Sustainable Capital, SASC ultimately to purchase properties and deliver supported housing services to the client group. This helped P3 achieve a large-scale property that complemented their service delivery and property portfolio, allowing them to provide good standard, quality accommodation in areas where there is high demand, and often a severe shortage of alternative options.

P3 own 38 properties<sup>13</sup> financed by Everyone In through SASC; "P3 Loan 2" (22 properties) & "P3 Sidecar" (16 properties). These are located in Cheltenham, Gloucester, Grantham, Lincoln, Sleaford & Tewkesbury. The breakdown of the total portfolio is shown in Table 7.

Location	Ch'm	Chd'n	Gloucester		Grantham		Lincoln		Sl'd	Tsb'y
	2-Bed	1-Bed	1-Bed	2-Bed	1-Bed	2-Bed	1-Bed	2-Bed	1-Bed	1-Bed
	1	65	5	3	10	2	5	2	6	3

#### 4.2.1 Investment

Insofar as P3 are concerned, Everyone In is financed by SASC through mortgage style instruments: "P3 Loan 2" (£1,930,000) and "P3 Sidecar" (£1,780,000). The total value of the loans was £3,710,000 which funded: purchase prices; expected refurbishment; legal allowances; initial legal fees; and property management related to the purchase. The value of the portfolio, at the time of acquisition, was £3,565,864, which is comprised of purchase price and actual refurbishment costs.

<sup>13</sup> There is some inconsistency whether 5a & 5b Eastgate Street count as one × 2-bed property, or two × 1-bed properties. Here we adopt the latter classification.

SASC were heavily involved in the decision-making about which properties were purchased. There was something of a delay in purchasing property because of COVID – some properties were conveyancing for over a year.

#### 4.2.2 Key Client Groups

The Everyone In client group consist of single people, it is an intensive housing management model; for people who have complexity and a range of support 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. Everyone In generally houses clients with lower-level needs compared with some P3 tenants.

#### 4.2.3 Income

P3 operate a rent passthrough scheme, to meet the cost of the finance; but there is no fixed rate. The EI properties are run as break-even (net of management & maintenance) thus the payments to SASC vary to ensure this. From the third quarter, P3 charge a management fee as a proportion of the service charge, rather than the core-rent; maintenance is estimated as a flat fee across the whole P3 portfolio – the EI properties are not accounted separately. Bad debt, arrears and voids are costs borne by SASC, in the sense that the payments are reduced to account for such. In general EI properties rent is paid by social security through Local Authorities, and hence there are expected to be no rent arrears over the period of the intervention – there may occasionally be short-term arrears.

A summary of the income and costs of the properties purchased through Everyone In is shown in Table 8 below.<sup>14</sup>

Table 8. Annual Income/Costs of Everyone In Properties Operated by P3.						
Date	Rent Due	Management	Repairs & Maintenance	Insurance	Paid to SASC	Accumulated Surplus
2021	£13,689	£1,513	£974	£1,147	£4,697	£5,360
2022	£99,318	£0	£0	£0	£93,553	£11,124
2023	£195,772	£0	£0	£0	£185,187	£21,709
2024	£266,197	£0	£0	£0	£287,745	£160
2025	£146,055	£0	£0	£0	£152,422	–£6,207

P3 retain a portion of the service charge for maintenance, management and insurance; the core rent is returned to SASC. Although P3 are aiming to run a break-even model over the period of the loan, there is potential capital accumulation involved. We return to this below under “Risk”.

The value of the P3 loans from SASC 2 is £3,710,000, hence the nominal rate of return to SASC was 4.99 percent in 2023 and 7.76 percent in 2024.

#### 4.2.4 Counterfactual – Comparison with the PRS

If P3 had not had access to the properties they were able to purchase using the SASC finance, it seems reasonable to consider that the tenants housed in Everyone In properties would have been housed in the private rental sector, PRS. We assume that service charges would be the

<sup>14</sup> It should be noted that Sidecar properties began to be rented in 2023, hence the rents and payments in 2021 and 2022 relate to “Loan 2”.

same on property rented from the PRS, and hence this analysis does not take the service charges into account; it compares the core rents on SASC financed properties and a portfolio of PRS rents for the counterfactual. In general, Everyone In properties are refurbished to a higher standard than typical rental properties.

Using ONS (2023)<sup>15</sup> we construct an index of lower quartile and median rents payable in the PRS for a portfolio of properties similar (same location and number of bedrooms) P3 was able to purchase through Everyone In using SASC finance. For the 2023 calendar year, we estimate a median portfolio rent would have been £271,589 – the lower quartile rent is estimated to have been £237,710. The information in Table 8, indicates a rent of £195,772 was paid for the accommodation P3 purchased through SASC’s Everyone In financing.

In the 2024 year, equivalent figures indicate median PRS sector rent would have been £283,255; the lower quartile would have been £246,349; Table 8 indicates the rental cost of P3 accommodation purchased through SASC’s Everyone In financing was £266,197 in the 2024 year.

#### **4.2.5 Risk**

We have noted above P3 appear to be running the properties at an approximate break-even level. The overall benefit of the investment to P3 thus rests on their being able to retain the accumulated capital value of the property purchased. In December 2030, P3 have the option of purchasing the properties outright for 85 percent of their valuation.

We forecast the value of the total portfolio of 38 properties to be worth £5,177,909 in December 2030. The 15 percent of the capital P3 have accumulated will be worth £766,686 (in December 2030 prices). If P3 does not raise the money to purchase the portfolio, ownership of the properties to SASC and P3’s 15 percent stake is lost to them.

It is clear, net of service charges, the overall profitability of the intervention to P3 depends on whether or not they are in a position to secure mortgage finance to purchase some or all of the outstanding 85 percent of the value of the portfolio at the end of the intervention.

#### **4.2.6 Summary**

The overall financial benefit to P3 of participating in Everyone In rests on a number of factors which it is not possibly accurately to forecast at this point. If P3 is in a position by December 2030 to refinance the outstanding balance on the SASC loans (that is, to purchase the remaining 85 percent of the value of the properties) the intervention will almost certainly more than covers its costs and leave P3 in a much stronger financial position at the end of the decade than they would have been without Everyone In.

### **4.3 SHL**

Stockport Homes manages over 11,500 social housing properties across Greater Manchester, in particular, Stockport. Of these, twenty-six properties are financed by Everyone In through Resonance. The breakdown of the portfolio is shown in Table 9.

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<sup>15</sup> ONS (2023) Private Rental Market Summary Statistics in England. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/privaterentalmarketsummarystatisticsinengland> (Accessed: 14 August 2025). We forecast this for the 2024 calendar year using an exponential growth model based on the average annual rate of change of PRS rents over four-years.

**Table 9: Everyone In Properties Leased by SHG.**

Location	Manchester			Stockport			Tameside
Type	1 Bed	2 Bed	3 Bed	1 Bed	2 Bed	3 Bed	2 Bed
Number	2	3	1	10	7	1	1

**4.3.1. Investment**

Everyone In is financed by Resonance through NHPF2. The model is essentially that Resonance identifies a suitable property that meets the criteria of Stockport Homes, purchase it, and lease the property to Stockport Homes. At the end of the leasing period, December 2030, all properties are to be returned to Resonance in the same state as they were when Stockport Homes started management.

The initial plan was to purchase mainly one bed flats; however, there are not many one bed flats being built in Stockport, and for any in the second-hand market there is a lot of competition; hence the prices are relatively high. Different parts of Greater Manchester have different property markets. It was relatively difficult for Resonance to purchase suitable properties in Stockport because of a shortage of suitable property. Notwithstanding, people who have been brought up in Stockport wish to stay in the area they are used to; there are social benefits to their “staying local”. In practice, Resonance’s ultimate portfolio included more family homes than they had envisaged and not all in the Stockport area.

Post purchase, Resonance refurbished the property to the level required for the programme and SHG, and lease it to Stockport Homes. Stockport Homes rent it to their tenants.

Being cash buyers, Resonance sometimes could negotiate a discount from the market price on a property. Because it is not possible to estimate the discount, in the following we assume that Resonance paid the market value of the properties.

The total value of the investment was £3,880,000, which is comprised of the sum of purchase price, stamp duty, refurbishment, contract management and acquisition costs. The value of the portfolio, at the time of acquisition, was £3,565,864, which is comprised of purchase price and refurbishment costs.

SHG receive the Local Housing Allowance (LHA) rate for the property. This is generally quite a bit less than the open market rental cost for a similar property. The lease price, payable to Resonance, is set at 80 percent of the LHA rate; SHG retain the other 20 percent of the rent for maintenance and other costs. The gross return to Resonance is thus 80 percent of the LHA rate.

At the end of the lease, in 2030, the portfolio of properties will either be rolled over into a new Social Finance fund, or will be sold. Either way, the sale value (net of any associated costs) will be paid to original investors. The gross return on investment is made up of the flow of (80 percent of) the rental income of the portfolio and the ultimate market value of the portfolio.

**4.3.2 Key Client Groups**

All of SHG clients in Everyone In are either homeless, or at risk of homelessness. Eviction from the PRS is generally regarded as the single biggest trigger of homelessness. This is in part because some private landlords are leaving the private rental sector are seeking vacant possession to be able to sell. This has a corresponding impact on the number of households needing housing solutions.

In the Rough Sleepers Accommodation Programme, RASP, Resonance have purchased a number of one-bedroom flats. The plan here is the customer will be in the flat for a couple of years maximum. The RSAP support worker liaises with Stockport Homes to work out to where the client is moving on to.

Of the twenty-six properties Stockport Homes has at the moment, six are RSAP properties. These are one-bedroom units. RSAP customers are a different type of client – they may have complex needs and vulnerabilities; they get the support they need to make it work. RSAP housing might be in a block without a communal entrance, or with a secure entrance so it is easier to monitor who is coming and going.

### 4.3.3 Income

For Everyone In properties, the rent payable is capped at LHA level in line with keeping properties affordable. The rental is split 80/20: 80 percent goes to Resonance – the other 20 percent goes to Stockport Homes for maintenance and management including any bad debt, e.g. arrears, repair charges and void periods. This is the financial model on which Stockport Homes determined the feasibility (or otherwise) of the intervention.

Stockport Homes bears the risk of a vacancy, and damage to the property; this is assumed to be a similar cost to the other properties they manage. Void costs and arrears are estimated to be 5 percent of income and, in a typical year, maintenance is estimated to be 10 percent of income. There are four annual reports from SHG to Resonance; the annual cost of these, and the startup costs (pro-rata over ten years) is estimated to be £2,000. The cost of moving on a tenant is estimated to be circa £2,000, including rent loss, staff time, utilities checks and refurbishment – however, the move on rate is very low, less than one tenant a year. The move on cost below is, therefore, likely to be slightly overestimated.

Income in a typical year (the data below are in April 2023 prices, LHA rates are sourced from Valuation Office Agency, 2025<sup>16</sup>) is show in Table 10 below.

Table 10: Typical Annual Income/Costs of Everyone In Properties Leased by SHG.				
Annual Income (LHA rate on portfolio)		Return to Resonance (80%)		Retained by SHG (20%)
£177,660		£142,129		£35,532
Typical Annual Costs				
Void/Arrears	Maintenance	Reporting	Move on	Total
£8,883	£17,766	£2,000	£2,000	£30,649

In April 2023, bearing in mind changing house prices<sup>17</sup> we estimate the portfolio was worth £4,024,997, which implies a rate of return to Resonance of 3.53 percent. It will be seen, in a typical year, SHG is forecast to make a small surplus of £4,902.

<sup>16</sup> Valuation Office Agency (2025) *Valuation Office Agency Rent Officers: LHA historical rates*. Available at: <https://www.gov.uk/guidance/valuation-office-agency-rent-officers-lha-historical-rates> (Accessed: 14 August 2025).

<sup>17</sup> HM Land Registry (2025) *UK House Price Index: Reports*. Available at: <https://www.gov.uk/government/collections/uk-house-price-index-reports> (Accessed: 14 August 2025).

#### **4.3.4 Counterfactuals**

An obvious alternative to housing people in Everyone In property would be for SHG to find the same mix of accommodation in the PRS. Using ONS (2023)<sup>18</sup> we construct an index of median rents payable in the PRS for the portfolio of properties leased by SHG as part of Everyone In. In the year to April 2023, we estimate a median portfolio rent would have been £228,712 – the lower quartile rent is estimated to have been £202,523.

Assuming the tenants housed in Everyone In would have been housed in below median accommodation, equivalent housing in the PRS, would have cost between 14 percent to 29 percent more. Alternatively, we may calculate that the savings in rent are between 12 percent to 22 percent. This comparison shows the economic efficiency of the intervention.

We understand from SHG that families might cost £1500 per family per week in temporary accommodation. The equivalent cost for single people is £80 (per night) × 7 = £560 per week. We are not assuming here that it will be the same families in temporary accommodation for an extended period of time. However, it seems reasonable to suppose, without the Everyone In housing, a series of families or tenants might be housed in such accommodation. Given the portfolio of properties in Table 10 above, Everyone In properties are housing 12 single people and 13 families. The avoided cost of temporary accommodation is therefore circa £314,640 per year; 77 percent greater than the cost of accommodation under Everyone In.

#### **4.3.5 Risk**

The risk of a long-term lease to SHG is that lease costs might rise at a rate greater than the rate of increase of the rent SHG receives for these properties. Here, however, the leases cost is set at a proportion of the rent SHG receives thus eliminating this risk. Notwithstanding, it may be the case that the LHA rate may not keep up with the rate of inflation. This will reduce the real returns to Resonance and SHG; whereas the costs of SHG are likely to rise in line with inflation.

In Figure 17 below, we plot the general level of prices in the economy (proxied by the UK GDP deflator, ONS, 2025<sup>19</sup>), the value of the portfolio, the implied median PRS rental costs of the portfolio, and the LHA rate over the preceding decade.

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<sup>18</sup> ONS (2023) *Private Rental Market Summary Statistics in England*. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/privaterentalmarketsummarystatisticsinengland> (Accessed: 14 August 2025).

<sup>19</sup> ONS (2025) 'Implied GDP deflator at market prices: SA Index'. Office for National Statistics. Available at: <https://www.ons.gov.uk/economy/grossdomesticproductgdp/timeseries/l8gg/pn2> (Accessed: 15 August 2025).

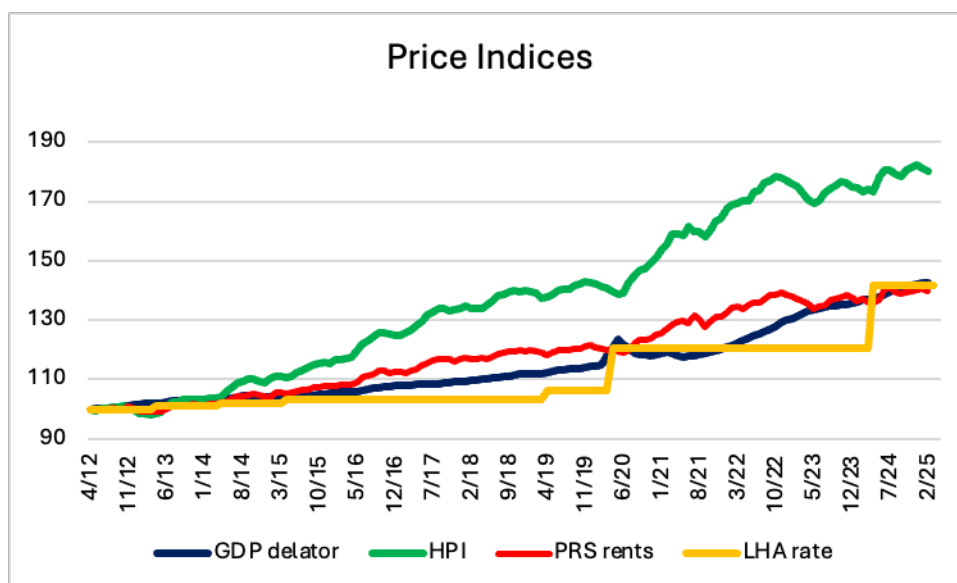


Figure 17. SHG1 price indices.

It is clear that, the value of houses such as would comprise the SHG portfolio has, over the last decade increased at greater than the rate of prices – which implies the real house price is increasing.

In general, the LHA rate follows the rate of price inflation in the Economy, but tends to remain fixed for long periods of time. If SHG costs increase with inflation, but the LHA rates remain fixed, we anticipate costs will increase to £36,000 which, as we can see from Table SHG2 is slightly above the break-even level for the intervention. In other words, if the LHA rate remains fixed for five years, SHG may make a small loss on the last few years of the lease. However, the small surplus SHG enjoys at present may be carried forward to offset against this. Ultimately, over the course of the programme, even if the LHA rate remains fixed, we expect SHG to continue to approximately at least break even from the intervention.

#### 4.3.6 Summary

We anticipate that, under reasonable assumptions, SHG will break even on the intervention. The cost of the accommodation to the LA is reduced compared to renting the equivalent portfolio from the PRS. Everyone In represents a substantial cost saving over temporary accommodation provision.

### 4.4 Target Housing

Target aims for ownership of the property they manage as they can be assured that the rent will not increase; they have been working since 2008 on a property acquisition programme to this end. This policy is also, at least in part, a response to LAs stopping offering properties on the rental market in 2008. This affected other Registered Social Landlords, and the bigger HAs. However, the acquisitions programme is expensive. The partnership with Social and Sustainable Capital Finance enabled Target significantly to expand their portfolio.

Target own 20 properties financed by Everyone In through SASH Loan 2, and a further 21 part-financed through Sidecar. The breakdown of the portfolio is shown in Table 11:

**Table 11: Everyone In Properties Purchased by Target.**

Location	Barnsley	Doncaster			Hull	Rotherham			Sheffield	
Type	2 Bed	1 Bed	2 Bed	3 Bed	2 Bed	1 Bed	2 Bed	3 Bed	1 Bed	2 Bed
Number	5	1	5	1	1	1	3	2	18	4

In general, the properties which were purchased were a very good standard; if they were not, they were refurbished before they were let. The Everyone In properties are predominantly in Sheffield. This is in part because of the need to resource the Sheffield Complex Needs Offender programme. The other Sheffield properties went onto the Thrive Project. Target won the contract for the Thrive Project about the same time as the money came in for Everyone In.

#### **4.4.1 Investment**

Insofar as Target are concerned, Everyone In is financed by SASC through a specific mortgage style instrument. On the Sidecar loan, the funding from SASC was supplemented by funding accessed through the Single Homeless Accommodation Programme (SHAP). The funding on SHAP is a Homes England grant given in perpetuity<sup>20</sup>. On ten properties in this portfolio, Sidecar funded 55% of the property purchase and SHAP contributed the remaining 45% of the purchase price.

Requirements for suitable property include: sited close to amenities, low anti-social behaviour area; central to towns and cities, but not so close as to be on the door step. A neglected but important point is that when purchasing, Target are able to be more discerning in their location/property type choices compared to renting from the PRS.

The value of Target Loan 2 was £2,000,000; Target Sidecar was also £2,000,000. These funded: Purchase Prices; Expected Refurbishment; Legal Allowances; Initial Legal Fees; and Property Management Related to the Purchase. In practice actual refurbishment costs exceeded the expected refurbishment costs by 14% (£26,902): This difference was made up out of the overall Target budget. The value of the Loan 2 portfolio, at the time of acquisition, was £1,954,000 comprised of Purchase Price and Actual Refurbishment Costs. The value to SASC of the Sidecar portfolio at the time of purchase was £1,974,025. The total value of the Sidecar portfolio<sup>21</sup> was £2,428,000.

The EI funding has given Target an element of freedom and choice. Organisations such as 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 expansion in their portfolio. As a result of the initial funding (Loan 2), Target was able to become a partner on other projects, including the Single Homeless Accommodation Programme (SHAP) which provided additional funding.

#### **4.4.2 Key Client Groups**

Target’s Everyone In clients are vulnerable and present with complex issues that require support to sustain tenancies and make progress towards independence. The properties go onto various projects: The majority on the Thrive project – which is focused on clients with Health and Social Care needs as well as other complex issues such as mental health, substance misuse, domestic abuse and trauma.

<sup>20</sup> Homes England do not require repayment unless Target sell a property.

<sup>21</sup> SHAP covered 45% of purchase costs on ten of the properties.

Commissioners want all spaces utilised, and clients moved on within set timeframes, as Target have fixed bed spaces and can only support a certain amount of people. The biggest problem over the last few years, is there is nowhere to move people to. The private rental sector is far beyond the means of most Target clients.

#### 4.4.3 Income

Although the initial model was designed such that Target would repay SASC through a proportion of the income, Target have since moved to a model where interest on Loan 2 is repaid at 6% of the sum of the Purchase Price and Expected Refurbishment Allowance. Interest on Sidecar is paid at 5.75 percent of the sum of the Purchase Price and Refurbishment Allowance.

With LHA rents the project does not stack up financially. Target does not charge the LHA, but rather the full supported housing rent. The difference between LHA rent and the full supported rent is made up by the DWP. Hence the decision to go to supported housing is in part financial, (as costs can be covered) as well as part of the Target vision.

Target bears the risk of a vacancy, and damage to the property; this is assumed to be a similar cost to the other properties they manage. Void costs are estimated to be 12% of income; bad debt is expected to be 5% of income. In the 2025/26 year, maintenance is estimated to be circa £3000 per property<sup>22</sup>. There are four annual reports from Target to SASC; the annual cost of these, and the startup costs (pro-rata over ten years) is estimated to be £ 1,242. The cost of moving on a tenant is estimated to be circa £240 – on average 45 clients move on in a typical year.

Typical Income and Cost Data – net of service charges and support costs – are shown in Table 12 below<sup>23</sup>.

Table 12: Annual Income/Costs of Everyone In Properties Operated by Target					
2021/22 Income & Costs					
Rent	£143,426	15 Properties Let		Total Costs	£146,727
Interest	Void	Bad Debt	Maintenance	Reporting	Move On
£85,875	£10,305	£7,171	£38,182	£1,242	£3,951
2022/23 Income & Costs					
Rent	£196,872	20 Properties Let		Total Costs	£199,051
Interest	Void	Bad Debt	Maintenance	Reporting	Move On
£114,375	£13,725	£9,844	£54,597	£1,242	£5,268
2023/2024 Income & Costs					
Rent	£209,514	20 Properties Let		Total Costs	£202,676
Interest	Void	Bad Debt	Maintenance	Reporting	Move On
£114,375	£13,725	£10,476	£57,590	£1,242	£5,268

<sup>22</sup> The Target maintenance budget is not broken down by property or portfolio. In total, Target operate some 1000 properties and the overall annual maintenance budget in the 2025/26 is circa £3,000,000. The per property maintenance cost in 2025/26 is therefore estimated to be £3,000. We deflate this using the GDP deflator to find equivalent costs in past years.

<sup>23</sup> We do not include the 2020/21 year as few properties were let at that time. The interest payable on the loan only comes due when the properties are let. Note that five properties were not let in 2021/22.

2024/2025 Income & Costs					
Rent	£476,616	41 Properties Let		Total Costs	£412,458
Interest	Void	Bad Debt	Maintenance	Reporting	Move On
£226,415	£27,170	£23,831	£123,000	£1,242	£10,800

It will be seen that the intervention has only been fully let in the most recent financial year. The value of the total loans to Target is £4M, hence the rate of return to SASC is 5.66 percent in that year. In the early years of the intervention, Target were making an annual loss. Target are currently running an annual surplus. As rents increase, and interest payments do not, we expect this to increase year-on-year.

#### 4.4.4 Counterfactuals

If Target had not had access to the properties they were able to purchase using the SASC finance, it seems reasonable to consider that they tenants housing in Everyone In properties would have been housed in the private rental sector, PRS. Using ONS (2023)<sup>24</sup> we construct an index of lower quartile and median rents payable in the PRS for a portfolio of properties similar (same location and number of bedrooms) Target was able to purchase through Everyone In. We should note, however, that properties purchased through Everyone In are generally refurbished to a higher standard than similar PRS properties.

Assuming rental prices will rise at roughly the same rate compared to house prices as they have since 2019, in the year to April 2025, we estimate a median portfolio rent would have been £323,253 – the lower quartile rent is estimated to have been £235,591. Given the information in Table 12, we see a rent of £476,616 was paid for the accommodation Target offered.

In 2024/25, the average rental cost per person per week of a room in the Everyone In properties was £141. We understand that the cost for single people in temporary hostel accommodation at the same time was £308 per week; 120% greater than the cost of accommodation under Everyone In.

#### 4.4.5 Risk

It will be seen, to date, Target are running a surplus on the intervention. Further, it must be borne in mind that the rent Target receives increases over time, while the interest payment does not. It is likely, therefore, the surplus will continue increasing every year.

There is also the accumulated capital value of the property to be considered. In December 2030, Target have the option of purchasing outright for 85% of their valuation the properties obtained using funds from Target Loan 2. Further, they have the option to purchase outright for 75% of the valuation the properties obtained using funds from Target Sidecar.

If Target purchase the Loan 2 portfolio in December 2030, by raising the required 85% of the property prices, assuming a future rise in house prices will be similar to that recently observed, the 15% Target have accumulated will be worth £468,097 (in December 2030 prices). If Target do not raise the money to purchase the portfolio, ownership of the Everyone In properties reverts to SASC and Target's 15% stake is lost to them.

<sup>24</sup> ONS (2023) *Private Rental Market Summary Statistics in England*. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/privaterentalmarketsummarystatisticsinengland> (Accessed: 14 August 2025).

The stake in the Target Sidecar portfolio (net of the contribution from SHAP) will be worth £191,759 in December 2030, assuming prices future house price changes will be similar to those observed over the past two decades.

It is clear, therefore, that the profitability of the intervention to Target is significant. The size of the ultimate benefit depends on 1) the rate of increase of rents, and 2) whether or not they are in a position to purchase some or all of the portfolio at the end of the intervention.

#### **4.4.6 Summary**

The overall financial benefit to Target of participating in Everyone In rests on a number of factors which it is not possibly accurately to forecast at this point. If rents increase at the rate they have done recently, and if Target is in a position by December 2030 to refinance the outstanding balance on the SASC loan the intervention will almost certainly more than covers its costs and leave Target in a much stronger financial position at the end of the decade than they would have been without Everyone In.

## **4.5 Resonance**

### **4.5.1 Investment**

The initial value of the portfolio is less than the level invested for two reasons: firstly, the value of the portfolio is net of the one-off costs of purchase, for example, legal fees, transactions costs &. The value of the portfolio includes only the purchase price and refurbishment cost (which we assume will be recovered at the sale of the properties). Secondly, in the case of Nacro, it was not possible to purchase the required number of properties, and some funds were returned to the investors.

The investment is summarised in Table 13:

<b>Table 13. The Value of the Portfolio.</b>		
	<b>Nacro</b>	<b>SHG</b>
Original Investment	£16,500,000	£3,879,882
Returned to Investors	£573,375	
Total Invested	£15,926,625	£3,879,882
Value (purchase cost + refurb.)	£14,809,155	£3,525,233
Other Purchase Costs	£792,181	£180,752

### **4.5.2 Estimated Final Value of the Portfolio**

To estimate the return over the period of the intervention, we require forecasts of the future price of housing of an equivalent type to that purchased through the Everyone In intervention and the general rate of price inflation, which we proxy by the rate of change of the GDP deflator. Please see section 4.7 below for a summary of the forecasting models utilised.

Table 14 sets out the estimated rates of price increase, and summarises the estimated final value of the portfolio.

<b>Table 14. Estimated Final Value of the Portfolio.</b>		
	<b>Nacro</b>	<b>SHG</b>
Initial Value of Portfolio	£14,809,155	£3,525,233

Increase in House Prices				
	Date	HPI	Date	HPI
Average Date of Purchase	12/06/21	447070	01/12/21	170791
Date of end of leases	31/12/30	524305	31/12/30	255597
Annual Rate of Change		1.6683%		4.4394%
Estimated Final Value in 31/12/2030 prices		£17,367,562		£5,275,662

General Price Inflation		
	Date	GDP Deflator
Deflator	31/12/20	84.20
	31/12/30	117.65
Annual Rate of Change		3.3452%
Estimated Final Value of Portfolio in 31/12/2020 prices	£12,430,199	£3,775,863

In general, our forecasting model predicts that house prices will rise more slowly than prices in London. Hence the real value of the portfolio will decline. In contrast the forecasting model indicates that the price of housing in Stockport will increase faster than the rate of inflation.

#### **4.5.3 Income & Costs of the Intervention**

##### *Income*

The income on the investment comes from interim payments made by Resonance out of the lease income they receive from Nacro and SHG. Any difference between lease income from Nacro and SHG and interim payments we assume is added to the value of the fund. We forecast future income and interim payments assuming the lease cost will rise in line with the HPI in the case of Nacro, and the LHA rate, in the case of SHG.

We assume future rents in London will rise broadly in line with the relevant House Price Index, and this will be reflected in future remittances from Nacro. Remittances from SHG are related to the LHA rate, which it is more problematic to forecast. This is because the rate can stay constant for some time, before “catching up” to PRS rents. We access PRS rental data<sup>25</sup> and assume these will increase broadly in line with the relevant House Price Index. Here we assume such a catch up in the LHA will take place in 2028.

##### *Costs*

There is a 1 percent per annum management fee charged by Resonance for the first three years of operation, which reduces to 0.75 percent per annum from that time. The other purchase costs of the properties are covered out of the fund.

##### *Interim payments*

We have lease income and values for the interim payments made by Resonance from the Nacro fund for 2023, 2024 and part of 2025. The SHG portfolio was purchased as part of a larger

<sup>25</sup> ONS (2023) Private Rental Market Summary Statistics in England. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/privaterentalmarketsummarystatisticsinengland> (Accessed: 14 August 2025).

intervention, and it is not straightforward to break down the returns just to include SHG. In our analysis we assume the proportion of lease income returned to investors as interim payments will be calculated so that the management fees of the investment are covered over the course of the 10-year period to December 2030.

The Real Income & Costs which arise from the running of the intervention (forecast to December 2030), in December 2030 prices are summarised in Table 15.

	Nacro	SHG
Expected Total Lease Income	£5,981,707	£1,474,306
Expected Total Fees	£1,526,584	£371,891
Expected Total Interim Payments	£4,455,116	£1,102,412

#### **4.5.4 Terminal arrangements**

In December 2030, the properties purchased for the intervention will be “sold” – they may be refinanced by a new fund – and the original investors will benefit from the sale price. In the analysis as below, we assume the best-case situation that the portfolio is rolled into a new fund, and hence there will be no transaction costs associated with this.

Assuming no transactions costs from rolling over the portfolio into a new fund, the terminal value of the portfolio and real return to investors in December 2030 prices is shown in Table 16. We also include the real value of the original investment in December 2030 prices.

	Nacro	SHG
Estimated Final Value of Portfolio	£17,367,562	£5,275,662
Expected Total Interim Payments	£4,455,116	£1,102,412
Total	£21,822,678	£6,378,075
Total Invested (31/12/2020 prices)	£15,926,625	£3,879,882
Total Invested (31/12/2030 prices)	£21,998,974	£5,359,166
Real Increase/Decrease	-0.80%	19.01%
Annualised Real Rate of Return	-0.08%	1.74%

#### **4.5.5 Sensitivity Analysis**

In this analysis the expected profitability depends on the accuracy of our forecasts of inflation. It will be seen that the forecast relative decline in the real value of the properties in the Nacro portfolio has a significant impact on the overall profitability of the investment.

By way of comparison, if the London portfolio of properties increases in price in line with inflation – that is to say, if the portfolio holds its real value – the overall real increase for the Nacro investment portfolio (inclusive of interim returns) will be 13.24 percent, with an annualised real rate of return 1.24 percent.

#### 4.5.6 Summary

It appears likely that the investment in Stockport Housing Group will be profitable in real terms over the course of the intervention under reasonable assumptions. The investment in London property, leased to Nacro is expected approximately to break even in real terms. However, the profitability of these investments depends on the real rate of increase of house/flat prices. If (real) flat prices in London stabilise or increase, the investment in London property is expected to be profitable in real terms.

## 4.6 SASC

### 4.6.1 Investment

The initial value of the portfolio may differ from the amount invested because the value of the portfolio is net of the one-off costs of purchase, for example, legal fees, transactions costs &. The value of the portfolio includes only the purchase price and actual refurbishment cost (which we assume will be recovered at the sale of the properties).

The investment is summarised in Table 17.

	P3		Target	
	Loan 2	Sidecar	Loan 2	Sidecar <sup>26</sup>
Original Investment	£1,930,000	£1,780,000	£2,000,000	£2,000,000
Value: Purchase price + refurb.	£3,565,864		£1,954,000	£1,974,025
Other Purchase Costs	£143,594		£46,000	£25,000

### 4.6.2 Estimated Final Value of the Portfolio

As described in section 4.7, we forecast future price changes using time-series modelling. Table 18 sets out the estimated rates of price increase, and summarises the estimated final value of the portfolios, including the contribution from SHAP.

	P3		Target	
			Loan 2	Sidecar
Initial Value of Portfolio	£3,565,864		£1,954,000	£2,513,000
Increase in House Prices				
Average Date of Purchase	July 2022		March '22	March '24
House Price Index (Date of Purchase)	127756		137455	145990
House Price Index (December 2030)	179989		226759	
Annual Rate of Change	4.04%		5.65%	6.45%
Estimated Final Value in December 2030 prices	£5,023,766		£3,223,507	£3,903,318
General Price Inflation				

<sup>26</sup> Ten of the 21 properties in the Sidecar portfolio were part-funded (45%) by SASH.

We analyse Target Loan 2 and Target Sidecar separately as the interest rate and terminal arrangements differ.

GDP Deflator – December 2020	84.20		
GDP Deflator – December 2030	117.65		
Annual Rate of Change	3.3452%		
<hr/>			
Estimated Final Value of Portfolio in December 2020 prices	£3,595,420	2,307,006	£2,793,535

### 4.6.3 Income & Costs of the Intervention

#### Income

The income on the investment comes from the interest income they receive from P3 and Target. P3 operate a rent passthrough scheme, to meet the cost of the finance; there is no fixed rate. All rent collected is passed through to SASC less pre-agreed maintenance and management costs retained by P3. We assume, in our forecasting, that rents will rise roughly in line with increases in the House Price Index. In contrast Target's payments are 6 percent on the loan balance for Loan 2 and 5.75 percent for Sidecar. As the loan amounts are fixed, the payments are also fixed to 2030.

#### Costs

SASC charges a 1% per annum management fee on the amount deployed. In addition to a refurbishment allowance, the professional costs associated with purchase are added to the loans.

#### Interim payments

The Real Income & Costs which arise from the running of the intervention (forecast to December 2030), in December 2030 prices are summarised in Table 19.

Table 19. Expected Operating Real Income & Costs (December 2030 prices).		
	P3	Target
Expected Total Interest Income	£2,727,413	£1,754,324
Expected Total Fees	£362,341	£317,694
Expected Total Interim Payments	£2,365,071	£1,436,630

### 4.6.4 Terminal arrangements

In December 2030, the properties purchased for the intervention refinanced by the housing providers – and the original investors will benefit from this refinancing. We understand for P3 and Target Loan 2, the housing provider must refinance 85% of the December 2030 value of the portfolio – while for Target Sidecar, only 75% of the value of the portfolio must be refinanced; this reflects the contribution made by the SHAP grant to the original purchase cost<sup>27</sup>.

If the housing providers choose not to refinance, they forfeit their capital accumulated and the portfolio (net of the contribution from SHAP) reverts to SASC. In this case, we assume the full net property value will revert to the investors.

<sup>27</sup> Investors get 75% of the total portfolio value including the SHAP contribution if the portfolio is refinanced.

We determine the real rate of return in each fund based on these two cases in Table 20. Values are shown in December 2030 prices unless otherwise indicated.

<b>Table 20. Overall Real Rates of Return.</b>			
<b>Case I Properties refinanced</b>			
	P3	Target	
		Loan 2	Sidecar
Estimated Final Value of Portfolio	£5,023,766	£3,223,507	£3,903,318
Values to be repaid	£4,270,201	£2,739,981	£2,927,488
			£5,667,469
Expected Total Interim Payments	£2,365,071		£1,436,630
Total	£6,635,273		£7,104,099
Total Invested (31/12/2020 prices)	£3,710,000		£4,000,000
Total Invested (31/12/2030 prices)	£5,183,638		£5,588,828
Real Increase/Decrease	28.00%		27.11 %
Annualised Real Rate of Return	2.43%		2.40 %
<b>Case II Properties not refinanced</b>			
	P3	Target	
Estimated Final Value of Portfolio	£5,023,766	£6,289,661	
Expected Total Interim Payments	£2,365,071	£1,436,630	
Total Receipts	£7,388,837	£7,726,291	
Total Invested (31/12/2020 prices)	£3,710,000	£4,000,000	
Total Invested (31/12/2030 prices)	£5,183,638	£5,588,828	
Real Increase/Decrease	42.54%	38.25%	
Annualised Real Rate of Return	3.54%	3.24%	

#### **4.6.5 Sensitivity Analysis**

The expected overall return on the portfolio depends on the accuracy of our forecasts of inflation. If house prices do not continue to increase at a rate faster than general inflation, real rates of return may be reduced.

#### **4.6.6 Summary**

Under reasonable assumptions it appears likely that the investment in Everyone In will be profitable in real terms over the course of the intervention.

## 4.7 Forecasting Prices

At the time of data capture, house price data were available to February 2025<sup>28</sup>; LHA data were available to April 2024<sup>29</sup> and the GDP Deflator to 2025 Q2<sup>30</sup>. To estimate the terminal values of the portfolios purchased, we forecast these series to the end of the decade. For the sake of consistency, it was decided to use the same forecasting model for property prices in each area as it can reasonably be argued regional prices are impacted on by common national factors. In the following, we have forecast house prices using an  $ARIMA_s(6,1,2)(1,0,1)_{12}$  and the GDP deflator using an  $ARIMA(3,1,2)$ . These models passed all diagnostic checks.

Figure 18 below summarises the existing and forecast data for the series of interest. It should be borne in mind, while economic forecasting models may provide an unbiased estimate of future out-turns, by their very nature, unforeseen circumstances can impact model accuracy.

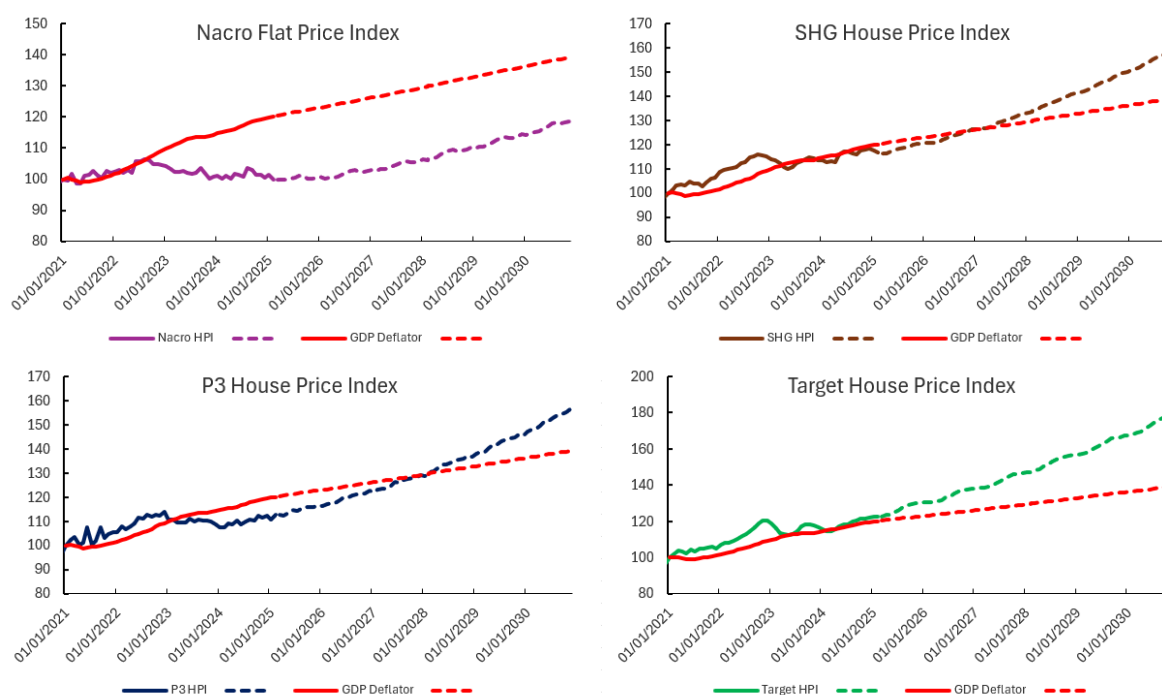


Figure 18. Time Series Forecasts.

In each of the above figures, the solid line represents historical data, the dashed line represents the time-series forecast. At the time of writing, flat prices in London had failed to keep up with the overall increase in price inflation since 2022. Although the model predicts a modest recovery, overall, the real value of flats in London is expected to be less in 2030 compared with 2020. Similarly, the real price of properties purchased by P3 has declined slightly from 2023 to 2025, but the forecast is that these will recover by the end of the decade. In the SHG and Target areas, property prices have generally kept up with inflation, and real prices are expected to increase by the end of the decade.

<sup>28</sup> HM Land Registry (2025) UK House Price Index: Reports. Available at: <https://www.gov.uk/government/collections/uk-house-price-index-reports> (Accessed: 14 August 2025).

<sup>29</sup> Valuation Office Agency (2025) Valuation Office Agency Rent Officers: LHA historical rates. Available at: <https://www.gov.uk/guidance/valuation-office-agency-rent-officers-lha-historical-rates> (Accessed: 14 August 2025).

<sup>30</sup> ONS (2025) Implied GDP deflator at market prices: SA Index. Available at <https://www.ons.gov.uk/economy/grossdomesticproductgdp/timeseries/l8gg/qna> (Accessed: 14 August 2025).

## 5. Organisational Impacts

This chapter explores how three agencies - Nacro, Stockport Homes Limited (SHL), and Target Housing - adapted their operating models, partnerships, and learning systems through participation in the Social Investment Programme (SIP). Nacro and SHL worked with Resonance and Target with SASH) under different financing and property-management arrangements.

While all three organisations shared the goal of using social investment to provide stable housing for people with complex needs or histories of homelessness, their institutional contexts diverged sharply. Nacro and Target were third-sector organisations with strong service-delivery traditions and existing social-landlord experience, whereas SHL was a Housing Association with a portfolio of thousands of properties. These differences shaped how social investment altered internal practices, external partnerships, and perceptions of value.

Across the cases, social investment financing produced measurable organisational change in four domains:

- **Property acquisition and asset management**, enabling organisations to access higher-quality stock and new geographies.
- **Partnership formation**, especially with local authorities, clearing houses, and investors.
- **Governance and learning**, including new financial, technical, and managerial capabilities.
- **Reputation and strategic positioning**, where participation in SIP enhanced legitimacy and opened future funding opportunities.

However, the magnitude of these effects varied. In some agencies, social investment funding was significant, creating new capabilities and institutional legitimacy. In others, it supplemented rather than redefined existing practice. The following sections summarise each organisation's experience before drawing out comparative lessons.

### 5.1 Nacro

#### **5.1.1 Partnership Formation and Strategic Integration**

For Nacro, participation in the SIP through its partnership with Resonance and the Greater London Authority (GLA) marked a significant expansion of its housing and resettlement work. The partnership enabled Nacro to lease 56 properties for ten years from Resonance, which in turn let the organisation provide two-year tenancies to clients via the GLA's clearing-house system.

Organisationally, this partnership generated several effects. First, Nacro deepened its collaboration with the clearing house and local commissioners, gaining greater influence over referral processes and tenancy matching. Prior to the SIP, Nacro was one of many service providers competing for limited housing allocations. Through the SIP, it became a preferred partner trusted to house clients with complex needs. Staff described the relationship with the clearing house as 'deeper' and more collaborative than before, supported by clearer information flows and shared understanding of referral criteria.

This integration, however, also exposed tensions. Although the referral process improved, the clearing house continued to allocate some tenants whose support needs exceeded the intensity of Nacro's service offer. The organisation's capacity to manage such mismatches became a test

of its adaptive capability, one largely met through its case-management skills rather than through direct financial mechanisms.

### **5.1.2 Access to Property and Financial Leverage**

The SIP financing enabled Nacro to access a scale and quality of housing stock that would otherwise have been unattainable. Staff repeatedly described the Resonance partnership as a “game changer,” offering high-quality, geographically diverse units beyond the reach of ordinary grant or rental markets.

This financial leverage also improved Nacro’s standing with local authorities. By presenting an integrated package of capital (from Resonance) and revenue (from GLA grants for support), Nacro could negotiate on an equal footing with public-sector partners. Administrators noted that the very existence of the SIP assets legitimised further funding proposals. In their words, “the support contract exists because the SIP exists.”

The SIP therefore did not merely finance properties; it re-engineered the organisation’s position within local housing ecosystems. It allowed Nacro to operate at a larger scale, demonstrate investment readiness, and signal credibility to both commissioners and investors.

### **5.1.3 Learning and Organisational Development**

The partnership fostered significant learning. Nacro administrators and frontline staff reported enhanced understanding of how housing quality and neighbourhood environments affect service outcomes. The experience taught the organisation to view accommodation not merely as a platform for support, but as an active determinant of behavioural and wellbeing change.

Caseworkers also acquired new competencies in property management, skills that were previously peripheral to their roles. Managing Resonance leases required balancing social support with housing-management duties such as rent collection, arrears negotiation, and maintenance oversight. This dual role created occasional tensions between the supportive ethos of casework and the administrative demands of property management. Nonetheless, many staff described the learning curve as valuable, broadening their understanding of tenancy sustainment.

### **5.1.4 Funding and Legitimacy**

SIP participation had strong reputational and financial payoffs. Senior leaders reported that the model helped Nacro secure a significant new local-authority contract and opened further negotiations elsewhere. More broadly, the organisation gained influence in national and regional policy discussions on homelessness and prison-leaver resettlement.

These developments demonstrate that participation in a high-profile social-investment partnership can enhance organisational legitimacy. By associating with a respected investor and demonstrating a capacity to manage complex, mixed-finance schemes, Nacro positioned itself as both a credible service provider and a strategic policy actor.

### **5.1.5 Capacity Gaps and Limits**

Not all aspirations were realised. Despite improved housing access, the organisation struggled to prepare tenants for transition at the end of their two-year leases. Administrators acknowledged that the expected progression from supported tenancy to independent living was over-optimistic for many clients. Internally, this prompted a reassessment of programme logic from “achieving independence” within two years to “initiating a journey toward independence.”

Furthermore, the integration of property management into frontline roles blurred professional boundaries and occasionally undermined rapport with tenants in arrears. High rents associated with SIP properties created administrative burdens and ethical dilemmas for caseworkers tasked with both supporting and policing tenants.

### 5.1.6 Assessment

Following this analysis, we chronologically ordered Nacro’s organisational impact in the following model:

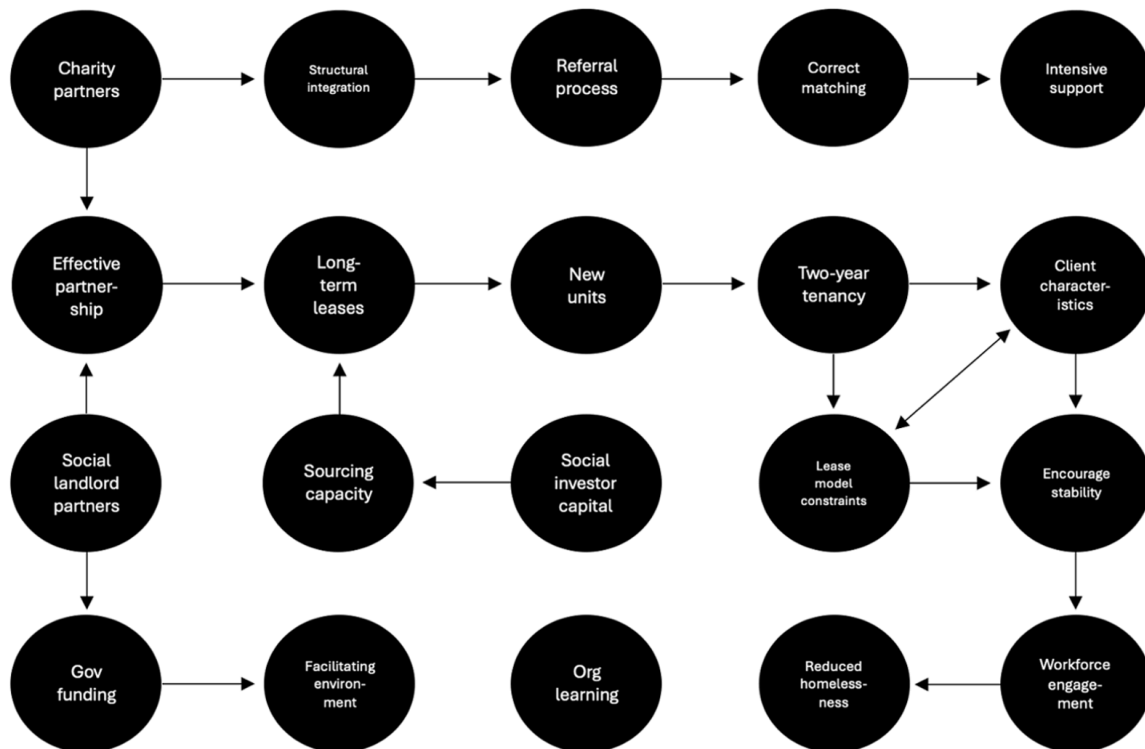


Figure 19. A Model of Nacro’s Organisational Impacts.

The evidence of organisational impact for Nacro is strong and consistent across several domains: enhanced partnership networks, increased credibility with funders, and organisational learning around housing-quality effects. Evidence for sustainable structural change is moderate, limited by ongoing challenges in aligning financial models with client realities. Nevertheless, the SIP catalysed a durable shift in Nacro’s strategic orientation, from a service-delivery charity to a sophisticated, investment-enabled housing partner.

## 5.2 Stockport Homes Limited (SHL)

### 5.2.1 Institutional Context and Role

SHL, a Housing Association, managed the borough’s social-housing stock. Its involvement in SIP was therefore less about transformation and more about extending capacity. Working with Resonance, SHL implemented a leasing model in which Resonance purchased properties that SHL then leased until 2030, renting them at Local Housing Allowance (LHA) rates to homeless or at-risk households.

Unlike Nacro or Target, SHL did not provide intensive support directly. Instead, where required, support was commissioned separately through the Rough Sleepers Accommodation Project (RSAP). Consequently, the organisational impacts observed were structural, pertaining to

procurement, property management, and inter-organisational coordination, rather than to workforce culture or practice.

### **5.2.2 Property Procurement and Market Access**

Resonance acted as a proxy investor, acquiring units in locations approved by SHL. This arrangement gave SHL access to twenty high-quality properties by 2024, fewer than the eighty initially planned. Social investment associated with the SIP did not substantially expand SHL's procurement capacity. The SIP funded a small number of properties compared to the thousands of properties in SHL's property portfolio.

Administrators emphasised that Resonance's capital resources provided "the ability to purchase properties in exactly the areas we want them in." The properties met SHL's quality and location criteria, and Resonance undertook refurbishment before handover, ensuring a ready-to-let standard often superior to traditional social-housing stock.

However, the partnership's distinctiveness was qualified. SHL staff noted that, apart from the external capital injection, the operational processes of property selection, maintenance, and rent management were similar to those used in publicly funded schemes. The key difference lay not in the management model but in the scale and flexibility of available funding. In a context where government grants for new social housing were rare and tightly specified, the SIP's discretionary funding allowed quicker and broader acquisition.

### **5.2.3 Organisational Integration and Partnerships**

SHL's longstanding integration with Stockport Council meant it already had close operational ties to local housing-benefit and homelessness teams. SIP participation arguably strengthened these connections but the effect was small in the wider context of SHL's operation. Co-location of key teams such as for maintenance, rent collection, and homelessness prevention was something already in place and this facilitated real-time coordination, reducing arrears and improving tenancy sustainment.

At the system level, the SIP marginally alleviated pressure on the borough's temporary-accommodation system by providing twenty additional affordable units, predominantly for families. Although modest in scale, these units reduced the need for costly hotel placements and contributed to local homelessness-reduction targets.

The programme also consolidated SHL's network relationships with Resonance and neighbouring housing providers. The collaborative lease negotiations that involved multiple authorities and partners created a template for future joint ventures, embedding new legal and financial expertise within SHL.

### **5.2.4 Governance and Organisational Learning**

Implementing SIP required SHL to navigate complex contractual arrangements among five partners. Developing a master lease acceptable to all parties demanded legal and managerial innovation. While the process was time-consuming, it strengthened SHL's capacity for multi-stakeholder negotiation and compliance management.

Operationally, SHL learned to integrate investor reporting requirements into its standard tenancy-management systems. Staff developed familiarity with social-investment metrics, outcomes monitoring, and financial reporting to external investors, skills previously confined to grant administration.

Learning extended beyond internal systems. By comparing the performance of SIP and non-SIP tenancies, SHL gained insight into how property quality and location affect tenant satisfaction. Although tenancy sustainment rates were similar across portfolios, staff noted higher satisfaction among SIP tenants, attributed to better neighbourhood environments and refurbished units. This finding reinforced SHL's understanding of "place quality" as a determinant of tenancy stability.

### **5.2.5 Financial and Strategic Effects**

From a financial perspective, the SIP provided SHL with an alternative capital stream independent of government borrowing caps, albeit on a small scale. The partnership with Resonance insulated the organisation from some political and fiscal volatility, though it introduced exposure to investor expectations regarding yield and asset management.

Strategically, SHL's participation in a national social-investment initiative enhanced its external profile. While the practical effects were modest compared with those for voluntary-sector partners, SIP affiliation signalled innovative capacity and strengthened SHL's case for inclusion in future Greater Manchester housing programmes.

### **5.2.6 Assessment**

For SHL, the organisational impact of SIP was moderate and of marginal significance. The scheme diversified funding, improved procurement agility, and reinforced inter-agency collaboration. However, it did not fundamentally alter SHL's operating model or service philosophy. Staff viewed SIP as a complementary mechanism rather than a transformative one: a practical means to secure additional stock in a tight market, not a new paradigm of service delivery. The main legacy lies in enhanced financial dexterity and sustained partnerships that may outlast the current leases.

## **5.3 Target Housing**

Target Housing implemented the Social Investment Programme through two related but distinct initiatives: THRIVE, a housing-led recovery model for people with complex needs in South Yorkshire, and a Criminal Justice (CJ) strand focused on ex-offenders. Both used an ownership model financed by SASH, which loaned Target funds to purchase properties outright. This structure diverged from the lease models used by Nacro and SHL, giving Target full control over assets and maintenance.

### **5.3.1 THRIVE Programme**

#### *5.3.1.1 Property Ownership and Market Engagement*

By 2024, Target had purchased eighteen properties across Sheffield, Rotherham, Doncaster, and Hull. Staff emphasised that ownership granted unprecedented flexibility to acquire single-occupancy and ground-floor units tailored to client needs. The organisation's intimate knowledge of local housing markets and strong relationships with commissioners guided procurement.

This flexibility addressed a chronic barrier in supported housing: the mismatch between available stock and client suitability. Ownership enabled rapid purchase and adaptation, though staff still faced limitations when seeking accessible or ground-floor units within budget. Local property prices and funding ceilings occasionally constrained choice, underscoring the continued influence of external market forces.

#### *5.3.1.2 Control, Adaptation, and Maintenance*

Ownership allowed direct control over maintenance and property adaptation, producing measurable organisational efficiencies. Internal data showed 97 percent of maintenance requests were resolved, demonstrating responsive in-house management. Staff cited examples of adapting homes for tenants with severe disabilities or health conditions, replacing carpets with vinyl flooring for hygiene, installing wet rooms, or widening doorways.

These capabilities reshaped internal workflows. Target's property and support teams collaborated more closely, integrating maintenance considerations into care planning. The model also reduced friction with private landlords, who in previous schemes resisted costly adaptations or evictions. Nonetheless, adaptations dependent on local-authority grants, such as stairlifts, remained vulnerable to bureaucratic delay, revealing the limits of organisational autonomy even under an ownership model.

#### *5.3.1.3 Tenancy Enforcement and Flexibility*

Owning its stock gave Target discretion to manage anti-social behaviour and tenancy breaches without immediate resort to eviction. Caseworkers could exercise professional judgement, relocate tenants between units, or tolerate ongoing challenges while maintaining housing stability. This autonomy proved vital for working with high-risk or "difficult-to-let" clients.

Staff described ownership as offering "peace of mind" because decisions no longer depended on external landlords intolerant of complexity. Relocation capacity was also critical: when one property became unsafe or untenable, clients could be moved within Target's own portfolio, preventing returns to homelessness.

#### *5.3.1.4 Organisational Learning and Workforce Development*

Participation in the SIP transformed Target's internal knowledge base. Staff acquired property-management skills, from building regulations to procurement processes, that had previously been peripheral to their roles. The need to balance social-care and landlord responsibilities prompted new training and reflective practice, reinforcing professional versatility.

The programme also fostered system learning. Target gained firsthand evidence of how property quality and neighbourhood environment influence client outcomes, shaping future commissioning discussions. Senior leaders noted that exposure to home ownership models "taught us the value of that quality of accommodation" and altered the organisation's strategic perspective on housing as a determinant of change.

#### *5.3.1.5 Strategic Positioning*

The THRIVE project elevated Target Housing's reputation among commissioners and investors. Success in managing an ownership model for complex clients demonstrated financial competence and operational reliability, enhancing trust from local authorities. It also positioned Target as a credible advocate for housing-led interventions, strengthening its role in regional homelessness and health partnerships.

#### *5.3.1.6 Assessment*

THRIVE produced strong evidence of organisational transformation. Ownership granted Target financial and operational autonomy, accelerated decision-making, and integrated housing and support functions. The resulting flexibility and reputational gains marked a significant evolution from traditional grant-funded models. Limitations persisted, most notably the dependency on local authority processes for certain adaptations, but the overall shift was substantial.

### 5.3.2 Criminal Justice Programme

The Criminal Justice (CJ) strand of Target Housing applied the same ownership model to a population of ex-offenders with complex reintegration needs. Organisationally, the CJ programme reinforced many of the THRIVE lessons but within a justice context, creating distinctive interactions with probation services and community-safety partnerships.

Ownership again proved pivotal. It allowed Target to house clients quickly upon release and to manage behavioural issues in-house without jeopardising tenancies. This capability deepened relationships with probation and police teams, who saw Target as a reliable partner able to accommodate high-risk individuals beyond the capacity of mainstream providers.

The dual role of landlord and support provider required further skill development among staff. Caseworkers had to balance compliance monitoring with rehabilitation support, a tension similar to that observed in Nacro but accentuated by public-safety imperatives. Organisationally, this led to more structured risk-management protocols and closer coordination with criminal-justice agencies.

From a strategic perspective, the CJ programme demonstrated the transferability of the ownership model across sectors. It strengthened Target’s credibility as a multi-purpose housing provider capable of managing both social-care and criminal-justice portfolios. This diversification enhanced organisational resilience and attracted commissioner interest beyond the original SIP framework.

### 5.3.3 Overall Assessment for Target Housing

Following this analysis, we chronologically ordered Target’s organisational impact in the following model:

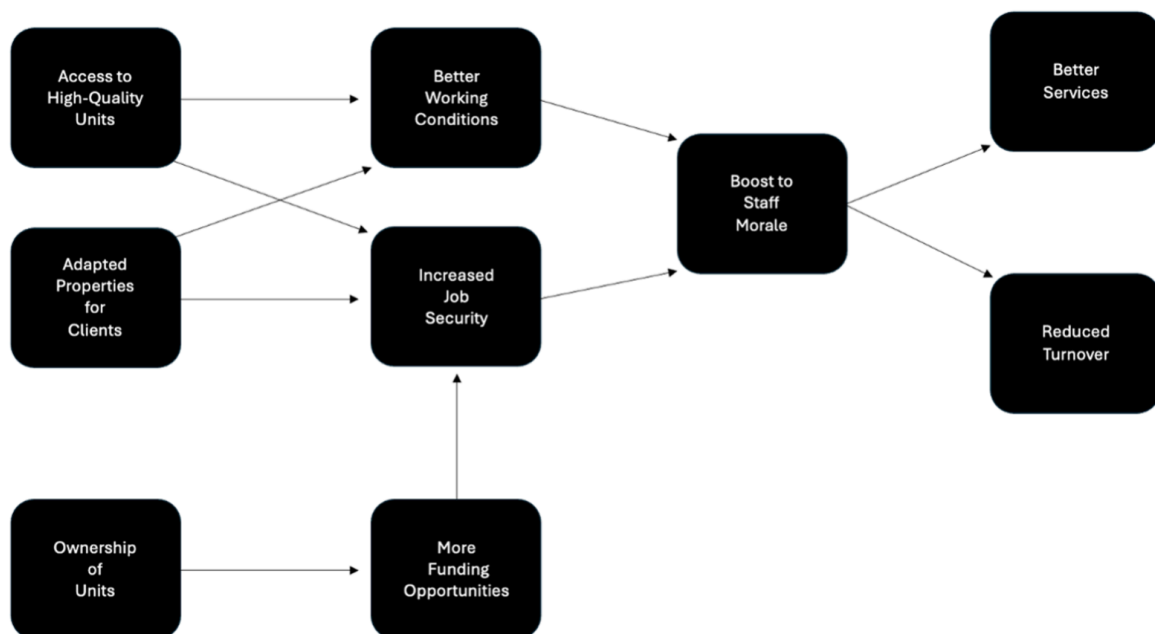


Figure 20. A Model of Target Housing’s Organisational Impacts.

Across THRIVE and CJ, the organisational impacts of SIP were clearly evidenced and were often transformative. Ownership empowered the organisation to innovate, improve responsiveness, and consolidate partnerships with local authorities and justice agencies. The main constraints were external, including funding ceilings, market limitations, and bureaucratic dependencies, rather than internal capacity. In short, SIP financing accelerated Target Housing’s evolution from

a service provider to an integrated housing-care organisation with durable assets and local policy influence.

## 5.4 Cross-Case Synthesis and Organisational Learning

### 5.4.1 Comparing Finance Models

The three cases illustrate how distinct social-investment structures produce different organisational effects:

Table 21. Summary of Organisational Impacts.			
Organisation	Finance / Tenure Model	Primary Organisational Impact	Strength of Evidence
Nacro	Lease model: Resonance owns; Nacro leases for 10 years, lets to clients for 2 years	Deepened partnerships; enhanced legitimacy and funding access; new property-management and learning capacity	Strong
SHL	Lease model: Resonance owns; SHL leases to 2030	Expanded stock; improved inter-agency coordination; minor procedural innovation	Moderate
Target Housing	Ownership model: SASH loans for direct purchase	Full operational autonomy; integrated housing-care model; rapid learning and reputation gains	Very strong

### 5.4.2 Partnership and System Integration

All partners strengthened ties with local authorities, but the form differed. Nacro’s collaboration with the GLA clearing house deepened through joint referral systems; SHL’s integration with municipal teams reduced arrears and improved workflow; Target Housing’s ownership model facilitated flexible cooperation with multiple councils and commissioners.

These partnerships generated collective learning about how social investment interacts with existing statutory frameworks. Organisations discovered that while investor finance can accelerate procurement and improve property quality, it does not replace the need for coordination with local systems that determine referrals, benefits, and adaptations.

### 5.4.3 Learning and Workforce Evolution

Across agencies, SIP participation expanded technical and managerial competencies. Staff learned financial management, property law, and investor reporting: skills rarely embedded in social-care organisations. This cross-pollination between social and financial disciplines represents one of SIP’s most durable legacies.

Yet these developments also exposed cultural tensions. Caseworkers struggled to reconcile relational, person-centred practice with the transactional logic of leases, arrears, and performance indicators. Organisations responded by creating reflective spaces, training, and clearer role delineation. Over time, many staff came to view this hybridity as professionally enriching rather than contradictory.

#### **5.4.4 Strategic Positioning and Reputation**

Each organisation experienced reputational gains. Nacro and Target leveraged SIP affiliation to win new contracts and participate in local policy forums.

## **6. Client Impacts**

### **6.1 Nacro**

#### **6.1.1 Introduction**

Nacro partnered with Resonance to deliver the SIP. Resonance purchased 56 properties across East and Southeast London, which Nacro leased for ten years. Due to the service contract that GLA provided SIP tenants, Nacro was able to offer secure two-year tenancies, which is extremely rare in London's private rented sector. By doing so, the SIP was expected to help clients rebuild their lives, develop independence, and access employment or education opportunities. This section summarises the key findings and lessons from the evaluation.

#### **6.1.2 Access to New Accommodation**

Collaboration with Resonance was essential to the success of the SIP. Nacro was able to secure high-quality homes that gave clients a level of dignity and stability they could not otherwise afford. Many tenants described their property as the best home and neighbourhood they had ever lived in. This stability helped them establish routines, engage with health and employment services, and make progress toward personal goals.

A senior administrator said Nacro would have been unable to access those properties without social investment financing, "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..." From their perspective, the SIP was a "game changer" that let Nacro access higher quality properties in better locations.

#### **6.1.3 Housing Quality**

Across all interviews, SIP homes were described as high-quality, safe, and comfortable. The units were primarily one-bedroom flats, fully furnished by Nacro, and located near transport links and amenities. Compared to the often poor-quality accommodation available through the private rented sector, SIP homes were transformative. They gave people a sense of security and belonging, which is fundamental to personal recovery.

Housing quality alone was not enough. The success of each tenancy depended just as much on the stability of the workforce and the individual motivation of clients. When staffing was consistent, tenants flourished. When turnover occurred, service engagement decreased, and some clients disengaged. The lesson is crystal clear: investment in the frontline workforce is as vital as investment in the property.

#### **6.1.4 Quality of Service Delivery**

Caseworkers were trained and supported to use evidence-based approaches such as trauma-informed care, motivational interviewing, and reflective supervision. Weekly meetings with a clinical psychologist helped staff discuss complex cases, manage emotional strain, and plan interventions. These practices contributed to better outcomes for many clients, especially those who needed patience and understanding rather than punitive enforcement.

The GLA imposed time limits on support that capped tenancies at two years. For clients with long-term needs, especially people with serious mental health issues or addiction issues, two years was not enough to achieve lasting independence. The tension between fixed timelines and complex recovery processes was one of the programme's central challenges. Longer-term funding and greater flexibility would likely have improved outcomes for those who needed protracted assistance.

Nacro was struggling to move clients onto independent accommodation. This process has stalled because there was a shortage of affordable housing, staff turnover at Nacro prevented caseworkers from helping clients bid for properties, and some clients have refused to bend their selection criteria to market constraints. Although the GLA put time constraints on service delivery, officials understood the barriers Nacro faced and was not pressuring staff to immediately discharge long-term clients from services.

That said, Nacro would not be working with these clients if Resonance had not purchased the properties. A senior administrator said in the Year 2 Report that Nacro would not have been contracted by local government to provide wraparound support if Resonance had not agreed to lease those properties. Nacro would not have the resources to hire caseworkers who delivered services to clients unless Resonance made this social investment. Social investment financing was thus a prerequisite for Nacro to build rapport with this subpopulation.

A service manager said SIP properties did not affect their ability to use evidence-based practises. Caseworkers regularly did reflective practises with an in-house clinical psychologist, regardless of the property a client lived in. But our contact did say SIP properties helped them manage ASB because caseworkers internally addressed complaints. The internalization of property management let caseworkers exercise the patience that trauma-informed care requires. This helped their team build rapport with clients.

### **6.1.5 Mental Health Improvements**

Stable housing allowed caseworkers to observe clients' daily lives and identify unrecognised mental health issues. While staff were not clinicians, they were able to notice warning signs, encourage GP visits, and support clients through referrals to specialist services. For many tenants, this was the first time anyone had paid close, impartial attention to their mental health. As a result, several clients engaged with treatment and reported reduced anxiety, better sleep, and greater self-confidence.

"I think my mood is... Now I can feel much more better."

- *Lived Experience Storyteller, Lewisham*

However, not every client experienced improvement. Some relapsed into old habits or resisted clinical engagement. The programme's design acknowledged that progress is rarely linear; people often move forward and backward before stabilising. The key was to maintain support through setbacks, which caseworkers did whenever possible. The SIP showed that sustained housing and supportive relationships together create the conditions for recovery, even though individual trajectories vary.

**Client Spotlight:  
Ali's Mental Health Significantly Improved During His Tenancy**

Ali was coping with PTSD when he became a SIP tenant in 2022. To cope with his condition, Ali regularly used marijuana, a habit which he tried to kick with outpatient treatment. Once he became a SIP tenant, Ali started to limit his marijuana usage, begin a college course, become self-employed as a repairman, and saving cash for independent accommodation. Nacro caseworkers established good rapport with Ali. This helped caseworkers support Ali when his marijuana usage got out of control about a year into his SIP tenancy. At that time, Ali agreed to re-enter outpatient treatment, but started to struggle again in late-2023 when he purchased an illegal script. Ali's caseworker advised him to not take the script and then met with her colleagues to design an intervention. Ali eventually regained control over his addiction and continued his college education in 2024. This led Ali to say his mental health feels 'much better now' because his anxiety has been reduced. Although Ali was continuing to work in construction, he expressed interest in starting his own restaurant. Ali had offers to view flats in spring 2025.

**6.1.6 Social Reconnections**

One of the desired benefits of stable housing was the ability for clients to reconnect with family or build new social networks. Secure accommodation was expected to host relatives or rebuild trust after years of estrangement. But while 11 clients sought reconnections with family members in 2025, only one had reestablished their relationship.

Reconnecting with family members who were involved in substance misuse or crime risked destabilising progress. In these situations, caseworkers encouraged clients to focus instead on creating healthy community links. This often meant joining classes, volunteering, or engaging in local activities.

"Growing up the way I did and living where I did previous to where I am now it's very much 'we' can do things and not 'I' can do things - that's how I try to live my life now, being part of, included in, the community, and not separate from them."

- *Lived Experience Storyteller, Lewisham*

Our contacts did not report a unique impact of SIP properties on family reunification. They nonetheless believed reconnection with family members helped sustained the tenancy of clients. But this position was contradicted by examples of family reunification that destabilized some SIP tenancies.

**Client Spotlight:  
Stuart Reconnected with His Daughter After Addressing Personal Issues**

Stuart entered the SIP with mental health issues, such as depression and body dysmorphia, that he was eager to deal with. When he became a SIP tenant, Stuart collaborated with caseworkers to join a weight loss programme. In addition to his weight, Stuart's depression stemmed from his broken relationship with his daughter, who disapproved of his sexuality. Stuart could focus on and address that issue by entering therapy once he got rehoused. Over time, Stuart gained confidence in body by losing weight and developed a support network by

forming relationships in the LGBT community. Stuart also started to rebuild a relationship with his daughter, who he felt was more accepting of his sexuality.

### **6.1.7 Enhanced Self-Sufficiency**

As tenants settled into their accommodation, many became more motivated to pursue education, training, or work. The proportion of clients engaged in employment-related activity increased from 30 percent in 2022 to 67 percent in 2024. One client began studying screen printing at college, another started self-employment in repairs, and several others enrolled in skills courses or job search programmes. Caseworkers noted that once people felt secure, their aspirations grew.

“Since moving into the accommodation, I've been able to handle my life, I've become more independent.

- *Lived Experience Storyteller, Lewisham*

Despite these positive signs, structural barriers limited progress for some. The London housing market remains unaffordable for people on low incomes, and the benefits system discouraged part-time work by reducing entitlements. Some clients struggled with digital exclusion. Older tenants in particular found online housing portals and job searches daunting. Staff shortages made it harder to provide the one-to-one support needed to overcome these barriers. These factors highlight that while individual motivation matters, systemic conditions shape what success looks like.

Our contact did not attribute workforce engagement with SIP properties. From their perspective, SIP tenants were just as likely to (not) work as non-SIP tenants, “I've got working tenants in all of my properties. I wouldn't like to say that the SIP is better, no.” Neither did they think SIP properties affected move-on. They argued staff turnover is ubiquitous in the public sector, regardless of the properties that clients lived in.

#### **Client Spotlight:**

#### **James Moderated His Substance Usage and Started Job Training**

James was sleeping rough and using Class A drugs before he became a SIP tenant. Once he entered the SIP, James significantly reduced his alcohol consumption and got prescribed methadone to stop using heroin. James supported his lifestyle change by requesting mental health support from his GP. Although James continued using drugs, he was able to maintain his flat and started a screen printing course at a local college in early-2025.

### **6.1.8 Discussion**

Nacro showed social investment can deliver both financial sustainability and meaningful social outcomes in GLA. Combining capital investment with skilled casework, service providers can provide high-quality housing for homeless individuals. Tenants benefitted from stability, safety, and dignity, while investors achieved secure, low-risk returns.

Yet the programme also revealed challenges with using social investment financing for this purpose. Workforce instability, service contracts, and a lack of affordable move-on options reduced the programme's social impact. The SIP's success depended on dedicated

caseworkers, flexible management, and a shared commitment between Nacro, Resonance, and local authorities. To replicate or expand this model, future programmes must prioritise staff retention through fair pay, professional development, and manageable caseloads. They should also incorporate flexible tenancy periods and clearer pathways to long-term housing.

## 6.2 P3

### 6.2.1 Introduction

P3 delivered the SIP through an ownership model in which SASH loaned P3 funds to purchase 36 properties across Gloucestershire, Lincolnshire, and Wolverhampton. These homes provided stable accommodation for people who had experienced homelessness or insecure housing. Although staff changes at P3 meant we could not produce a full longitudinal report, this summary reflects the findings collected during the third stage of the evaluation.

“When you’ve got somewhere to call home, which they’ve [P3] provided, you’ve got a base.”

- *Lived Experience Storyteller, Wolverhampton*

P3’s theory of change hypothesised co-produced life skills sessions would help tenants increase independence, connect with essential services, and achieve financial stability. The theory also suggested that rebuilding social networks and developing personal responsibility would enhance mental health, reduce homelessness, and lower reoffending. The following sections summarise what we found in each of these areas.

### 6.2.2 Enhanced Self-Sufficiency

P3 delivered life skills sessions to all SIP tenants using a co-production approach. Tenants worked with their support workers to identify personal goals and decide how to achieve them. Support plans were created when clients entered their SIP property and were reviewed every four to six weeks. Weekly meetings helped tenants stay focused on goals such as managing budgets, improving health, or applying for benefits and employment.

“I manage my bills, [tenancy,] shopping and all that. I can do all that.”

- *Lived Experience Storyteller, Wolverhampton*

Staff said the most important factor for success was the client’s own motivation and willingness to change. The stability provided by housing allowed many tenants to set long-term goals. But P3 staff emphasised many clients were not immediately ready for work or volunteering; stabilisation and well-being had to come first. Having a safe and secure home gave them the space to focus on these priorities.

While the SIP expanded the number of properties available to P3, staff said co-produced casework was the same for all clients, whether or not they lived in SIP housing. SIP homes were of similar quality to non-SIP homes, and while housing quality helped people feel more at home, the improvements in independence were said to largely stemmed from the support relationship and the tenant’s own motivation.

### **6.2.3 Social Reconnections**

Stable housing gave tenants a base to reconnect with family and friends. Caseworkers supported tenants who wanted to rebuild relationships with parents, siblings, children, or partners. For others, P3 helped to create new social links through community groups, volunteering, or social events with other clients. These connections helped reduce isolation and improved mental health by giving tenants a sense of belonging and purpose.

Service managers noted that positive relationships were powerful sources of emotional support. Having friends or family to talk to relieved pressure on support workers and encouraged tenants to take more responsibility for their well-being. However, not all reconnections were beneficial. Some tenants resumed contact with people involved in substance misuse or crime, which occasionally led to antisocial behaviour such as “cuckooing” of their flats. P3 responded by advising tenants on personal safety and, when necessary, involving the police. Ultimately, caseworkers recognised that clients made their own choices and sometimes needed to learn from experience.

Overall, the SIP helped tenants re-establish and expand their social networks, but these benefits were not unique to SIP properties. P3 applied the same practice across all housing types. Staff saw improved mental health and social support as outcomes of good casework and stable accommodation in general, not of the SIP’s ownership model specifically.

“It’s just home and you feel relaxed, which that’s brilliant.”

- *Lived Experience Storyteller, Wolverhampton*

### **6.2.4 Personal Responsibility and Change**

Through life skills sessions and regular support, tenants learned to take greater responsibility for their own progress. This included managing budgets, maintaining their homes, and making better social choices. As social networks grew, tenants gained access to additional informal support from friends and family, which complemented professional casework. This broader safety net helped people stay stable and reduced their risk of returning to homelessness.

Service managers linked these positive outcomes to tenants’ readiness to change. When people felt motivated and supported, they were more likely to sustain tenancies and move toward independence. Staff described this as a “step in the right direction” or a point where tenants began thinking about future employment or permanent housing. However, as with earlier hypotheses, these outcomes were observed across both SIP and non-SIP clients. P3 used the same life skills and support model for everyone, which meant there were no significant differences attributable to SIP properties themselves.

### **6.2.5 Rate of Reoffending**

P3 staff found it difficult to assess whether SIP tenants were less likely to reoffend than others. They said reliable data on criminal activity was not available unless clients disclosed it voluntarily or it appeared on referral forms. Some antisocial behaviour was observed, but it was often caused by visitors rather than tenants. Complaints tended to be higher in “good” neighbourhoods, where residents were less tolerant of such behaviour, but tenants from those communities usually adapted better to local norms.

Because P3 leased both SIP and non-SIP properties in similar areas, there were no meaningful differences in reoffending or antisocial behaviour between the two groups. While staff believed stable housing and supportive relationships reduced overall risk, there was no direct evidence that SIP housing reduced reoffending more effectively than other types of housing. Improvements in mental health and reductions in homelessness were more clearly linked to stability and consistent support than to property ownership.

### **6.2.6 Discussion**

All four hypotheses proposed in P3's theory of change found partial support. The evidence showed that life skills sessions, social reconnection, and personal responsibility all contributed to greater independence, improved mental health, and reduced homelessness. But these outcomes were not unique to SIP tenants. P3 provided the same support model across all its housing stock, and its property ownership model already gave the organisation strong control over property management. This meant that the social investment element of the SIP, while important for expanding housing supply, did not produce distinct differences in outcomes for tenants.

The P3 case study offers two insights for future social investment housing programmes. First, housing quality and ownership structure matter less than the quality and consistency of support. Second, clients' personal motivation and readiness to change are critical to success.

## **6.3 SHL**

### **6.3.1 Introduction**

Stockport Homes Limited (SHL) partners with Resonance on a long-lease model. Resonance identified properties that met SHL's criteria and purchased those that were approved by SHL staff. SHL then leased the homes through to 2030 and let them at affordable rents. The programme was designed to expand the supply of decent homes for people moving on from homelessness and to test what social investment financing could add compared with traditional funding routes.

SHL's theory of change focused mainly on organisational effects rather than client impacts. Where tenants did require support to sustain their tenancy, services were commissioned from a third-party provider. The hypotheses therefore centred on whether the SIP: (1) improved sourcing, procurement, refurbishment and long-term leasing; (2) enabled SHL to steer purchases by sharing local knowledge; (3) strengthened local integration, referral pathways and flexible housing solutions; and (4) enhanced tenancy management to reduce arrears and evictions.

### **6.3.2 Property Procurement**

SHL used social investment financing to access preferred neighbourhoods, expand affordable supply, and offer secure tenancies in high-quality homes. Resonance only purchased properties meeting SHL's location, type and quality standards. As part of the agreement, Resonance refurbished to a high specification "higher than our social housing standard," and adhered to that standard consistently. By the third year of this evaluation, 26 homes had been purchased, with two more on the way.

Staff stressed the small scale of the programme relative to local need and SHL's wider portfolio. SHL manages around 12,000 homes. Against that backdrop, 26–28 SIP properties are "not even a drop in the ocean," particularly with 9,500 households on the social housing waiting list, only

561 social lets available last year, and homelessness presentations reportedly up by about 212 percent. In short, the SIP added useful stock quickly, but its quantitative impact on the local system was limited.

The distinctive contribution of social investment was access to capital when traditional public funding or borrowing routes were constrained. As an arm's-length management organisation, SHL does not hold borrowing powers, and the council's financial position limited direct procurement. Where public grants were available, SHL could obtain similar properties; where grants were not available, the SIP enabled purchases that otherwise would not have happened.

### **6.3.3 Housing Quality**

SHL effectively guided Resonance to suitable properties and that long leases followed. SHL's role in pre-screening locations and property types ensured that acquisitions matched demand and organisational standards. Most SIP tenancies were open-ended from the resident's perspective, with the notable exception of Rough Sleeping Accommodation Programme (RSAP) tenants, who received two-year fixed terms aligned to their support packages.

Two operational risks emerged. First, staff were concerned about RSAP "cliff-edges": after two years in a good-quality home, some tenants could face destabilising moves in a market with scarce affordable options. SHL has been lobbying for flexibility so that RSAP tenants who are sustaining their homes can remain beyond the two-year mark. Second, looking ahead to 2030, staff were uncertain if tenants would be able to stay in their property when lease ended. These uncertainties do not negate the day-to-day stability observed to date, but they highlight the importance of transition planning to protect sustained gains.

As for arrears and evictions, SHL attributes low arrears primarily to its allocation and income-management practices rather than to the funding model. Screening, close liaison with the Housing Benefit team, and early intervention were seen as the decisive factors.

In short, SHL's information clearly helped Resonance buy the "right" homes and secure long leases, but reduced arrears and evictions stemmed from SHL's ordinary tenancy management rather than from social investment per se. Where public grants were limited, the SIP accelerated the volume and pace of purchases.

### **6.3.4 Reducing System Pressure**

Before the SIP, SHL already had strong links with GMCA and local partners. The SIP operated through the local choice-based lettings system and drew most referrals from Stockport Council, with some RSAP referrals coming from other Greater Manchester authorities. To facilitate those RSAP placements, SHL built new working relationships with neighbouring councils' homelessness teams and continued close operational links with Greater Manchester Police on antisocial behaviour. Proximity to the Housing Benefit team in the same building remained valuable for swift resolution of rent issues.

These arrangements helped deliver sustained tenancies, reduce arrears, and relieve some pressure on homelessness services. However, the programme's scale again limited the system-level effect: adding around two dozen homes cannot materially change a waiting list of thousands. The SIP did not amount to "Housing First light," because SHL continued to select through a readiness-based pathway and tenants with more complex needs were typically on time-limited RSAP agreements.

The SIP therefore sat within local integration and referral pathways, but the extent of system relief was modest and the model did not transform the approach to high-needs placements.

### **6.3.5 Preventing Arrears**

SHL delivered core tenancy services to all SIP residents and commissioned wraparound support for RSAP tenants from a specialist provider. Staff reported that this combination helped sustain tenancies, manage arrears proactively, and avoid evictions. In practice, though, these supports were not unique to SIP properties: SHL applies the same tenancy-management standards across its wider stock and buys in specialist help where needed. The SIP's main contribution was that it provided additional, suitable homes as a platform on which SHL could apply its usual practice.

Enhanced tenancy management thus prevented arrears and evictions, but the mechanism is SHL's existing service model rather than the financing approach.

### **6.3.6 Discussion**

The SIP worked well as a vehicle for adding a modest number of high-quality homes, refurbished to an agreed standard and let on long leases. Day-to-day performance has been strong: minimal arrears, no reported antisocial behaviour among current SIP tenants, and stable occupancy. The partnership between SHL and Resonance functioned smoothly, with SHL's local knowledge shaping acquisitions and Resonance providing capital when other routes were constrained.

At the same time, the programme's size necessarily limited its impact on the wider homeless system. With 9,500 applicants on the Stockport waiting list and only 561 re-lets in the last year, 28 additional homes cannot, by themselves, shift system pressures. The SIP did not introduce a new clinical support model or a true Housing First approach; rather, it provided well-chosen properties on which SHL applied its established tenancy-management methods. Where residents needed more intensive help, this was commissioned separately through RSAP or other routes.

The distinctive value of social investment here lies in timing and feasibility. When public capital is scarce or councils are risk-averse to procurement, an investor landlord can purchase quickly to an agreed standard, and a housing organisation like SHL can lease and let without borrowing powers. Where public funding does become available at sufficient scale, similar properties could be obtained that way. In those circumstances, the relative advantage of social investment narrows.

Two risks should be noted. First, RSAP "cliff-edges": for tenants who have sustained their homes for two years, forced moves risk undoing progress. Agreeing pathways that allow successful RSAP tenants to remain would protect outcomes and avoid returns to homelessness. Second, 2030 lease-end planning: clarity on property disposition and tenant security in advance of lease expiry will be essential to preserve stability and investor confidence.

## **6.4 Target Housing**

### **6.4.1 THRIVE**

#### *6.4.1.1 Introduction*

Target adopted an ownership model for the SIP. SASH loaned Target money that it used to buy properties. Target purchased 18 properties in Sheffield, Rotherham, Doncaster, and Hull that suited the target populations. Sheffield Council then granted Target funding to deliver wraparound services to people with complex needs through its THRIVE programme and ex-

offenders through its criminal justice programme. Whereas THRIVE clients received a “home for life,” clients in the criminal justice programme were housed on a 12-month lease.

Target’s theory of change included several hypotheses about client 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 is divided into two parts: THRIVE and criminal justice.

#### *6.4.1.2 Sourcing Properties*

Target bought 18 high-quality properties with SASH funding by spring 2024. Target staff shared their knowledge of the local housing market to help SASH buy properties. In-house staff guided procurement with their knowledge of the local property market.

The relationship of in-house staff with the local authority facilitated procurement of suitable accommodation for SASH. Market constraints limited access to one-bedroom flats. About 10–20 percent of their stock was shared accommodation. And Target struggled to buy units in some parts of Sheffield where clients wanted to live.

Our contacts said they would have been unable to purchase those properties without social investment financing. But staff could have used their knowledge of the local property market to buy units if traditional types of finance were available. This gave them flexibility to shield clients from exploitation by procuring properties in neighbourhoods with lower crime rates.

#### *6.4.1.3 Property Modifications*

The ownership model let Target control maintenance and adapt properties to meet the needs of clients. the ownership model made it easier for them to adapt properties. Between 2021 and 2025, Target had received 172 maintenance requests and 21 property adaptation requests, 143 (83 percent) 18 (85 percent) of which were completed, respectively. THRIVE’s service manager said they were able to modify SIP properties to meet the needs of tenants, “If we’ve got to fit in a wet room or we’ve got somebody where there’s an OT assessment, you can make sort of adaptations much easier.”

Our contacts said SIP properties were easier to modify than standard lets because a restrictive intermediary was absent, “In terms of quality of the actual properties, we’ve been able to make adaptations to those properties much easier, whereas you can’t do that if we’re leasing that from somebody else.” Removing market intermediaries, who could reject a modification request or deny a tenancy, reduced the time it took to adapt SIP properties. This freed up times for caseworkers to deliver wraparound support.

**Client Spotlight:**  
**Stan's Adapted Property Delayed Transition to a Group Home**

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.

#### 6.4.1.4 Enhanced Service Delivery

THRIVE’s new service manager said SIP properties facilitated rapport early in the pilot because caseworkers asked clients where they wanted to live. Giving clients that choice was thought to help caseworkers establish a trusting partnership. That relationship may have changed once clients settled into their flat, grew tired of the service, and/or relocated to an unwanted property.

Despite this exception, our contact believed tailored accommodation facilitated rapport and stabilised tenancies under certain conditions. From their perspective, property modifications mattered most when someone needed adaptation(s) to stay in a desired property, “It’s more helpful when it comes to clients that want to make changes within the homes or if they want to stay within that home...We’ve had somebody that they were on end of life care, and we were able to make sure that things were adapted as they needed it to be.”

Our contact nonetheless said tailored accommodation was uniquely possible in SIP properties. Tailored accommodation made the property feel more like home. This was thought to motivate service engagement because clients were more likely to welcome external providers into their abode. But they did not solely attribute rapport and service engagement to tailored accommodation. Tailored accommodation without a skilled workforce would not produce rapport, service engagement, and stable tenancies.

“My key worker, I wouldn’t change in a month of Sundays. Best thing since sliced bread.”

- *Lived Experience Storyteller, Sheffield*

Control over property management and maintenance also gave caseworkers more resources to develop their relationship with clients. Aside from property adaptations, Target could also decide if tenants could house a pet in their property. This was a significant advantage because people experiencing homelessness often have emotional support animals that they want to keep. Doing so can enhance the well-being of those clients and in turn stabilise their tenancy.

#### **Client Spotlight:**

##### **Sam’s Stairlift Replacement was Delayed by a Third-Party Agency**

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.

#### 6.4.1.5 Managing Anti-Social Behaviour

Since 2021, there have been 75 ASB incidents noted in client case files, 34 of which (45 percent) were complaints from neighbours. The ownership of SIP properties let caseworkers practice harm reduction whilst delivering services to THRIVE clients with addiction issues. Because Target owned SIP units, caseworkers could tolerate many behaviours sanctioned by private landlords. This avoided conflict by respecting client choices. When someone's behaviour generated ASB complaints from neighbours, the ownership model let caseworkers move the client to another property or adapt their accommodation to limit harm. This stabilised tenancies for SIP tenants.

The new service manager for THRIVE described the benefits that their predecessor attributed to SIP properties. But they added crime has recently spread throughout the council. As a result, SIP properties that were once in safe neighbourhoods, are now becoming unsafe. When a situation gets bad enough, caseworkers will move a client to another SIP property, but neighbours are starting to stigmatise SIP tenants for drawing problems to their estate. This might suggest the initial benefits in-house property management wane over time if neighbourly patience gets stretched too thin.

Internalised property management, afforded by the SIP, was cited as a unique benefit of SIP properties. This assertion was made even though Target is the leasee for clients living in standard lets. In those situations, the landlord delegates property management to staff members, but was said to still mediate neighbour complaints about 50 percent of the time. Property ownership thus gave caseworkers a unique advantage, even when they managed properties for private or social landlords.

The recent crime wave, however, denotes a potential weakness in social investment financing. Target initially sought housing in neighbourhoods to shield clients from exploitation. But those neighbourhoods have changed since 2021 and clients are now at-risk of abuse from criminals. Target could sell those properties and buy new ones in a better area; however, doing so is a lengthy process that staff may not have time for and financial constraints would likely prevent procurement in a protected neighbourhood.

#### **Client Spotlight:**

#### **Sarah's Caseworkers Stabilised Her Tenancy Whilst Managing ASB**

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 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.

#### 6.4.1.6 Building Rapport

The ownership model facilitated repairs by cutting out intermediaries who slowed down maintenance. The proportion of requests that were addressed varied from 79 to 100 percent, with an average of 87.4 percent. Swiftly addressing maintenance requests helped caseworkers build rapport with their clients by demonstrating trustworthiness.<sup>[1]</sup> The service manager for THRIVE reported speedy correction of maintenance issues has helped her team build rapport with SIP tenants. From their perspective, tenancies were more stable if clients felt supported.

“It makes me content and happy...Target and THRIVE...have done so much for me.”

- *Lived Experience Storyteller, Sheffield*

Our contacts said in-house maintenance was a unique feature of SIP properties that generated the aforementioned benefits. However, some maintenance requests required collaboration with external partners who respond to issues slower than in-house staff. This can reduce the benefits of internalised maintenance, but those cases were the exception rather than the rule.

#### **Client Spotlight:**

#### **Adam’s Caseworker Easily Made Repairs Following an Attempted Break-in**

Adam started using drugs after losing both parents in his mid-teens. By the time Adam became a SIP tenant, he had developed a crack cocaine and heroin addiction that he struggled to control. Having grown up in the Sheffield, Adam knew a lot of drug users from the street who had occasionally invited to his flat. Adam’s addiction acquainted him with drug dealers, whose exploitation and abuse sometimes landed Adam in hospital. One night, someone tried to break into Adam’s flat by smashing the kitchen window and breaking the letterbox. Target’s maintenance team had a master key to the flat that they used to repair the damage. Adam’s caseworker said this process would have been much harder if Target did not own the property, “We have a master key...That is one of the that's one of the big advantages of it being a target

owned property. If you're reliant on private landlords, they haven't got about flexibility, with a chaotic client group, it's much harder to get repairs done." While explaining the impact of social investment financing on maintenance repairs, Adam's caseworker recalled their attempt to fix a maintenance issue in a block that was managed by social landlord, "Trying to get a communal key from them to the block was just ridiculously complicated. They'd moved their office and they'd not updated their website to say where their office was. They didn't have keys readily to hand. I was sent on a wild goose chase to get keys."

#### 6.4.1.7 Enhanced Well-being

The well-being of THRIVE client improved once they got rehoused in a SIP property. 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 throughout their lease. For example, some clients experienced a spike in well-being when they got rehoused 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.

"I've gained confidence. I've still got a lot of problems but I'm getting round it. ... This place has been brilliant. Coming from nothing, like a tramp, and now I'm starting to get confidence. ... If it weren't for this place, I don't know where I'd be. Probably in the ground."

- *Lived Experience Storyteller, Sheffield*

Our contacts attributed gains in well-being to the SASH properties. One of the administrators described the way adapted properties helped their clients live more independently. We asked 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 into the unit.

#### **Client Spotlight: Selena's Well-Being Dramatically Improved During Her Tenancy.**

Selena is a middle-aged migrant who lives with schizophrenia. At the beginning of her tenancy, Selena disengaged from services before getting sectioned for a couple months, when she got back on her medication for schizophrenia. But upon her release, Selena consistently engaged her caseworker by going to coffee, shopping, or visiting the cinema. Selena eventually started English language classes at a local college and preparing for the "Life in Britain" exam that she needs to complete for permanent residency. Aside from that, Selena started going to the gym, regularly joins a yoga class, and started a romantic relationship that has been going really well. Although Selena has questioned the need to continue her schizophrenia medication, she has followed the recommendation of her caseworker to keep taking it.

### 6.4.2 Criminal Justice

#### 6.4.2.1 Introduction

Target 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. We consequently evaluate the programmes in separate sections.

#### *6.4.2.2 Sourcing Properties*

Target bought 18 high-quality properties with SASH funding by spring 2024. Target staff shared their knowledge of the local housing market to help SASH buy properties. In-house staff guided procurement with their knowledge of the local property market.

The relationship of in-house staff with the local authority facilitated procurement of suitable accommodation for SASH. Market constraints limited access to one-bedroom flats. About 10–20 percent of their stock was shared accommodation. Target struggled to buy units in some parts of Sheffield where clients wanted to live.

Our contacts said they would have been unable to purchase those properties without social investment financing. But staff could have used their knowledge of the local property market to buy units if traditional types of finance were available. This gave them flexibility to shield clients from exploitation by procuring properties in neighbourhoods with lower crime rates.

#### *6.4.2.3 Property Modifications*

The ownership model enabled staff to provide higher quality units than the ones they usually accessed for clients in the standard rental market. Between 2022 and 2025, Target received 20 maintenance requests from clients in this programme, 16 of which (80 percent) were completed. The ability of Target to maintain SIP properties provided clients higher quality units that they could more easily be transform into a home.

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.

Despite the fact that they never modified a SIP property, our contact cited the capacity to do so as a salient distinction from standard lets. Reducing the time to make adaptations could rehouse people with disabilities more quickly or ensure they could remain in their current property if new needs emerged after they got rehoused.

Although our contact had never modified a SIP property, they said those units were much larger than standard lets. As a result, they could make the property more homely by putting more furniture in the unit. Increased space helped. Caseworkers accommodate an overweight client who needed a larger bed to sleep at night, "So we had a gentleman who was slightly overweight. We managed to put a bigger bed in the property to suit him. He said that he wasn't comfortable in his current bed and that having a bigger bed would support him with his back. So, we managed to get that in because of the property being bigger."

#### *6.4.2.4 Enhanced Service Delivery*

Clients responded to most engagement attempts from their caseworker. On average, caseworkers were able to contact clients 76.3 percent of the time. Engagement dropped from 80

percent in 2023 to 72 percent in 2024, likely due to staff turnover and organisational reshuffling. Clients nonetheless engaged caseworkers whenever they reached out, for the most part. Caseworkers used these contacts to build their relationship with clients and stabilise tenancies.

Caseworkers built rapport by helping clients (re)connect with services and comply with probation obligations. For example, the new service manager, who replaced the one we spoke to last year, said their team decorated SIP properties to make them feel more homely for clients. Doing so was said to enhance service engagement because SIP tenants felt more settled, “If we can make them more homely, they then will feel more settled, and then that will increase engagement, and then from increasing engagement we've got better chances of moving them on and getting positive outcomes.”

Our client gave mixed evidence about the impact of SIP properties on rapport and tenancy sustainment. SIP tenants received the same kind of services that non-SIP tenants got. The key difference that they attributed to SIP properties was the willingness of clients to invite outside support into their flat. From our contact's perspective, SIP tenants were just as likely to accept outside referrals as non-SIP tenants. But because SIP properties were nicer inside, clients were more willing to let service providers outside of Target to enter their home.

#### *6.4.2.5 Managing Anti-Social Behaviour*

Since 2021, there have been 26 ASB incidents noted in client case files, 8 of which (30 percent) were complaints from neighbours. Target staff attributed the small number of ASB complaints to the control over property management that SIP properties gave caseworkers. Without a private landlord threatening to evict disruptive tenants, clients in the criminal justice programme could settle into their accommodation, secure their tenancy, and minimise interactions with law enforcement that put their probation at-risk.

That said, our contact was concerned about the recent crimewave in Sheffield, but said none of the SIP properties that were occupied by clients in their programme had been affected by it. none of their clients had received an ASB complaint from their neighbours, “We've had no neighbour complaints for any of the SIP properties. The tenants are happy where they are. They're engaging with support.” As this quote demonstrates, client satisfaction and service engagement were cited to explain tenant stability.

Target could more easily deal with ASB complaints in SIP properties because caseworkers could directly address the issue with neighbours. Dealing with complaints in-house meant Target was not at-risk of losing access to the property. This ensured the ASB of one client would not reduce housing options for other ones by making properties unavailable to them. This was a unique benefit that social investment finance afforded Target because traditional grants and loans were unavailable to buy those properties. If those funding streams were available, the advantage of social investment financing would have disappeared.

SIP tenancies were more stable than non-SIP tenancies. Target will internally move a client during their tenancy to deal with emergent problems. Internal moves are common, especially with the recent crimewave. The need for relocation was more common among non-SIP tenants because they lived in high crime neighbourhoods. Proximity to crime exposed clients to risks that destabilised tenancies. The distance of SIP properties from negative influences meant those clients were less exposed to negative influences. As a result, their tenancies were more stable than clients housed in non-SIP properties. This reflects a unique of advantage of social investment financing because Target had more flexibility to buy properties in safer neighbourhoods than they could usually afford in the standard rental market.

#### **6.4.2.6 Building Rapport**

Target addressed 80 percent of maintenance requests from clients. The proportion of requests that were successfully addressed varied from 50 to 100 percent, from 2022 to 2025.<sup>[1]</sup> A service manager attributed this success rate to the ease of making repairs to SIP properties, “When we own a property, any kind of repairs or maintenance jobs or decorating that needs to be done, we can just go in and get that done and get that looking good and up to speed.”

Control of maintenance helped caseworkers build rapport with clients. By immediately solving maintenance problems, caseworkers could demonstrate efficacy and establish trust. Internalized maintenance let caseworkers avoid conflicts that could undermine service engagement and dissolve a tenancy if a client shirked their contractual obligations with Target. In-house maintenance also facilitated service delivery by letting caseworkers focus on support rather than maintenance issues during home visits. Rather than chasing up absentee landlords, caseworkers could work with SIP tenants to accomplish goals set in their support plan. Doing so gave caseworkers a chance to help clients deal with underlying problems that facilitated previous episodes of homelessness and thus stabilise their tenancy.

Our contact praised the SIP for giving Target control over property maintenance. From their perspective, controlling property maintenance allowed staff to circumvent barriers imposed by an outside landlord, “Because we own them, we're not chasing landlords for repairs. Once we know what repairs need doing, we can get straight in there and get it done. That makes it easier and it improves the process.” This advantage was lost if traditional grants were available for Target to buy properties or local landlords were responsive to maintenance requests. Since traditional grants were unavailable to buy properties and Sheffield landlords were on average slow to make answer maintenance requests, social investment financing gave Target unique control over property maintenance.

#### **6.4.2.7 Enhanced Well-Being**

Target praised the SIP for allowing them to tailor properties to the needs of clients, even though they had not needed to do so. The ownership model gave staff the ability to modify units for clients.

Because staff had not yet adapted a property for clients in their ex-offender programme, we were unable to test the hypothesis stated in Target Housing’s theory of change. We instead asked a service manager if they had noticed any difference in well-being between people that are housed in SASH versus non-SASH properties. Our contact said they had noticed a difference in well-being because SIP properties were located in better neighbourhoods and more spacious than standard lets.

### **6.4.3 Discussion**

This section showed ownership-based social investment financing can improve service delivery and tenancy outcomes. By purchasing and managing its own housing stock, Target leveraged local knowledge to acquire quality properties in safer neighbourhoods, something that was previously impossible through conventional grants or the private rental market. This autonomy increased flexibility to meet client needs, such as installing larger beds or tailoring furniture, and provided the potential to adapt units for accessibility. Control over procurement and maintenance reduced dependence on external landlords, allowing repairs to be made swiftly and efficiently. These operational advantages strengthened rapport between caseworkers and clients by enabling staff to respond promptly to problems and maintain well-presented, stable homes that fostered trust and engagement.

Tenancy stability and engagement data further suggest that the SIP improved client outcomes relative to standard lets. Caseworkers were able to reach clients in roughly three-quarters of attempts, and antisocial behaviour incidents were concentrated among only a few tenants. Clients' willingness to invite outside support workers into SIP properties and their satisfaction with accommodation quality both contributed to stronger service relationships. Although the programme's impact on physical accessibility and adaptive housing remains untested, the ownership model's flexibility and control mechanisms clearly enhanced Target's capacity to deliver effective support.

## 7. Conclusion

The *Everyone In Social Investment Pilot (SIP)* was designed to test whether social investment can mobilise private capital to increase the supply of housing for people experiencing or at risk of homelessness and to assess the outcomes and value-for-money of such an approach compared with traditional grant funding. Over three years, the evaluation examined both the feasibility and the social, organisational, and economic impact of this novel funding mechanism. Taken together, the evidence demonstrates that the SIP successfully delivered secure, good-quality accommodation to several hundred households, built organisational capacity among provider agencies, and attracted and retained investor confidence. It also revealed the structural limits of social investment as a homelessness solution in the absence of sustained public funding and welfare support.

### 7.1 Role of social investment in bringing forward accommodation

For the two fund managers Resonance (NHPF2 and REIF) and SASC (SASH) - the SIP demonstrably increased the stock of suitable housing for people with experiences of rough sleeping or homelessness. Units were strongly concentrated in local authorities with the highest levels of homelessness, temporary accommodation use and income deprivation. In that sense, the programme reached its intended recipients and was well-targeted geographically.

Social investment succeeded in accelerating procurement and improving quality. Fund managers could purchase property portfolios directly or work with providers to do so, avoiding the delays associated with grant cycles or council borrowing. Because the properties were often newly refurbished and located in safer neighbourhoods, they provided tenants with a degree of stability and dignity often not achievable in the private rented sector. The SIP thus validated the premise that investor capital can expand affordable supply quickly and at acceptable risk when public resources alone are insufficient.

### 7.2 Effectiveness and outcomes for people housed

Across all several providers - Nacro, P3 and Target Housing - clients experienced meaningful gains in housing stability, safety, and wellbeing. Most had previously been in temporary accommodation or sleeping rough. Secure housing reduced stress, enabled access to health and employment services, and supported gradual improvements in mental health and self-sufficiency. Gains were less clear-cut for SHL's clients.

Differences emerged between models. In Nacro's lease-based scheme with Resonance, clients valued the quality and security of homes but often required longer support than the two-year tenancy permitted. P3's co-production model produced similar outcomes across SIP and non-SIP stock, suggesting that relational casework and client motivation mattered more than the funding instrument itself. SHL's tenants benefited from well-managed, refurbished homes,

though impacts attributable to the SIP were hard to distinguish given the small scale. Target Housing's ownership model produced the strongest client gains: ownership allowed faster repairs, property adaptation, and harm-reduction approaches for tenants with complex needs. Across most sites, evidence shows that stable housing combined with relational support yields improvements in wellbeing and independence, though structural barriers, particularly scarcity of affordable move-on housing continue to constrain progress.

### 7.3 Value for Money and comparative efficiency

Economic analysis indicates that SIP provision was at least cost-neutral from the perspective of the public purse and, in most cases, more efficient than equivalent accommodation in the private rented sector or temporary placements. For Nacro and SHL, lease-based provision cost 12–20 percent less than comparable PRS housing and offered better quality. For Target Housing and P3, ownership through social investment loans delivered a sustainable asset base and projected real returns between 1.7 and 5.8 percent while generating savings for local authorities through reduced use of temporary accommodation.

These findings suggest that blended finance can complement public spending by spreading risk, attracting private capital, and providing modest investor returns without inflating costs to tenants or the public purse. The approach demonstrates acceptable economy, efficiency, and effectiveness, particularly where rent revenue and housing benefit flows are secure and administrative capacity is strong.

### 7.4 Implementation fidelity, reach, dosage, and differentiation

Implementation fidelity was high despite volatile housing markets and the administrative complexity of mixed finance. The programme largely delivered as intended: target populations were reached, tenancy lengths and support intensity matched the planned dosage, and the underlying theories of change held across contexts.

What differentiated the SIP from traditional grant programmes was flexibility and speed. Fund managers had discretion to adjust procurement and eligibility criteria to local markets, and charities could focus on service quality rather than short-term funding renewals. The delegated governance model introduced new reporting burdens and political risks for MHCLG and BSC, but it also demonstrated that government can safely devolve financial control to trusted intermediaries under strong monitoring arrangements.

### 7.5 Organisational impacts

For delivery organisations, social investment catalysed significant learning and institutional change.

- **Nacro** deepened partnerships with the GLA clearing-house system, acquired managerial and financial competencies, and enhanced its reputation as an investment-ready housing provider.
- **Target Housing** underwent significant change: property ownership integrated housing and care functions, improved responsiveness, and repositioned the organisation as a regional leader in housing-led recovery.
- **Stockport Homes Limited (SHL)** experienced some modest change. Participation diversified funding streams, enhanced procurement agility, and modestly strengthened inter-agency collaboration.
- **P3** broadened its property base and maintained financial stability, though the social-investment element had limited additional impact beyond its existing practice.

Common across all organisations was the development of hybrid competencies: blending social-care ethos with commercial and financial literacy. This cross-sector learning is one of SIP's most durable legacies.

## 7.6 Thematic findings beyond core objectives

Several broader themes emerged that extend beyond the original evaluation aims.

- **Market dynamics and affordability.** Volatile property prices, inflation, and regional disparities affected procurement and returns. Social investment models were most effective in moderately priced housing markets; in overheated urban markets, price caps and support ceilings constrained reach and quality.
- **Governance and data.** Novel reporting requirements created additional administrative loads, especially where providers lacked prior experience with investor metrics. Establishing shared data standards early proved critical for accountability and investor confidence.
- **Relational practice and workforce sustainability.** Caseworkers were pivotal to outcomes, yet high turnover and dual landlord-support roles sometimes caused strain. Effective programmes invested in reflective supervision, trauma-informed training, and manageable caseloads.
- **System integration.** The SIP demonstrated that social investment can complement, not replace, public provision. Where local authorities processed benefits efficiently and coordinated referrals, outcomes were strongest; where welfare systems were slow or fragmented, arrears and stress followed.
- **Sustainability and exit risk.** Lease expiries (especially in 2030) pose potential instability unless rollover or refinancing mechanisms are secured. For tenants in fixed-term schemes, continuity planning is essential to prevent 'cliff-edges'.

## 7.7 Synthesis and implications

The *Everyone In Social Investment Pilot* achieved its principal aims. It demonstrated that social investment can effectively channel private capital into affordable housing for people experiencing homelessness, deliver tangible benefits for tenants, and strengthen provider organisations, while maintaining investor confidence and reasonable returns. Implementation fidelity and targeting were high; cost efficiency compared favourably to conventional models; and the programme generated rich learning about how financial innovation intersects with social need.

At the same time, the pilot underscored enduring constraints including limited affordable move-on options and the complexity of multi-agency governance. The evidence supports the proposition that social investment can form part of a diversified funding ecology for homelessness.

Taken together, the evaluation provides credible evidence that social investment can operate as a viable mechanism for expanding and sustaining housing for people who have experienced homelessness. It offers:

- Proof that private and public capital can be blended for social purpose.
- Evidence that investment models can coexist with relational service design.
- Evidence that investment models can deliver favourable value for money.
- Evidence that engagement with investment models can foster innovation and build organisational capabilities.

- A foundation for scaling future housing finance instruments anchored in social outcomes.

While acknowledging the following limitations:

- The distributed nature of the SIP and the relatively low number of properties purchased in any one of the areas in this pilot precluded any significant level of scaling in any of the areas that the SIP was implemented in.
- Evidence that investment models come with some market dependency and administrative complexity.

In three of the five pilot areas we examined, the service was not designed to deliver housing on a long-term, permanent basis. Partners were committed, however, to find ways of housing and funding them for as long as they need. However, most of NHPF2 properties and THRIVE did provide in-effect permanent housing. If we distinguish housing from housing support, in those areas that were not designed to deliver long-term housing the duration of housing was linked to the duration of housing support. Looking at the findings from the evaluation in the round, the evaluation suggests that in this pilot social investment was not a substitute for grant funding or structural housing reform. Rather, it was a complementary instrument that, when embedded within relational, person-centred service models and supported by competent governance, contributed to homelessness-reduction. Without adequate welfare and affordable permanent housing options, even well-designed schemes face “cliff-edges.” This limiting factor in the current pilot is not intrinsic to social investment finance and the NHPF2 and THRIVE properties that did provide in-effect permanent housing are a departure from the status quo. A future pilot should build on these examples to test the potential for social investment to offer permanent housing.