



propertyfund

Social Impact Report
Third Year (2015/16)



Scaling up solutions to homelessness
through social impact investment





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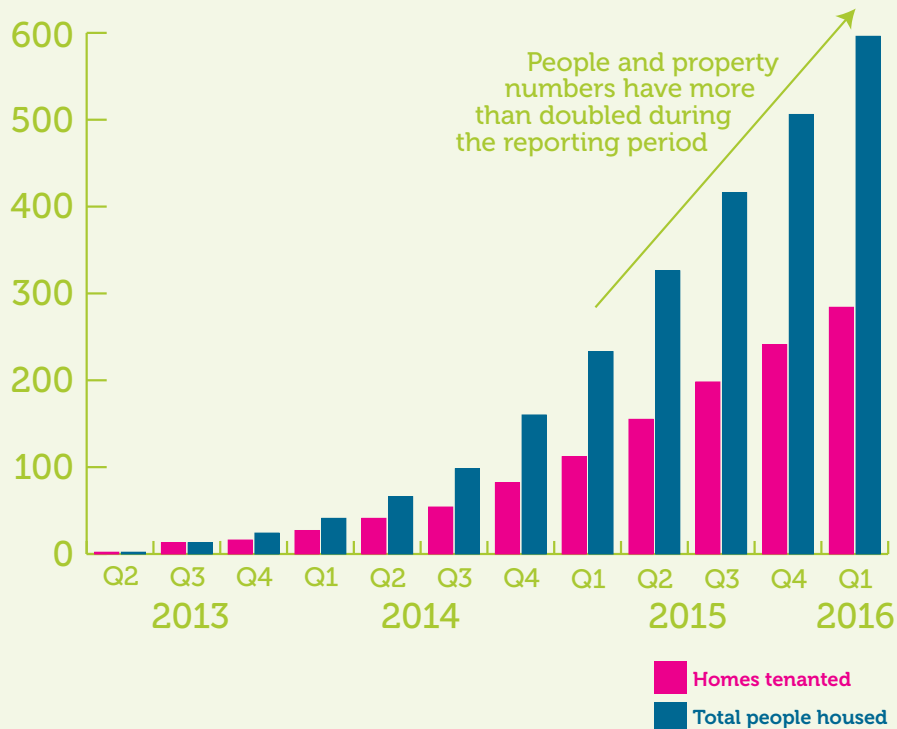


Summary

The Real Lettings Property Fund (RLPF or the Fund) is a property investment fund designed for a social purpose: to help people at risk of homelessness to become more independent, linking stable housing to positive development in other parts of their lives. Run by social investment company Resonance in partnership with homelessness charity St Mungo's, RLPF is now reporting on the social impact of its third year of operations in 2015/2016.

RLPF has doubled in terms of the number of homes provided and number of people served during the year covered by this report. This is reflected in the graph below.

Another year of significant tenancy growth



99%

TENANTS SUSTAIN THEIR TENANCIES FOR MORE THAN SIX MONTHS

44%

TENANTS IN EMPLOYMENT, WITH 29% UNEMPLOYED BUT MAKING PROGRESS TOWARDS WORK

99%

HOMES KEPT IN ADEQUATE OR BETTER CONDITION

83%

TENANTS SAY THE PROPERTY HAS HAD A POSITIVE IMPACT ON THEIR SUPPORT NETWORKS AND RELATIONSHIPS

Peter



Peter was in a hostel for six months and had no realistic options for anywhere to live: "I was at the end of the road and could have ended up on the streets." However, through the hostel manager, he was connected with St Mungo's. A week after meeting St Mungo's he moved into a Real Lettings property, where he has been for 7 months. This is the first property Peter, 27, has lived by himself. "I just feel blessed to get it. When I first got the key, I was nervous but also excited."

Mabintou



Mabintou, with her two young children, was living at her parents' house in East Ham. In total, there were 11 living in a four-bedroom house, including 7 children. The council intervened and told Mabintou she had to move, placing her in temporary accommodation in Forest Gate. She was stuck on a waiting list for local authority housing and unable to rent due to agencies turning her down due to not wanting tenants on housing benefits. Mabintou had few options until she was referred to Real Lettings and moved into a two-bedroom property in Plaistow, East London.

Vanessa



Vanessa, 22, has been living in her Real Lettings property for 19 months with her daughter. She left her mother's home as it was overcrowded and the cramped living conditions meant that relations became very stressed between her and her mum. She went to stay with friends but this was not a suitable solution for her and her daughter. She then approached the council who referred her to Real Lettings. She moved into a flat in Romford and, whilst it is quite far from her family in south London, their relationships have improved greatly and she visits her mum regularly. Vanessa continues to like the property but admits to feeling a little isolated as most of her support network is in Croydon.

Key achievements during the year are:

- Offering more stable and suitable accommodation to over 200 more people than last year, most of whom were families with children moving from unsuitable conditions, typically in temporary accommodation. The Fund is now helping a total number of 607 people.
- Helping the influx of new tenants to settle in well and sustain their tenancies. 99% of residents sustained their tenancy for more than 6 months (98% in 2015).
- A major (28%) increase in the proportion of tenants who have been in their property for less than 6 months and report a positive effect on support networks and relationships, perhaps in part due to finding properties in better areas for tenants. Crucially, for most of the tenants (83%), the property has had a positive impact on their support networks and relationships.
- RLPF tenants' ability to manage their household costs, paying rent and bills on time. 87% are not in rent arrears, and 96% keeping up with bill payments. Both of these show a slight improvement on last year.
- Although it is still early days, with only 8% of tenants having been in RLPF properties for more than two years, RLPF is starting to see positive move-ons – 12 in the last year.

Some areas are proving challenging:

- Only half of households are neutral or confident in looking for a private property, approximately the same as last year. This shows the ongoing challenge accessing the London property market for those on a low income. The external environment, in terms of rising capital and rental prices, the benefits cap and reported discrimination by landlords against tenants on benefits, are major contributors to this.
- The number of households saving for a deposit has fallen to 12% of tenants and the absolute numbers saving are low: 19 out of 160 tenants. As a leading indicator of forward planning for a move into a private rental, this is concerning, if understandable, given the preponderance of single parent families, with many calls on their money and reductions in available income due to benefit changes.

- Progress to employment requires more focus in the coming year. Although the percentage of tenants in work is similar to last year at 44%, the number progressing towards employment through education, training and volunteering could be improved. This report identifies just over one quarter (26%) of those eligible for work who currently do not show signs of progress towards employment and Real Lettings will target this group in particular. The Real Lettings team has identified progress towards employment as the key indicator to focus on next year in order to maximise the impact of the Fund as a whole.
- Although move-on data remains at an early stage, for the 26 move-ons that did occur, 12 were positive, 7 were negative, and 7 were referred to as 'other'. Of the seven negative move-ons, all were the result of evictions due to significant rent arrears. This was largely due to specific tenants not engaging with benefits processes, and is being addressed in terms of Real Lettings' processes and support.

Overall, RLPF is showing a similar, significant level of positive social impact compared to last year. The Real Lettings team has effectively managed the continued rapid increase in the number of properties acquired and people housed. This is now slowing significantly, in line with the end of the Fund's deployment period and, combined with the recruitment of an additional member of staff, will mean that Real Lettings has more resources to work on its social impact outcomes. Employment is the key focus for the year ahead, as this has the greatest potential to increase savings, reduce debts and give people more choice in terms of moving on to a new property. Real Lettings is also working on more options for moving on beyond the private sector. The development of these initiatives will help further increase the social impact of the Fund for tenants.

What is the Real Lettings Property Fund?

The Real Lettings Property Fund (RLPF) is a social impact investment fund, designed to provide both a commercial return to investors as well as achieving significant social impact in the area of homelessness. This third annual Social Impact Report provides an assessment for investors and other interested parties, of RLPF's social impact on the lives of those it seeks to help.

RLPF was developed by social investment company Resonance and homelessness charity St Mungo's in response to a growing failure in the housing rental market resulting in more people being at risk of homelessness in London. RLPF is a residential property fund which acquires one and two bedroom flats across Greater London, leasing them to St Mungo's to make available (through its social lettings agency, Real Lettings¹) to homeless families and individuals who are ready for independent living but struggle to access private rented accommodation.

This is designed to break down a major barrier for many who are on the journey from homelessness to rebuilding their lives. As a social enterprise within a homelessness charity, Real Lettings has the information and experience necessary to assess which tenants are ready for this step, and to provide transitional help and ongoing advice and guidance, light touch support and monitoring, giving tenants a sense of responsibility for their home and leading to extremely high success rates for tenancies.

The benefits to tenants are measured in terms of improving their housing options (including eventually moving on to other stable accommodation), achieving progress towards work, and developing greater resilience against (reverting to) homelessness. Each of these impact areas is explored further in this report.

In addition to these direct impacts, the work of Real Lettings, supported by properties from the RLPF, is reducing the number and length of stay of families placed into expensive and often unsuitable temporary and emergency accommodation. In 2015, London local authorities housed 48,240 households in temporary accommodation.² This was an increase of 11% on 2014 and cost a total of £663m.³

The Fund was launched in February 2013 with initial investment from L&Q Foundation, Big Society Capital, Esmée Fairbairn Foundation, Lankelly Chase Foundation and the City of London (through City Bridge Trust), and has subsequently received additional investment from the London borough of Croydon, Trust for London, Panahpur and individual high net worth investors. Investors receive both rental yield on the properties and the potential for capital appreciation over the life of the Fund, and the charity guarantees rents and maintenance of the property. In this way, investors receive a commercial risk-adjusted return on their investment and a clear social impact, whilst the charity manages the risks that it is best placed to take.

The Fund had fully committed its investment of £56.8m to properties by the end of its investment period in February 2016, and has subsequently completed on its final acquisitions, resulting in a total portfolio of 257 properties. It has been effective in terms of buying and refurbishing properties during the year this report covers. At the end of the current reporting period (March 2016), 257 homes had been purchased, of which 244 had been handed over to Real Lettings, with the remainder (13 homes) undergoing improvement works. 226 homes were occupied. By comparison, 118 were occupied and 60 were being improved at the end of the previous reporting period (March 2015).

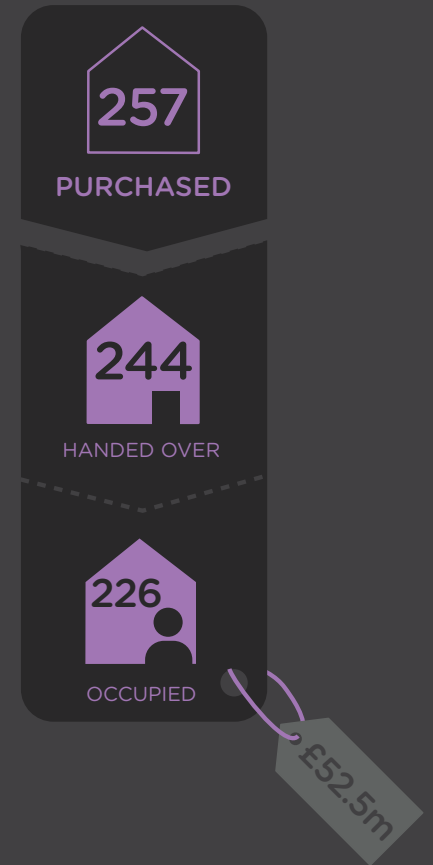
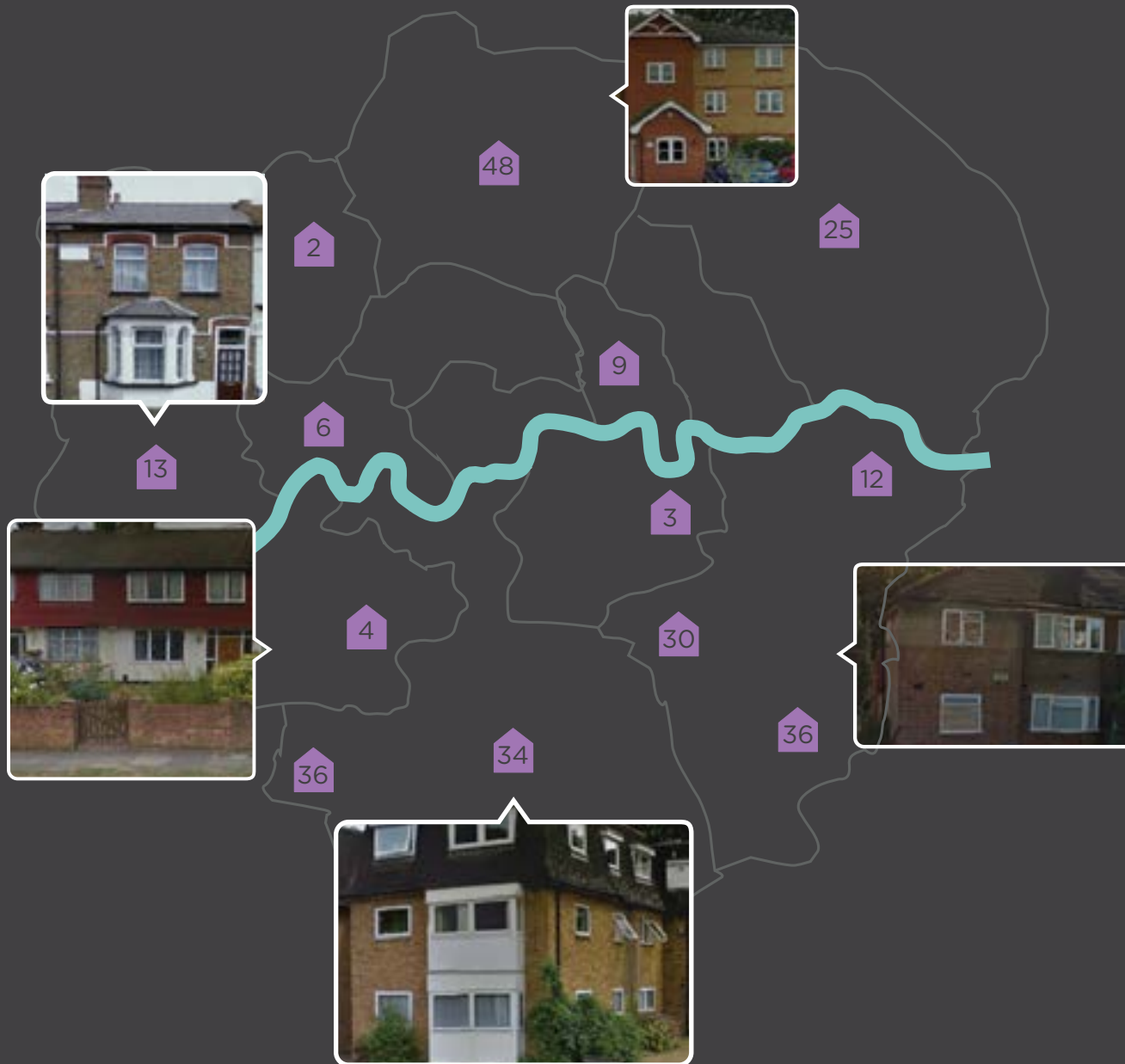
The growth of property numbers in the last year has been accompanied by an even greater rise in resident numbers, from 233 people then to over 600 people living in RLPF homes one year on. This represents a continued deployment at a significant rate. With the last property now acquired by the Fund and handed over to Real Lettings, the focus for the Fund is switching from buying homes to managing them, and for Real Lettings from tenant move-in and stabilisation to more focused effort on tenant progression.

Both the Fund and Real Lettings remain committed to using impact measurement to provide feedback and adjust strategies to maximise the social impact of the initiative.

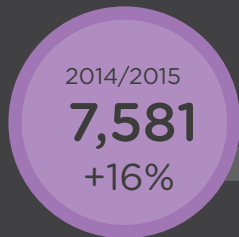
LOCATION OF RLPF PROPERTIES

AS OF END MARCH 2016

FROM PROPERTIES
TO PEOPLE



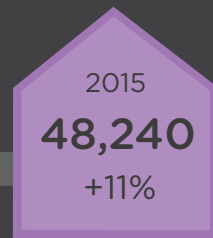
HOMELESSNESS IS A GROWING PROBLEM



People sleeping rough in London

Source: Streets of London

TEMPORARY ACCOMMODATION NEED IS INCREASING...

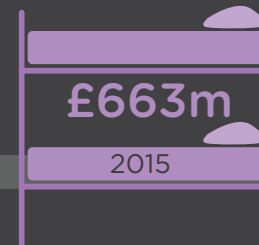


Households in temporary accommodation

Source: London Councils

Temporary accommodation, including in bed and breakfasts, is often unsuitable.

AND EXPENSIVE

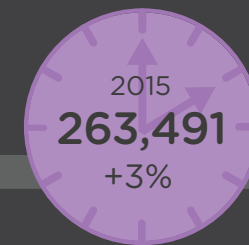


Cost of temporary accommodation

Source: Centre for Housing Policy Report, Feb 2016

With the increasing gap between housing benefits and the cost of temporary accommodation to London Boroughs, in 2015 it is estimated that £170m of the £663m came out of general funds of the Boroughs.

SOCIAL HOUSING: WAITING LISTS ARE INCREASING



Households on council housing waiting lists

Demand for social housing far exceeds its availability; some Real Lettings tenants are not eligible, whilst others would have to wait many years to gain a home.

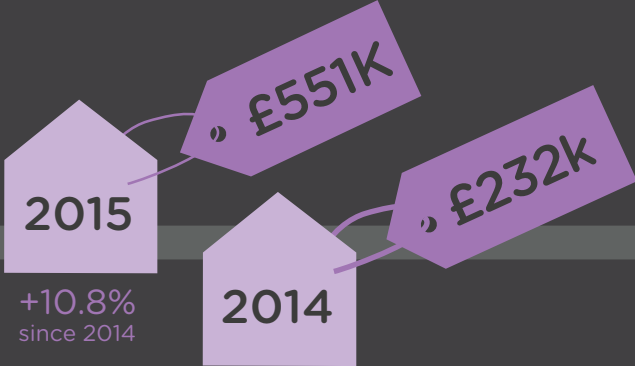
RENT IN LONDON?



The average monthly rent in London

The average Real Lettings monthly rent

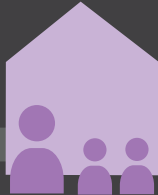
BUYING IN LONDON?



The average RL property

An increasing proportion of the population are being priced out of the London housing market.

REAL LETTINGS PROPERTY FUND



RLPF provides more homes to go with Real Lettings' tried and tested model more effectively than Real Lettings could source them from individual landlords

How is it making a difference?

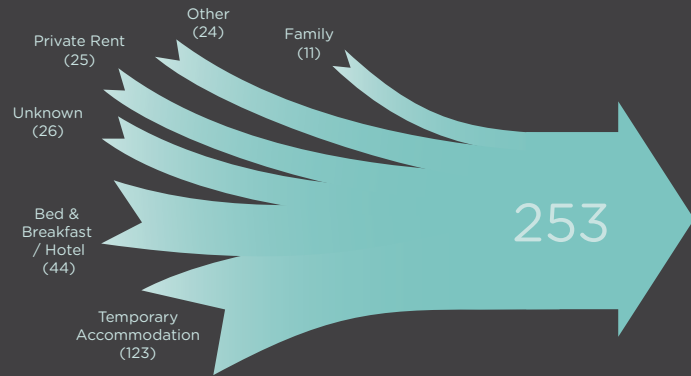
At its simplest, Real Lettings achieves impact by moving homeless people into properties, supporting them as they make the transition, and then enabling them to move-on to other stable homes. RLPF seeks to have a positive impact on the lives of individuals in three key areas:

- Improving housing opportunities
- Progressing towards work
- Improving resilience against homelessness

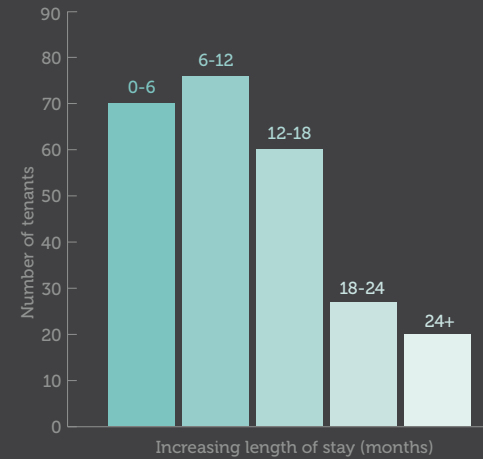
Measures for assessing progress in each of these areas were developed jointly by Resonance and St Mungo's/Real Lettings from an early stage, based on the underlying motivations of the project, and have been the subject of ongoing discussions between the partners since then. These three areas are considered below, following the section on who RLPF houses, which sets the context. Understanding who is supported by RLPF is important to understanding its impact, because it demonstrates why residents needed access and support.



Who is housed



WHERE ARE PEOPLE FROM?
By tenants, not households



HOW LONG HAVE THEY BEEN IN AN RLPF HOUSEHOLD?
By household, not individuals

Description and explanation

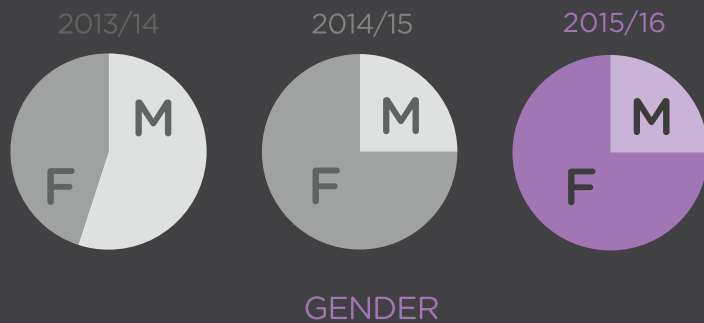
Over 550 people are now being housed, a significant increase

There has been a significant increase in the number of people housed by RLPF. By March 2015, Real Lettings had 233 people housed in properties owned by the Fund. As of March 2016, this had more than doubled, to 552 people. For each new household, Real Lettings meets new tenants in person for a property induction and to complete the property registration, then often provides additional support at the start of the tenancy whilst people settle in and get their finances in order. This is a relatively intensive process, hence it translates into a higher work load for the Real Lettings team. Helping tenants settle in well is a significant achievement.

Whilst there are a variety of routes to RLPF, the majority are from temporary and emergency accommodation, most of which is provided by local authorities

Since its inception, all people coming to Real Lettings are referred by a local authority, based on agreed eligibility and guidelines, although they may have been housed in different ways prior to this. In 2015/16, in line with previous years, most tenants came through local authority owned

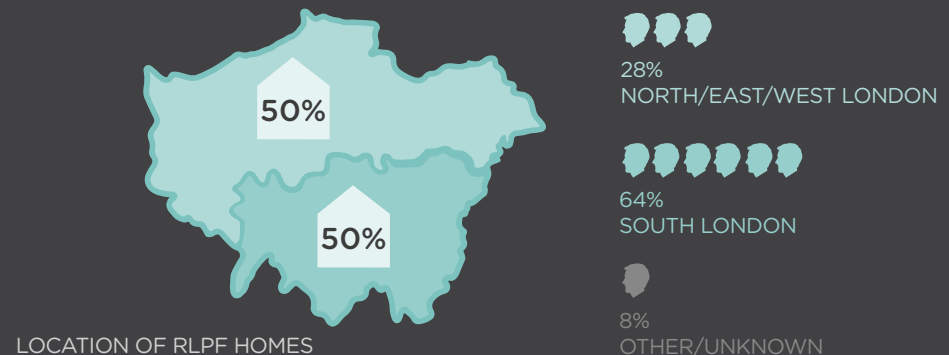
temporary accommodation. As previously mentioned, the need for temporary accommodation is increasing, with the costs – due to the increasing gap between housing benefits and the market – spiralling. The next largest referral route is from B&Bs and hotels – often called emergency accommodation. A further 25 households have come from the private rental sector. These clients typically are served notice of eviction, which puts them at risk of homelessness. The 'other' sector refers to a variety of different previous locations for Fund households: three from a probation hostel, three from refuges, three from prison and one from a hospital. Two tenants were sleeping rough prior to Real Lettings and two came from a homeless hostel. The vast majority of RLPF tenants were not previously sleeping rough, or in hostels – with this making up only 1.5% of the total number of households. Whilst, in the public imagination, homelessness is often equated with sleeping rough, RLPF is an intervention designed to help those who are often referred to as the 'hidden homeless'. The model is not specifically designed for those who are sleeping rough, who often have multiple presenting needs and are a client group that requires more intensive support of the kind provided by other aspects of St Mungo's activities.



WHO ARE THEY?

Changing demographics amongst Real Lettings tenants

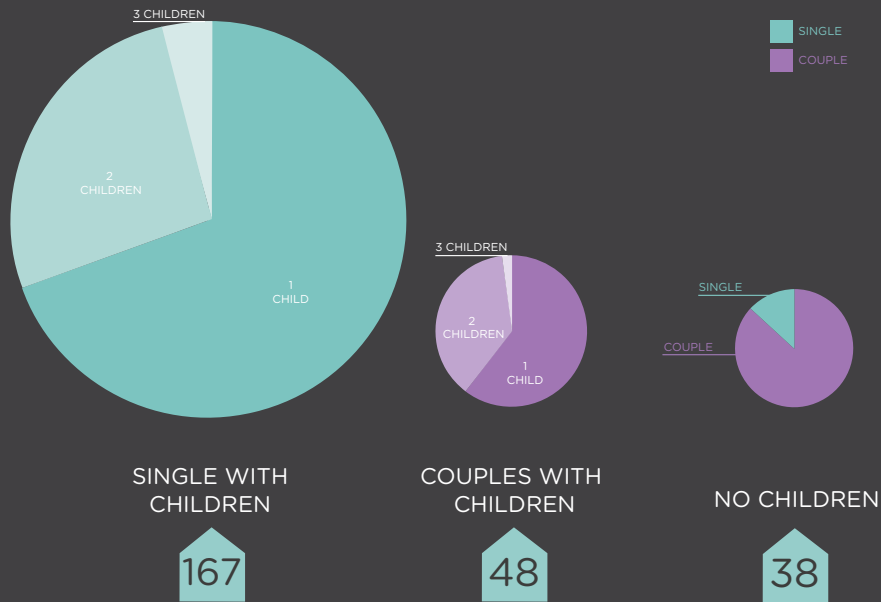
From the first year of the Fund to the second, there was a significant shift in the demographics of those becoming tenants of Real Lettings properties. This included a change in the gender balance from a small majority of males to three quarters of tenants being female. Correspondingly, there was a large increase in the ratio of children to adults, from 30% of those housed being children in the first year, to 45% in the second. The gender balance in the third year of the Fund has stayed 75% female, in line with the second year. As the graphic shows, most households have children and the number of children has continued to increase more or less in line with the growth in the number of tenants housed. Being able to offer more stable and suitable accommodation for children at risk of homelessness is an important achievement of the Fund. Temporary and emergency accommodation are both unsuited for children, particularly young children. This is reflected in legislation for local authorities, which mandates that families can only be housed in a B&B in an emergency and for a maximum of six weeks. Two thirds of households, 167 out of 253, are made up of single parent families. In contrast, 19% of households are couples with children and only 15% of households have no children. With the majority of households made up of single parent families, there are implications for savings, employment and other key outcomes for the Fund, as will be discussed later. The changing demographics affect the needs of tenants as well as expectations for the impact of the Fund.



WHERE TENANTS WERE REFERRED FROM

Key points

- 607 people have now been housed by RLPF, more than twice as many as last year.
- There are roughly as many children and young people as adults (301 and 306).
- The demographic changes that began last year have continued, with two thirds of households now being single parents with children.
- Whilst there are a variety of previous locations, the majority of tenants have come from temporary or emergency accommodation.
- Properties are equally distributed north and south of the river Thames. There has been a decrease in the proportion of tenants coming from South London.



AGE

- ADULTS
- CHILDREN UNDER 16
- CHILDREN 16+

In some cases there is more than one adult per property

Progress Opportunities and challenges

Over 600 people are now housed by RLPF, a significant achievement over a relatively short period of time. With the Fund fully deployed, a shift from mobilising to maintaining means more resources will be aimed at increasing the positive social impact of the model.

The number of households who are single-parent families with young children has continued to increase. These families are particularly vulnerable to the effects of homelessness and are unsuited to the standard temporary and emergency accommodation provided by local authorities.

Whilst some tenants have been in a RLPF property for more than 18 months, the majority have been tenants for less than this, with a fairly equal split between 0-6, 6-12, and 12-18 months.

There is an even spread of properties north and south of the river. However, the majority (64%) of tenants come from South London. This is down from 71% of tenants coming from South London in 2014/15 and means that more tenants are being housed nearer their original locations.

Whilst RLPF has generally shown a positive social impact, there is an expectation that key outcomes will improve further as more resources are focused on them over this next year.

Alongside an increase in available resources, as the Real Lettings team prepares to hire an additional team member, St Mungo's and Resonance have become more aware of the specific needs and opportunities the RLPF client group face. For example, as will be discussed later, helping tenants improve their work opportunities has emerged as the most impact-sensitive outcome. By paying attention to this outcome, all others could potentially be affected. This combination of increased resources and understanding suggests a fruitful next year in terms of social impact.

A significant achievement of this Fund is that it has provided more secure and appropriate housing for over three hundred children, the majority of whom are in single parent families. There are typically extra barriers for single parents in transitioning towards more permanent suitable accommodation. The cost of suitable accommodation is higher than for a single person, so a higher income is needed to sustain it, but caring responsibilities require time, and childcare costs are substantial. Support may be required to help navigate available services and benefits as well as to make decisions which balance these different responsibilities. The needs of these households are different compared to single people.

With more tenants spending longer in RLPF properties, the social impact data becomes more meaningful and significant. The difference made to tenants based on the length of time spent in a RLPF property becomes clearer. Over time, evidence can be collected to evaluate the original assumption behind RLPF, i.e. that two to three years offers enough time for key outcomes to be achieved.

The difference between where tenants are from and where available RLPF properties are located, inevitably means that some tenants are housed some distance away from their previous location. Whilst this is clearly preferable to being housed outside of London, in a different part of the country, it is not without its challenges. Some of these will be discussed later in the report.

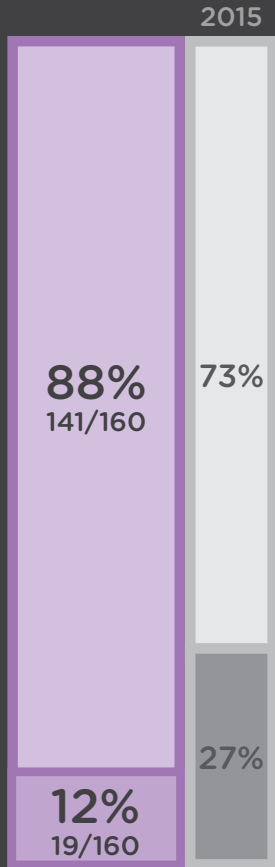
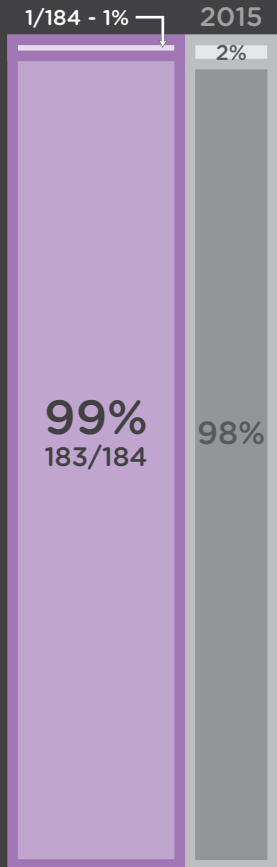
OUTCOMES FOR RLPF TENANTS

All data is drawn from the regular tenancy review that was conducted during the 2015/16 financial year, unless otherwise stated in the comments section. Real Lettings staff contacted 210 residents between April 2015 and March 2016. The sample size ensures a high confidence in the results. In order to achieve a 99% confidence level with a 5% margin of error, there would need to be a sample size of 184. Instead the sample size is 210, significantly exceeding what is required, even for a robust sample. More information on the tenancy review tool can be found in the appendix "A framework for measuring social impact".

Tenants save for a deposit so they can move from Real Lettings into the private market

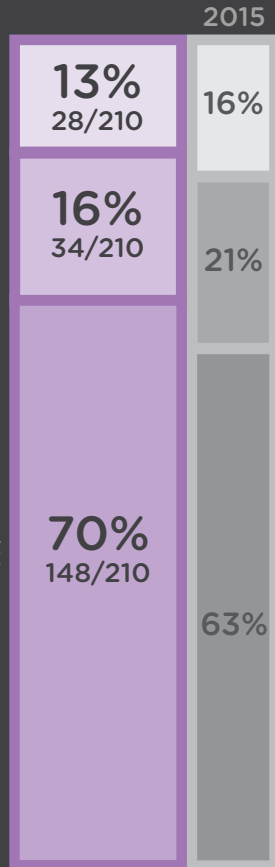
This measure is for tenants who have been in their property for more than six months

Tenants sustain their tenancies for more than six months



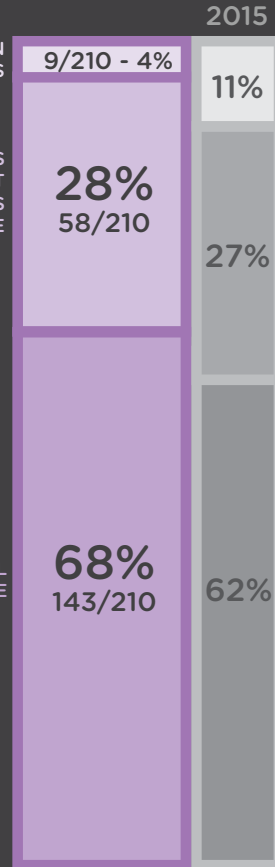
Tenants are paying their rent

TENANT IN RENT ARREARS
SOMETIMES LATE BUT MORE OR LESS UP-TO-DATE



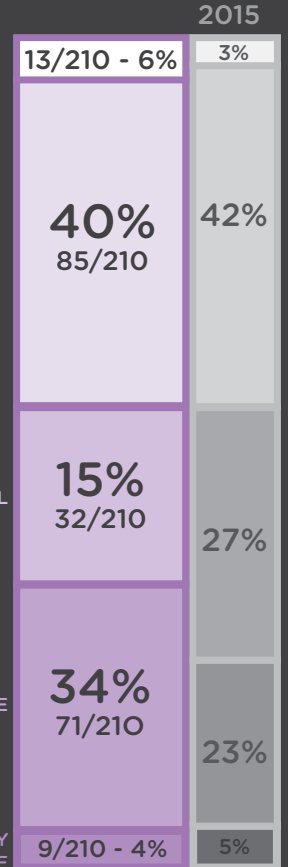
Tenants are paying their bills

TENANT IN ARREARS
SOMETIMES LATE BUT MORE OR LESS UP-TO-DATE



Tenants are confident in looking for a PRS property

STRONGLY DISAGREE
DISAGREE
NEUTRAL
AGREE
STRONGLY AGREE



Tenants move on from Real Lettings

Move-ons are still at an early stage relative to the total numbers in the Fund. The small sample means that percentages should be treated with caution

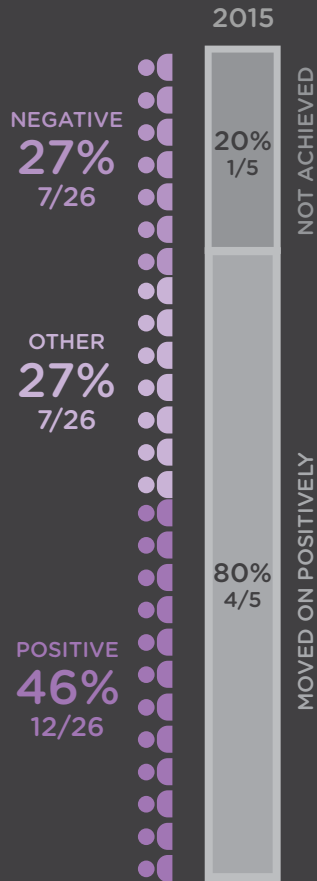


253
TOTAL HOUSEHOLDS

210
SAMPLE SIZE
BASED ON RESPONSES TO THE TENANCY REVIEW

160
SAMPLE SIZE
TENANTS IN PROPERTY FOR 6 MONTHS OR MORE
WHO ALSO RESPONDED TO THE TENANCY REVIEW

Tenant progress towards work



26%
49/187
UNEMPLOYED AND NOT MAKING PROGRESS TOWARDS WORK

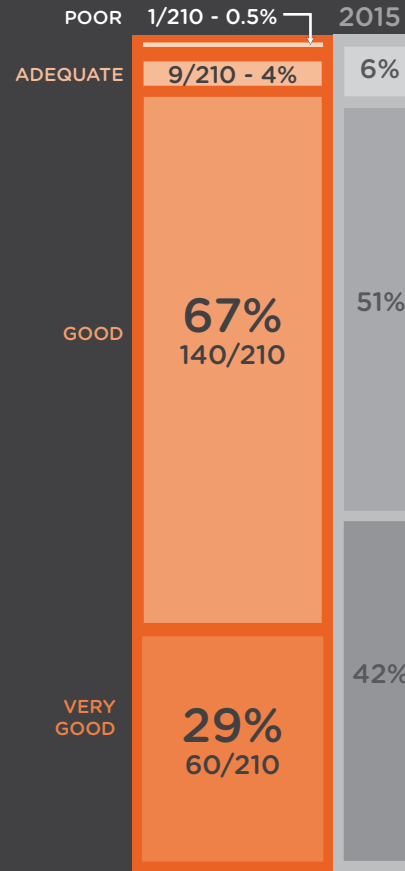
29%
55/187
UNEMPLOYED AND MAKING PROGRESS TOWARDS WORK

14%
26/187
EMPLOYED AND NOT MAKING OTHER PROGRESS TOWARDS WORK (SEE PAGE 20)

30%
57/187
EMPLOYED AND MAKING OTHER PROGRESS TOWARDS WORK

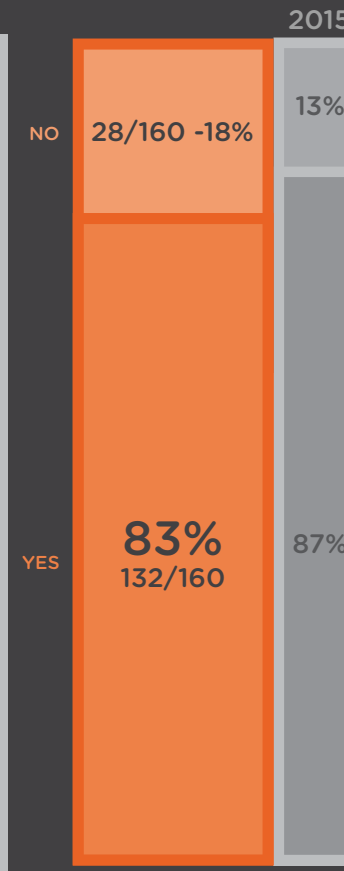
PROGRESS TOWARDS EMPLOYMENT

Home is kept in good condition

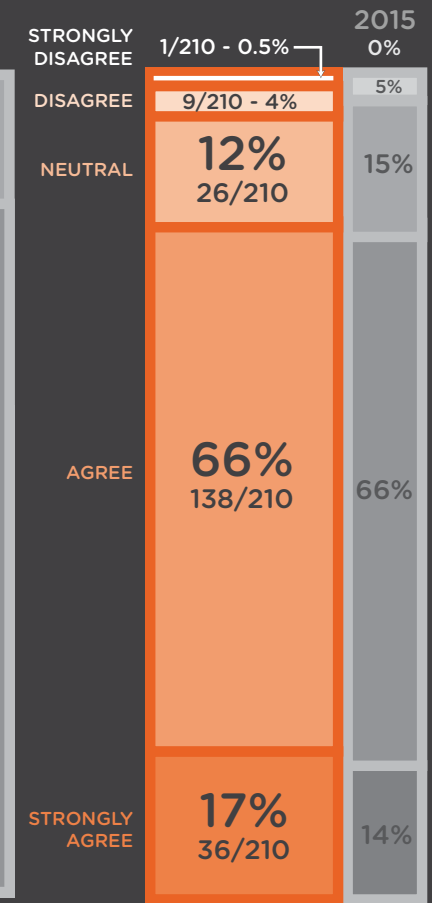


IMPROVING RESILIENCE AGAINST HOMELESSNESS

Tenants say the property has had a positive impact on their support networks and relationships



Tenants feel confident in meeting new people in the local area



Improving housing opportunities

99%

OF RESIDENTS
SUSTAINED THEIR
TENANCY FOR MORE
THAN 6 MONTHS

2015 - 98%

12%

ARE SAVING
FOR A DEPOSIT

2015 - 27%

53%

ARE NEUTRAL OR
CONFIDENT IN LOOKING
FOR A PROPERTY, VERY
SIMILAR TO LAST YEAR

2015 - 55%

87%

ARE NOT IN
RENT ARREARS

2015 - 84%

26

TENANTS HAVE MOVED ON;
OF THESE, 12 ARE POSITIVE,
7 ARE OTHER AND 7
NEGATIVE

Description and explanation

Whilst a RLPF home directly improves the housing circumstances of all the people who access them compared to their previous accommodation, Real Lettings seeks to improve their housing opportunities further so that they can eventually move on from Real Lettings. This is practical in nature, particularly in terms of paying rent on time, saving for a deposit, and understanding what housing choices are available to them, including how the private rented sector works. Real Lettings also wants to see that residents have long-term goals, are planning ahead, and increasingly feel and show readiness to move on. This is embedded in Real Lettings' approach. From the outset, Real Lettings is clear and consistent in its message about the property being a two to three year tenancy, rather than a longer term one. There are clauses in the tenancy contracts that require residents to engage with Real Lettings, although this is not something that has needed to be enforced to date. At each quarterly tenancy review, Real Lettings discusses the tenant's plans for the future, including moving on and saving for a deposit, as well as employment.

Key Points

- Tenancy sustainment, one of the key indicators for the RPLF model, remains very high. This shows that Real Lettings tenants are capable of managing a household, given the opportunity.
- The number of households saving for a deposit has fallen over the past three years. It is now at 12% and the absolute numbers saving are low: 19 out of 160 tenants. This is concerning, given that it could be a leading indicator of forward planning for move-on, though is perhaps understandable given the preponderance of single parent families, with many calls on their money, and reductions in available income due to benefit changes. The absolute numbers are perhaps as significant as the percentages due to the small sample size in 2015 (12 out of 45 were saving in 2015, compared to 19 out of 160 in 2016). More could nonetheless be done to help tenants in this area.
- The financial management of households, relating to paying rent and bills, is positive with 87% not in rent arrears, and 96% keeping up with bill payments. Both of these show a slight improvement on last year.
- Move-on data remains at an early stage. However, for the 26 move-ons that did occur, 12 were positive, 7 were negative, and 7 were referred to as 'other'. Of the seven negative move-ons, all were the result of evictions due to significant rent arrears. Whilst these results are mixed, as discussed below, this level and type of evictions are unlikely to be an ongoing trend for the Fund. Only 8% have been in homes for more than two years and none have reached the three year mark.
- Only half of households are neutral or confident in looking for a private property, approximately the same as last year. This shows the ongoing challenge accessing the London property market for those on a low income.

Progress

Despite a difficult operating environment, in terms of an expensive private market and benefits changes, the percentage of households in rent arrears has decreased from 16% last year to 13% this year; late bill payments also decreased, from 11% to 4%. This offers evidence that the majority of households are adequately managing their finances. The data also suggest that this improves over time.

12% are saving for a deposit, down from 27% in 2015. The sample for this measure is those who have been in the property for more than 6 months, as the cost of moving and furnishing a new home makes it unrealistic to expect tenants to save in the first 6 months.

Move-on data remains at an early stage, given that only 8% of tenants (20 households) have been in properties for more than two years, and none more than three years. As the RLPF model is one of transitional housing, successful move-ons are critical for the Fund. In 2015/16 there were 26 move-ons, with 12 categorised as positive, 7 as negative and 7 as other.

Opportunities and challenges

Alongside tenancy sustainment remaining particularly strong, there is an encouraging increase in the number of households showing good financial management, relating to the payment of rent and bills. There are a range of factors relating to rent arrears, some of which will be discussed later as it relates to evictions.

With the original impact logic of the Fund being the provision of enough stability and support in order to move into the private rental sector, saving for a deposit is a leading indicator of progress. In order to understand the fall in those saving for a deposit, it is worth considering the broader context and the changing demographic of the Fund.

During the 2015/2016 financial year a number of tenants were affected by the introduction of the benefits cap, resulting in a decrease in income. During this current financial year, the benefits cap is further reduced in London, from £26,000 to £23,000, most likely further decreasing the capacity of RLPF tenants to save for a deposit.

A recommendation from the previous social impact report resulted in the collection and provision of higher quality data. This enables a more robust analysis of the likelihood of saving for a deposit in light of family context and employment. Of the 210 households surveyed, 188 are not saving. Of these, 115 are not working (or are not eligible for work), which accounts for 61% of those not saving. It is unrealistic to expect a non-working household to save. Of the remaining 73 households, 46 are working less than 24 hours per week, 24% of those not saving. It is unlikely that those working part-time will save, particularly given that the vast majority of those housed by RLPF, if employed, tend to have low paying work. This leaves 27 households where someone is working at or close to full time. There is an opportunity for Real Lettings to specifically target these 27 households to encourage saving for a deposit. However, it is worth pointing out that 23 of these households have children, the majority of whom are single parent families.

The combination of the benefits squeeze, the relatively few tenants working full time and the predominance of single-parent families means that expectations for saving for a deposit need to be re-examined. There is an opportunity to specifically target those who could potentially save, though this is a relatively small number of households. The challenge is to help the other tenants access a deposit if they are to have the opportunity to successfully move on into the private rental sector. It also raises the importance of work, including the hours and wages, as a likely predictor of people's ability to save.

The last social impact report discussed the challenge of classifying move-ons. Whilst the original intent of the Fund was for tenants to transition into a private rental property, it quickly emerged that to simply classify any other move-on as negative would obscure move-ons that may be positive for the tenant but do not relate to a private rental. Alongside this, tenants might leave of their own accord or due to factors that do not relate to the Fund, hence the need for an "other" category. This is all within the broader context of an increasingly challenging rental market in London. As a result, RLPF has established a more robust and developed approach to classifying move-ons.* (See text box below)

Of the 12 positive move-ons, 9 moved into a private rental property, 2 moved in with family and 1 moved into a housing association.

Regarding the 7 "other" move-ons, three went to prison, one tenant left after an incident relating to a previous conviction, one tenant never took full occupation of the tenancy, and one tenant was placed into the responsibility of social services due to difficulty in coping alone. Finally, one tenant was part of a couple who were housed by RLPF but the couple split up and this individual did not meet the criteria of a Real Lettings tenant and so had to find alternative housing. None of these outcomes are related to the impact of RLPF and are therefore categorised as "other".

Of significant concern to RLPF are the 7 negative move-ons, all due to evictions related to significant rent arrears. In each case, this was related to issues with housing benefits. All 7 were initially referred by one local authority, and all 7 returned to that local authority

Why evict? Understanding a few initial negative move-ons

The reason for the 7 evictions was that the tenants did not work with Real Lettings to fulfil the process to receive housing benefits. Real Lettings responded to the first signs of this problem by establishing a strategy for helping tenants meet their responsibilities. This has meant Real Lettings has had an increasingly active role in the process. However, in some cases, tenants have intentionally not engaged and not responded, developing significant rent arrears. In these cases, Real Lettings, in its capacity as a lettings agency, evicted the tenants. This is a final resort that is not used lightly – as shown below, substantial work goes in to avoid this point being reached.

What does Real Lettings do to help tenants in this area?

In terms of the process for setting up Housing Benefit claims, Real Lettings supports tenants to set up the initial claim, and then calls them weekly to check if they have completed the claim by submitting their supporting documents to the relevant Housing Benefit department with the local authority. Real Lettings ask the tenants to send a copy of the receipt the Housing Benefit department gives them when they submit their documents. These documents need to be submitted within four weeks in order for the claim to be processed, so Real Lettings calls tenants within this time period to ensure they complete the process. If tenants have Housing Benefit issues once a claim has been set up, Real Lettings involves St. Mungo's welfare rights team and peer support team to engage with the tenant, particularly if they would not respond to Real Lettings' letters and calls.

Could more have been done?

Perhaps Real Lettings could have responded more quickly to the situation, and perhaps the attempted interventions could have been more effective. However, in order to receive housing benefits, the tenant has to submit documents. Real Lettings can help but, for good reason, it cannot complete the application on behalf of the tenant. Therefore, it does require the tenant to engage and comply with the process. Where this is not achievable, there is little that Real Lettings can feasibly do.

Will it happen again?

This year's total of 7 negative move-ons (27% of the total) is not expected to be a trend, partly because through this process Real Lettings has learnt what type of client is best suited for RLPF and because it is intervening earlier. Real Lettings now runs a weekly new starter report to monitor engagement more closely. Real Lettings will also increase its scrutiny of tenants at assessment stage to check they are engaging, potentially declining those who do not wish to. This is not to say that there will not be any evictions in the future, but that it is unlikely to be as high as 27% of move-ons within a particular year.

What happened to these specific tenants?

These tenants were referred back to the Local Authority, which had originally nominated them to the Real Lettings service.

Understanding positive move-ons for RLPF

Background

A positive move-on for Real Lettings tenants in London has become more complex since the start of the Fund due to the increasing inaccessibility of the private rental sector for many tenants. This is mostly due to external factors. As one of the Real Lettings team commented, due to these market factors, 'It is possible for a tenant to do everything right and still fail [in terms of moving into the private rented sector].' Whilst a move into private rental accommodation in London is still possible and desirable for some tenants, it is increasingly challenging and reconsidering what 'good' looks like for RLPF has led Resonance and St. Mungo's to develop a more sophisticated method for determining what characterises a positive move-on and how this might be measured, without devaluing the core purposes the Fund is designed to address.

Current approach: from transitional to medium/long term accommodation

1. Unless there are compelling reasons to consider otherwise, a tenant moving into a private or socially rented property, or any community housing option (co-operative or community land trust housing, etc.) is considered a positive move-on. Whilst it is unlikely that any tenant would be in a position to buy, any equity stake in a property including shared ownership would be considered positive.

A compelling reason to consider otherwise might be that the tenant has shown very poor ability to manage a household (paying rent and bills on time etc.) during a Real Lettings tenancy. The logic behind this is that for this tenant, it is unlikely that a private rental property is sustainable for them over the medium/long term. This would also be expected to show up in other parts of the measurement framework.

2. The primary lens through which to consider a positive move-on is via the three key impact areas for RLPF: improving housing opportunities; progress towards employment; and improving resilience against homelessness.

- a. In order for a move-on to be positive, it needs to increase resilience against homelessness beyond the short term.
 - The move-on needs to contribute to relational support networks, not detract from them.
 - Geography - one of the key questions is whether a move out of London is positive. For example, if a single mother moves 2 hours away from supportive family, is this a positive move-on in terms of increased resilience? Correspondingly, a single mother moving to Liverpool because she has friends and family there could be considered positive. It might be sufficient for the tenant to consider that the move will not have a negative effect on their support networks and relationships.
 - Moving back in with family where there are known issues, particularly if they were part of the reason why the tenant became at risk of homelessness, is a negative move-on unless there are compelling reasons to suggest the context has changed.
 - The move-on needs to be financially viable for the medium term.
 - If the cost of living is unsustainable over the medium term for any accommodation, that is considered a negative move-on.
 - The tenant needs to show some capability for running a household: e.g. pay rent and bills on time, and maintain the house.
 - This is tracked through the current measurement framework. A tenant with a problematic history in Real Lettings of paying rent and bills on time and not keeping the home in a good condition would need to have shown progress in these areas for the move to be considered positive.

- b. In order for a move-on to be positive, the tenant needs to feel that they are moving into an improved housing option compared to their situation prior to Real Lettings.
 - The move-on offers stability and security for the tenant and their family over the medium/long term.
 - The housing is of sufficient quality to support the tenant's wellbeing. For example, a family of four living in a small room in the home of a family member is not a positive move-on.
- c. In order for a move-on to be positive, it cannot detract from progression towards work.
 - One of the key outcomes for RLPF is progression towards work for the tenants. It follows that a move-on should, at the very least, not have a negative effect on this progression. For example, if a tenant loses employment by moving out of London and is unable and/or not confident to find work in their new situation, this would not be a positive move-on. Equally, if a tenant had a job but the cost or availability of transport to it made it unviable, this would not be a positive move-on.

Categorising move-ons in the future

Up to this point, the number of move-ons has been relatively small – 5 in 2014/15, and 26 in 2015/16 (about 10% of the total number of households). The Real Lettings team, in partnership with Resonance, has been able to determine whether a move-on has been positive, negative or other against the criteria described above. As the number of move-ons increases, this becomes increasingly challenging and the team is currently considering introducing a short exit interview with tenants to ask questions relating to the above categories. Whilst there will always be exceptions, this provides a more robust method of dealing with a large number of move-ons.

Progress towards employment

44%

TENANTS EMPLOYED

2015 - 39%

59%

(SOME EMPLOYED AND SOME NOT) ARE MAKING PROGRESS TOWARDS WORK, INCLUDING THROUGH EDUCATION, TRAINING, VOLUNTEERING, JOB INTERVIEWS AND HAVING CHILDCARE IN PLACE

22%

OF THOSE NOT EMPLOYED ARE ACTIVELY LOOKING FOR WORK

2015 - 26%

Description and explanation

A key outcome for the Fund is progress towards employment. In measuring 'progress towards' employment, rather than a binary choice of 'employed/not employed', RLPF emphasises the significance of activities related to future employment, such as education, training and volunteering. Having childcare in place as well as seeking work are also seen as positive. This is summarised in the table below, which also matches with the categories on the main infographic:

Employed?	Other Progress?	Progress towards employment
✓	✓	Positive
✓	x	Positive
x	✓	Positive
x	x	Negative

Key messages

- The percentage of tenants in work is slightly higher than last year, at 44%. This is calculated from the 187 who were eligible for work out of the 210 who responded to the tenancy review.
- The number evidencing progress towards employment through education, training and volunteering could be improved. There was a 9% reduction this year, from 26% to 17% of the proportion of tenants in education, training and volunteering, albeit an increase in total numbers.
- Whilst 56% are unemployed, the data suggests that just over one quarter (26%) of those eligible for work currently show no signs of progress towards employment.
- The Real Lettings team has identified progress towards employment as the key indicator to focus on next year in order to maximise the impact of the Fund as a whole.

Whilst Real Lettings is not an employment agency, one of the hypotheses behind RLPF is that stable and secure housing increases the likelihood of employment. The Real Lettings team therefore signposts tenants towards relevant agencies and support services.

The data is presented somewhat differently this year due to the availability of better data that allows multiple factors to be examined simultaneously. (Previously, it was not possible to analyse employment side by side with other progress towards work and the overlap between the categories was obscured.) This gives a more nuanced picture.

The proportion of tenants in work has remained similar throughout the life of the Fund – 44% in 2016 compared to 39% previously. Of the 44% in work, 9% of tenants are working less than 16 hours, 16% are working more than 16 hours, and 15% are working more than 24 hours per week. This means that the majority of tenants who are in work are working part-time; 31 (17% of the 187 eligible for employment) are working close to full-time.

56% of tenants report being unemployed, and 26% of tenants are actively looking for work. (This does not include those who are ineligible for work, which is 11% of tenants, according to their responses to the tenancy review.) Roughly a quarter (23%) of tenants who are not employed and not actively seeking work or are in some form of education, training or volunteering. This year a lower proportion of tenants are in education, training or volunteering, at 17% compared to 26% in 2015, although absolute numbers have risen due to the increase in tenant numbers. The proportion of those actively looking for work has also decreased, albeit slightly, to 22% from 26%. The prevalence of single parent households as a majority of the Fund is a likely contributory factor here.

Progress

Opportunities and challenges

The proportion of tenants in work has remained stable but the proportion in volunteering, education and training has declined. The percentage of tenants actively seeking work has declined slightly.

57 tenants who are eligible for work are unemployed, not in training, education or volunteering and not actively looking for work.

The increase of the percentage of tenants employed this year compared to last can be seen as positive, particularly in light of the significant growth in number of tenants and the demographics of the client group. However, in terms of overall progress towards employment, the proportion in education, training and volunteering has decreased significantly, from 26% to 17%. Alongside this, the percentage of tenants actively seeking work has decreased slightly from 26% to 22%. These three measures form the basis of progress towards employment for the Fund. Whilst the key measure of employment has remained stable, the other two measures have decreased.

This is a potential concern, particularly as progress towards employment is the most impact-sensitive indicator for RLPF, as will be discussed. As the homes have been purchased, and the Real Lettings team moves from moving people in to maintaining tenancies, there is an opportunity to commit more resources to help tenants make progress towards employment.

The improved data collection and availability, (resulting from recommendations from the last impact report) means that RLPF can investigate the 57 tenants who appear to be making no progress towards employment.

- 26 of 57 (46%) have children but don't have childcare in place. Data on the ages of the children is not currently available, however, it is reasonable to assume that some of these children are infants and the parent is the full-time carer, and therefore not working.
- 5 of 57 (9%) have no children. Two were released from prison and, as such, are likely to find employment more challenging.
- The remaining 26 of 57 (46%) have children and childcare in place.

This suggests that the latter two groups, representing 31 tenants, are the key groups to target relating to employment, although it would be helpful to understand more about the ages of children in the first group.

Not including those ineligible for work or single parents with infants, the markers or building blocks for progress towards employment are as follows:

- Childcare in place (if relevant)
- Education, training, volunteering
- Actively seeking work
- Working less than 16 hours
- Working more than 16 hours
- Working more than 24 hours

This is an approximate continuum representing progress for Real Lettings tenants (although education and training could reappear at any stage, including when people are in work). This might involve increasing the amount of time worked, or simply having childcare in place where there was previously none. The aspiration is to have as many tenants as possible move towards full time employment, with the sensitivity to recognise cases where this is not feasible.

Progress towards employment is the key social impact intervention for next year, with RLPF helping tenants positively move along the pathway towards employment

Where might additional resources to support people into suitable employment come from?

- a. Real Lettings Team. There is an increase in capacity for next year, currently designed to signpost tenants to the right support. There is an opportunity to improve knowledge about provision in the rest of London to broaden the choice of support.
- b. PALs. Whilst helpful in lots of ways, Peer Advice Link, which links volunteers to tenants that want peer support, is unlikely to be of significant help regarding employment. The volunteers with PALs are generally making a high time commitment, which precludes them from being in work. They can however still signpost tenants towards work opportunities and related services. The use of volunteers will be increased next year to support signposting.
- c. Other St Mungo's services – the majority of St Mungo's services are funded for a specific client group in a specific geographical area, making it difficult for many Real Lettings tenants to access those services. It is also the case that the aim is to move tenants away from homelessness; linking them to mainstream services in the community is generally more appropriate.
- d. Partnering with other agencies that provide employment readiness support, or perhaps employment agencies.

What are the barriers?

- The labour market in London is competitive. Current unemployment statistics in London are 5.8%, with 274,000 unemployed. Under-employment can also be an issue. What is an appropriate expectation for RLPF tenants?
- The Real Lettings team acknowledges that, in some cases, it is about changing individual attitudes and expectations around work. This takes time, so it will be important to see if that can be changed during the tenancy period.
- There are also systemic issues – finding adequately paid work that fits the flexibility of family life is a challenge for all groups in society and is particularly pronounced for Real Lettings tenants.

Improving resilience against homelessness

99%

OF HOMES ARE KEPT IN ADEQUATE OR BETTER CONDITION

2015 - 100%

83%

OF TENANTS SAY THE PROPERTY HAS HAD A POSITIVE IMPACT ON THEIR SUPPORT NETWORK AND RELATIONSHIPS

2015 - 87%

83%

FEEL CONFIDENT IN MEETING NEW PEOPLE IN THE LOCAL AREA

2015 - 80%

Description and explanation

Whilst managing finances and employment are key characteristics of reducing the risk of homelessness that lend themselves to quantitative analysis, another important aspect is increasing resilience against homelessness, which tends to be primarily relational - the importance of support networks, of friends and families, and making connections in the neighbourhood.

The vast majority - 96% - of homes are kept in a good or very good condition. Tenants are generally meeting people in the local area, with it being a positive experience (68%), a 19% increase on last year. Crucially, for most of the tenants (83%), the property has had a positive impact on their support networks and relationships.

Key messages

- Homes continue to be kept in a good condition.
- The majority of tenants are settling in well. They have met people in the local area, with the vast majority confident of meeting new people.
- 83% of tenants who have been in the property for more than 6 months consider the property to have had a positive effect on support networks and relationships.
- The Fund has found properties in appropriate areas for the tenants. For those who have been in their properties for less than 6 months, there has been a 28% increase in those reporting a positive effect on support networks and relationships, which may be related to this.

Progress

Opportunities and challenges

Homes continue to be kept in good condition. 99% of homes are kept in at least an adequate condition with 96% of homes in a good or very good condition. This is evidence that tenants care about their new accommodation and are effectively maintaining a household.

Effectively maintaining a household is a key sign of managing a tenancy. Overall, more homes are in a good or very good condition (96%) compared to last year (90%). Within this, there has been a shift from 42% very good in 2015 to 29% for this year. This is likely explained through some of the properties being lived in for over 2 years, with some wear and tear.

Over two thirds of tenants report that they have had a positive experience meeting people locally. In 2015, this was only half.

The rise in positively meeting people suggests that tenants are settling into their homes and their communities. There has been a corresponding reduction in the number of tenants who don't want to meet people in the local community, down from 22% to 14%.

Of the tenants who have been in the property for 6 months or more, 83% consider the property to have a positive effect on support networks and relationships: a slight reduction of 4% from last year. However, for tenants who have been in the property for less than 6 months, there has been a significant 28% increase, from 60% to 88% of tenants.

The dramatic increase in the proportion of tenants who have been in the property for less than 6 months and report a positive effect on support networks and relationships is a significant achievement for the Fund. In the last social impact report, the significance of location was discussed, recognising that many tenants were being housed a significant distance from their previous location. Data from the client group suggest that for some, particularly young mothers, it is challenging to be some distance from family and friends, with travel being expensive. Anecdotal evidence from the Real Lettings team suggests, however, that for some tenants, distance from their previous location enabled a fresh start. However, for the majority it is likely to be a disadvantage. The significant increase in those reporting a positive effect could be partially correlated with the reduction in disparity between the proportion of those coming from South London, down from 71% to 64%. As there is a 50/50 split of RLPF properties north and south of the river, this suggests – although more detailed analysis would be needed to confirm it – that tenants entering this year are more likely to be housed nearer to their previous location. The data for tenants who have been in their property less than 6 months suggests that the positive effects of relationships and support networks may increase over the coming year of the Fund. Whilst, overall, the story is encouraging, 17% of tenants (28 people) report that the property has not had a positive effect, which will continue to require sensitive changes to support.

Improvements and actions from last year

Below are the next steps from last year's social impact report with related actions.

Next Steps	Actions Taken
Improving data collection and analysis capability over the course of this year and in advance of the next report, so that the increased volumes of data can be handled effectively and provide a more nuanced picture across the different circumstances of those the Fund houses.	Achieved. The data collected and available this year has allowed a significantly increased insight into the impact of RLPF, particularly in respect of work, education and training. This supports greater focus on this area.
Developing the support networks by improving people's access to and uptake of different services, as well as considering the role of where people are housed as part of this.	Ongoing. Whilst there has been increased support in some areas, there is an opportunity to do more in this area as the Real Lettings team finishes settling tenants in their homes, thereby increasing the resources that can be focused on the social impact of the Fund. A new team member joining shortly will also mean that Real Lettings will have more capacity to work towards social impact objectives.
Strengthening the options for move-on - the partners have begun planning a roundtable with other agencies to discuss this as a London-wide issue, with a view to broadening the range of options available to residents when they leave RLPF.	Ongoing. As discussed in this report, what constitutes a positive move-on has been a key discussion among the partners. There is more to be done in terms of different pathways into permanent housing for RLPF tenants.
Sharing the learning and expanding the model into other areas, through the launch of a fund bringing the benefits of this model to areas outside London. There are also signs of interest from the mainstream property market, such as RLPF winning Newcomer of the Year at the Property Week Residential Awards, as well as enquiries being made from social sector organisations.	Achieved. In January 2016, Resonance and St. Mungo's announced the launch of the National Homelessness Property Fund, with £30m of initial investment focusing first on Oxford, Bristol and Milton Keynes. The property industry continues to recognise what RLPF has achieved, with the Fund winning the Private Rented Sector (PRS) Initiative of the Year award at the Estates Gazette/MIPIM UK Awards.

Outcomes for RLPF tenants

Peter



Peter does not have many family members and friends to support him and, as such, is particularly vulnerable to sleeping rough. Peter was in prison for ten years and as a child he was in and out of the care system. Moving into a Real Lettings tenancy has had its challenges and rewards. Peter had to learn how to maintain a home, pay bills, cook, clean and look after himself. "This experience gave me a grip on reality and I have matured to a certain extent." Peter is working as a labourer and plans on doing a 360 degree digger course in order to earn more income.

Mabintou



Mabintou is well supported by her family, having moved not far from her family home. She had never lived on her own before and enjoys being somewhere settled. With two young girls and part time work, living costs are high. "As a single mum, there is a big responsibility on me. If I had a partner it would be easier to save but it is currently too hard to save for a deposit." Mabintou works part time in a care home and is currently studying for an NVQ, with plans to go to university to study nursing.

Vanessa



Vanessa now has a two bed property. Vanessa had never rented a property before and owned no furniture, so Real Lettings helped Vanessa with grants for her to buy furniture, bedding and a washing machine so she could create a home and live comfortably in the property. She feels Real Lettings has been supportive and informative as she took this new step. The stability has been important to her. Last year, Vanessa commented that this enabled her to "focus on looking after my child properly". This year, her daughter is in nursery part-time. With increased optimism about the future, Vanessa has applied to university, hopefully starting to study business management in September 2016.

Lessons learned

RLPF has managed the continued rapid increase in the number of properties acquired and tenants housed effectively

Last year, RLPF had 112 properties occupied by 233 people. This year, that has increased to 226 properties with 607 people. This planned growth has been accompanied by a consistent level of positive social impact for the Fund, though there are some areas flagged for further work now that property purchases are essentially complete and tenants have moved in. The key outcomes have shown stability or improvement, with only a few showing a decline. This is a significant achievement for the Real Lettings team, which have worked hard to ensure that as many tenants as possible have a good start to their tenancy with Real Lettings.

There are significant challenges in saving for a deposit for many RLPF tenants, creating a barrier to entry into the private rental market

With the percentage of tenants who have been in the property for more than six months saving for a deposit falling from 27% to 12%, the Fund is presented with an important challenge. With incomes declining for many tenants due to the benefits squeeze and only 27 households having someone working close to full time, it is difficult to know to what extent tenants are able to save. This is particularly challenging given the demographic of the Fund, with two thirds of households being single parents with children.

For example, Mabintou has two young children and works three days a week. She has an ambition to be a nurse and is currently training to gain the qualifications needed to go to university. Without a partner, until she increases her income significantly, she sees little prospect of saving for a deposit. She commented, "There is pressure as I am a single mum and do not have a partner. This leaves a big responsibility on me. The costs I have are contribution to rent, bills, internet, TV, etc. It is really hard to save. If I had a partner it would be easy to save. Currently, it is too hard to save for a deposit."

Real Lettings has the opportunity to focus on those tenants who are working full time and could potentially save for a deposit, though if they are single parents with young children, this is not realistic. As those working full time represents only 10% of households, even if this was a successful intervention it would not significantly increase the impact throughout the Fund. As discussed below, if more tenants were able to gain full time work, this could potentially have a significant effect on saving for a deposit.

Evictions are a key impact risk but learning from early problems is being used to improve the model

This is the first year that RLPF has had to evict tenants due to significant rent arrears. Whilst this only relates to 3% of the total tenant population, it is 27% of move-ons for this year and, more

importantly, is 7 households comprising 17 people. Real Lettings made a series of interventions to try to stop this happening and, whilst there are good reasons to think that this is not a trend, evictions remain a key impact risk for the Fund, in that they represent the opposite of what RLPF was set up to achieve.

A key lesson learned by the Fund relating to these evictions is about the type of client that is best suited to being a tenant of RLPF, and how to communicate this to the local authorities that are making the referrals. The RLPF model requires, and seeks to encourage, the capacity for some level of independence for the tenants – a necessary precursor to successfully navigating the private rental sector. Where, for various reasons, clients are not functioning with this level of independence, RLPF is not a suitable solution for them. St Mungo's works with a whole spectrum of families who are homeless and at risk of homelessness and is well placed to understand that different people may have a shorter or longer journey to independence. Groups with higher support needs (such as substance misuse) or an unwillingness to engage are examples of whom Real Lettings is not appropriate and whose needs would be better met elsewhere.

This does not mean that Real Lettings cannot make improvements, or reduce the risk of evictions through a higher quality of intervention, but it does suggest that these alone are

insufficient if the tenant does not comply with the appropriate process for access to housing benefits. What Real Lettings can (and does) do is make sure that any lack of compliance is not due to issues that can be resolved, such as unfamiliarity with the process, lower levels of literacy, limited access to the internet and language barriers.

Real Lettings is developing its role as an educator, based on the specific needs of different tenant groups

The last social impact report noted that Real Lettings is not just a landlord, but also an educator. The need for this seems to have increased. Whilst it is important to recognise that Real Lettings is first and foremost a social impact-led lettings agency, there is a key role for the Real Lettings team to play in signposting tenants towards the resources and organisations that are the best fit for their particular needs. Whether this relates to helping start saving, maximising access to available benefits, or finding employment support, it is not clear that tenants currently know how to find the information they need or the assistance to navigate it.

PALs, the Peer Advice Link service, is offered to all tenants. Whilst this has many potential benefits to tenants, it is designed as a peer support service for clients who need help in settling into their tenancy. As such it is unlikely to provide all the information and advice needed, particularly as it relates to progress towards employment.

With the Fund nearing full deployment, and an additional team member starting at Real Lettings, there is an opportunity for focused, strategic help with certain groups of tenants. It is likely that the most effective option for the team is to develop a deeper understanding of the best resources across London that are available to RLPF tenants. Whilst Real Lettings is unlikely to become a direct provider of these services, it could offer more effective signposting for tenants.

Progress towards employment as the key focus for this next year

Whilst all the outcomes related to RLPF are important, they are not all equal in their influence on the overall impact of the Fund. It has been reinforced by the Real Lettings team that if progress towards employment were increased, it would have a significant impact across the board for the tenant. This does not just relate to increased income, but also confidence, aspiration and self-determination. Focusing effort on this area in the next year is therefore a high impact priority. The improved data should also support learning, where greater clarity about specific circumstances and challenges can enable higher quality interventions.

Following on from the Fund as educator, this requires the Real Lettings team to partner with organisations that excel at providing, for example, employment readiness support, careers advice, apprenticeship schemes, and work opportunities that are appropriate to their clients.

Move-ons remain an ongoing challenge for the Fund

Whilst, as this year's move-ons have shown, there are a proportion of tenants who are suited to entering the private rental market in London, this is not a realistic option for all tenants. With the combination of rising rental prices and the cap on benefits, the gap that needs to be bridged is getting wider and it is likely that some tenants will struggle to rent private accommodation. As waiting lists are long for local authority homes, there is a challenge, and related opportunity, to find alternative pathways to stable long term accommodation for current RLPF tenants.

St Mungo's and Resonance, along with other partners, are committed to exploring other options and innovative solutions to the ongoing challenge around stable long term housing for those at risk of homelessness. This involves engaging with housing associations with a view to accessing their general needs housing, offering support packages to help tenants move out of London and into more affordable areas, and developing modular housing. Finally, as stated above, focusing on employment stands to equip and encourage clients to move on to other accommodation.

Next steps

RLPF is committed to using this report to further improve its impact. Four main areas have been identified for the year ahead.

- a. More effective signposting to services, particularly employment and training. The use of volunteers will be increased next year as part of an alternative volunteer support scheme that includes job coaches. This will also help Real Lettings to target the 23% of tenants eligible for work who are not showing progress towards employment.
- b. Opening up new routes to help tenants move on successfully beyond Real Lettings. Besides engaging with housing associations and local authorities to access social housing, Real Lettings is looking at support packages to help tenants move out of London and into more affordable areas, as well as developing its own modular housing.
- c. Better understanding of the positive impact of the Fund on children, roughly half the tenants. A suitable way of protecting privacy whilst analysing this part of the Fund's population by age group has been developed and will be implemented in the year ahead. This will help in understanding family circumstances and their connection with key areas such as move-ons and progress to employment.
- d. Improvements to Real Lettings' process for tenants entering and exiting RLPF properties. This relates to gaining a more thorough understanding of needs before they arrive by working with partner organisations referring tenants. This report has also recommended introducing a short exit interview with tenants so that their destinations are known and the circumstances understood. This will strengthen impact data and impact management, by learning what is working well for those who leave.

Without Real Lettings

Peter



Without Real Lettings, Peter would likely be in temporary accommodation or, perhaps, due to being a single man and therefore a lower priority for local authorities, Peter could be sleeping rough. Peter feels that Real Lettings enabled him to get on the right track and without this opportunity to learn to manage a household and take responsibility, Peter's chance of maintaining employment and progressing towards increasing independence would be considerably diminished. "This property has really helped. Definitely, in this period, it has changed my life and I couldn't be more grateful."

Mabintou



Without Real Lettings, Mabintou would probably still be stuck on a waiting list for local authority housing. As demand for rental property has increased, it is likely Mabintou would have found it increasingly challenging to find a landlord willing to take a tenant on benefits. As a result, she would likely still be in temporary accommodation, a far from ideal context in which to raise a 4 and 6 year old. With family support, Mabintou probably would still be progressing towards improved employment but without the security of stable housing.

Vanessa

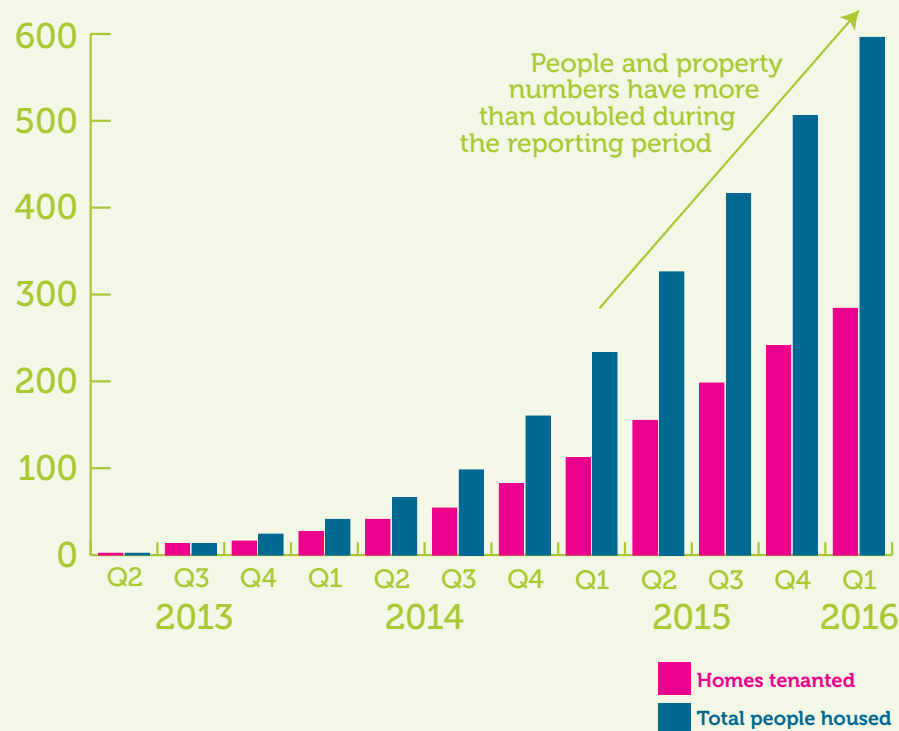


Without the support of Real Lettings, it is unlikely that Vanessa and her daughter would have independent and stable accommodation. Given a challenging family context, Vanessa would have been constantly at risk of homelessness. Without the security and independence she has gained from the Real Lettings property, as well as the support and information provided as she took the new step of living on her own, Vanessa would not have had the same stability and might not have made the plans she has for the future.

Appendices

The growth of the Fund

The graph below shows how the number of properties and the corresponding number of people housed are likely to grow as the Fund reaches full deployment. This is based on data provided by Resonance.



As anticipated last year, the Fund has been fully deployed by the end of March 2016) and houses just over 600 people. Given the expectation of move-on it is possible that the Fund will help well over 1000 people improve their lives.

a. About Resonance

Resonance is a social impact investment company with 14 years' experience of working closely with social enterprises throughout the UK. We help social enterprises prepare for and raise capital from investors who value both their impact ambition and their business model. Based on this knowledge, we also create and manage impact investment funds focused on specific social issues across a range of sectors. We have particular expertise in community-led projects, homelessness, education and social care and work closely with investors whose values and ethics closely align with these sectors.

The Resonance Group also includes two main subsidiaries; Resonance Impact Investment Limited (RIIL), a deal arranger and fund manager authorised by the Financial Conduct Authority (FCA) and Community Land & Finance CIC, a Responsible Finance Provider and accredited Social Enterprise.

As well as the Real Lettings Property Fund, Resonance currently manages another property fund, the National Homelessness Property Fund, which is extending the RLPF model outside London; the Resonance Bristol Social Investment Tax Relief (SITR) Fund, making unsecured loans to growing social enterprises in the Bristol region; and two debt funds lending to community-led organisations, to develop assets that serve local need and/or make the most of local opportunities.

With offices in Launceston, Manchester, Bristol and London and a team of over 30, including Associates contributing skills to specific projects, and Investment Committee members with diverse backgrounds, Resonance is helping to build the market for social investment in practice.

b. About Real Lettings and St Mungo's

St Mungo's provides a bed and support to more than 2,500 people a night who are either homeless or at risk, and works to prevent homelessness, helping about 25,000 a year.

Our vision is that everyone has a place to call home and can fulfil their hopes and ambitions.

We support men and women through more than 250 projects including emergency, hostel and supportive housing, advice services and specialist physical health, mental health, skills and work services. St Mungo's was set up in 1969. Following its merger in 2014 with Broadway, another long established London homelessness agency, St Mungo's is now one of the UK's largest providers of homelessness services.

Real Lettings was set up as a social lettings agency by Broadway in 2005. Every penny made by Real Lettings is donated back to St Mungo's to fund its charitable work.

c. Preserving social impact

Since the Fund has an initial duration of 7 years, it is important to consider how the social impact of its investments can be extended beyond this period.

The Fund will hold each property for at least five years (the length of the standard lease with St Mungo's) and review its options after that period, which may include:

- extension of some leases, by mutual consent of St Mungo's
- extension of the Fund's life (by up to two further one year periods), by decision of the investors
- phased sale of properties over the last two years of the Fund (including potentially to tenants)
- portfolio sale of properties to a follow-on fund
- portfolio sale of properties to an institutional investor with a social housing focus
- as above, but with a breaking up of the portfolio into smaller parcels and subsequent sale to social housing or other socially focused landlords

In all cases, the availability of the properties to the target tenant group over a predictable period of up to 5 years will have achieved the primary social impact goal of the Fund by providing a strong incentive for tenants to move into the private rented sector and build greater housing options, progress towards employment and improved resilience against homelessness.

If the need for move-on accommodation of this kind remains or increases over the life of the Fund, there will be a strong rationale for the portfolio to be sold into a follow-on Fund to address this need, and Resonance is already actively working on these future solutions.

d. Updates since end of reporting period

The report covers the first financial year of operation, up to 31st March 2016. However, at the time of issue (July 2016), the Fund has shown significant further growth in terms of properties and residents.

Growth in Fund activities since end of reporting period:

	As at 31 March 2016	As at 31 May 2016
Total properties (completed & in conveyancing)	257 1 (in conveyancing)	259
Completed acquisitions	257	259
Handed over to RL	244	256
Tenants moved in	552	587

e. A framework for measuring social impact

Resonance and St Mungo's recognise the importance of assessing impact and share a commitment to building this into the running of RLPF. St Mungo's has its own rolling programme of audits to check its data and operations. However, both organisations wanted a shared understanding of impact specifically in terms of RLPF.

Developing the framework

Resonance uses a tool called the Transformational Index on all of its projects. Developed by an independent charity, it is a structured process that helps organisations articulate what "good" looks like, describing the transformation they hope to see as a prelude to measuring it. This relates to "theory of change" approaches in that it explores the underlying model that an organisation is adopting but differs in that it emphasises the internal assumptions, characteristics and expected dynamics around transformation for their clients, rather than the web of causes and effects related to the issue they are dealing with. At a very early stage in the development of RLPF, Resonance ran a workshop with Broadway using the Transformational Index. This established a framework based on the underlying change values of Real Lettings.

Using the framework

The experience of the partners was that it was valuable to have a framework grounded in the motivations behind the project; the "how" of measurement also had to adapt as the project grew and new systems and processes developed, in response to this as well as following the merger of Broadway and St Mungo's. The framework has therefore undergone several iterations and some expansion. It includes information from multiple sources, including the property portfolio, the tenancy system and the tenancy review tool.

Sampling and the tenancy review tool

The tenancy review tool was developed by St Mungo's Broadway in response to the framework agreed between the partners. It is a questionnaire which is updated during phone calls with tenants. Staff make contact with tenants by phone, leaving messages, and also use letters to remind people. The ideal therefore is that each tenant is contacted every quarter. The information is held on the client monitoring system.

The three impact areas are structured as follows:

- Improving housing options – 9 questions covering savings, goals and outlook, and readiness to move on
- Progressing towards work – 12 questions covering steps towards and into work and engagement levels
- Improving resilience against homelessness – 19 questions about managing their finances, looking after their home, having the know-how to do so, and social networks and integration

Questions cover tenants' self-declared circumstances (e.g. paying bills, working, etc.) and their perceptions or confidence related to the different impact areas.

The sample for 2015/16 is good: tenancy reviews were available for 210 out of a possible 253 (the total number of households as at year end). This is therefore an 83% response rate. The sample is more or less random, based simply on who picked up the phone, and includes tenants who have been in the Fund for different durations. This is therefore a good source in terms of its reach and likely accuracy.

Some small changes have been made to the tenancy review for implementation in 2016/17. These will remove some less necessary questions, preserve consistency for key areas, improve the granularity of data and help demonstrate tenant attribution of effects to the work of Real Lettings.

Endnotes

1 Real Lettings was operating for a number of years before the start of the Fund - indeed, an important part of the rationale for the Fund was to scale up and strengthen these successful operations as a profitable social enterprise within a homelessness charity, increasing its sustainability and social impact.

2 Julie Rugg, 2016, Temporary Accommodation in London: Local Authorities under Pressure. (York: Centre for Housing Policy/University of York)
<http://www.londoncouncils.gov.uk/sites/default/files/Temporary%20Accommodation%20in%20London%20report%20%20FINAL%20VERSION%20FOR%20PUBLICATION.pdf>, accessed May 2016.

3 *ibid.*

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