



propertyfund

Social Impact Report

First year (2013/14)



IN
PARTNERSHIP
WITH





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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 life. Run in partnership by social investment company Resonance and homelessness charity St Mungo's Broadway, RLPF is now reporting on the social impact of its first year of operations. Although people's circumstances are different, combining a home with support from Real Lettings can make a tangible difference, as these real examples show:

CLIVE



Clive's relationship broke down. Leaving the family home and living in a hostel meant that he couldn't see his daughter for more than a few hours at a time. Clive has been volunteering delivering food donations from businesses to local hostels as well as helping at a bike charity. A RLPF home has meant that Clive's daughter has been able to stay with him.

"The first time my daughter came to stay for the weekend we had an amazing time. Looking after her has taken a strain off her mother too and we are getting on much better now."

GABRIELLA



Gabriella¹ had a baby after completing her Masters in Social Science. She postponed her PhD but couldn't get a job before her child was born and ended up moving into a hostel. Through a RLPF property, Real Lettings has provided a stable home as well as support to access local services and manage her finances, including looking at childcare costs compared to her potential earnings. She is feeling much more positive about the future.

JAMES



James was referred to Real Lettings from the probation service. He had never had a home of his own before, so Real Lettings helped him understand and set up his payments for rent and bills. James has been working at a garden centre but with support from Real Lettings he is now undertaking a qualification as a personal trainer with a strong possibility of a job at the end of it. James said:

"I have a probation officer, a hostel worker and a housing coach and yet the Real Lettings worker was the first person to actually ask me what I wanted, listen and then come up with the goods. I'm really excited about the future."

¹ Names have been changed for all case studies.

This report draws on these three example stories in more depth to make sense of the data and provide a balanced account of the difference that RLPF has been making in its first year. In particular, it seeks to establish, from this early evidence, the extent to which a home with Real Lettings can make a positive difference, improving housing opportunities, helping people progress towards work and improving resilience against homelessness.

High level conclusions at this stage are:

1) Social and financial goals can be achieved simultaneously in the London housing market - through careful targeting and an efficient acquisition process it remains possible for the fund to acquire properties which fulfil the needs of Real Lettings tenants and also target financial metrics for investors, even in the current London housing market. The fund continues to acquire properties fulfilling both criteria at a rate of around 5-10 properties per week.

2) Well-structured social investment can work better than traditional approaches – for the charity partner the fund is able to deliver higher quality properties, more reliably and at greater scale than was possible via the traditional approach of negotiating leases with individual private sector landlords. Interestingly, because of its social impact focus, the fund is also structured for investors in a way that de-risks the investment even compared to a traditional residential property fund – in particular, the fund benefits from a 5 year lease on all properties under which the charity manages void and maintenance risks, since it is best placed to do so, and the fund is buying a much more diversified portfolio through its focus on single units which work for the tenant group, rather than a few large block purchases.

3) Evidence for the positive impact on tenants is beginning to build – although tenants have only just begun to move into properties, early stage indicators are positive. In particular, there has been 100% tenancy sustainment for those in tenancies to date and all tenants have evidenced they are taking care of their home at the 3 month stage. A high proportion are also integrating socially and progressing towards work. By the time of the next report, many of these tenants will have passed the important 12 month review stage, at which point other important objectives, including saving for a deposit and preparing to move-on from Real Lettings can be better assessed.

What is the Real Lettings Property Fund?

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

RLPF was developed by social investment company Resonance and homelessness charity St Mungo's Broadway in response to a growing failure in the rental housing market resulting in rising numbers of people at risk of being homeless in London. It is a residential property fund which acquires one and two bedroom flats across Greater London, leasing them to St Mungo's Broadway to make available (through its social lettings agency, Real Lettings) 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 experience necessary to assess which tenants are ready for this step, and to provide transitional help and ongoing "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 successfully moving on to other private rented 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 indirectly contributing to freeing up specialist hostel places for the rising number of rough sleepers on London's streets and reducing the number of families placed into expensive and often unsuitable bed and breakfast accommodation. In 2013, local authorities in London spent £80.5m on B&Bs.

The fund was launched in February 2013 with initial investment from L&Q Foundation, Big Society Capital, Esmée Fairbairn Foundation, Lanckelly Chase Foundation and the City of London (through City Bridge Trust), and has subsequently received additional investment from the London Borough of Croydon and an individual high net worth investor. 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. Commitments as of April 2013 totalled £16.25m,

and were increased to £26.2m in February 2014. The fund aims to reach a target size of £45m and over 220 properties (with a maximum size of £100m and potential corresponding increase in properties) in late 2014.

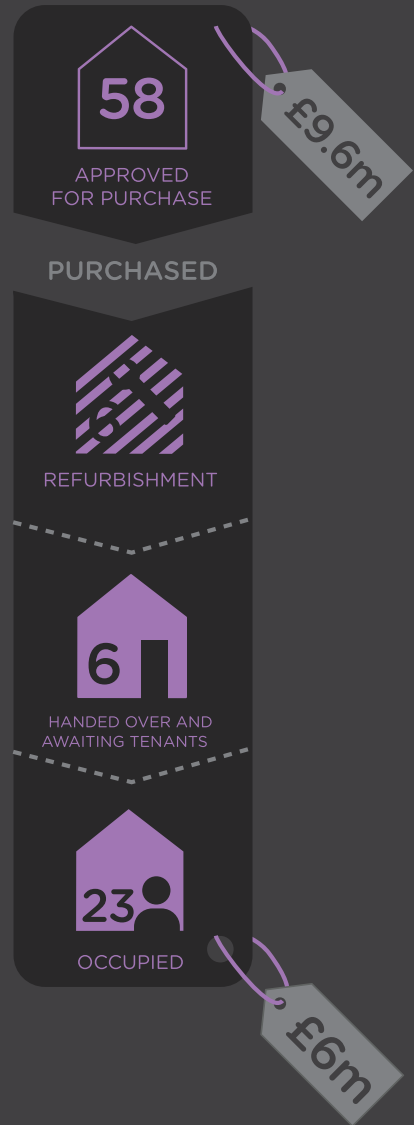
Although this report focuses on the position as at 31st March 2014, the first financial year end for the fund, significant further progress has been made since this date. The report therefore analyses the first 58 properties the fund approved for acquisition, and the first 23 tenants who had moved into properties at that date. As of the date of writing, the fund has now achieved a pipeline of suitable property acquisitions, either completed or in conveyancing, of over £26m, representing over 150 properties across the capital and a further 11 tenants have moved into refurbished properties.

LOCATION OF RLPF PROPERTIES

As at 31st March 2014



From properties to people

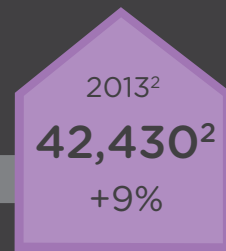


HOMELESSNESS IS A PROBLEM



People sleeping rough in London

AND IT'S NOT JUST INDIVIDUALS ON THE STREETS



Households in temporary accommodation

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

STAY IN A HOSTEL?

Hostels are not a long term solution and people need to move on to develop their lives and make space for others.

WHAT ABOUT SOCIAL HOUSING?



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.

¹<http://www.mungosbroadway.org.uk/chain>

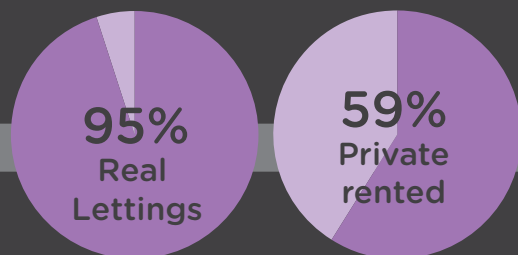
²www.parliament.uk/briefing-papers/sn02110.pdf

³<http://www.gov.uk/government/statistical-data-sets/live-tables-on-rents-lettings-and-tenancies>

⁴<http://www.theguardian.com/money/2014/jan/27/renting-london-costs-twice-elsewhere>

⁵<http://www.telegraph.co.uk/finance/personalfinance/houseprices/10768456/London-house-prices-jump-by-twice-the-average-income.html>

LEAVE LONDON?

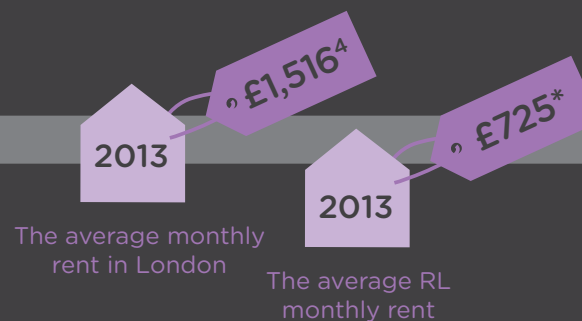


Maintaining tenancy

For people affected by homelessness, entering the private rented sector and maintaining a tenancy can be a greater challenge than affordability.

Moving people out of London is often not the right solution for them - disconnecting people from families, jobs and support is particularly unhelpful for vulnerable people trying to establish a more stable life.

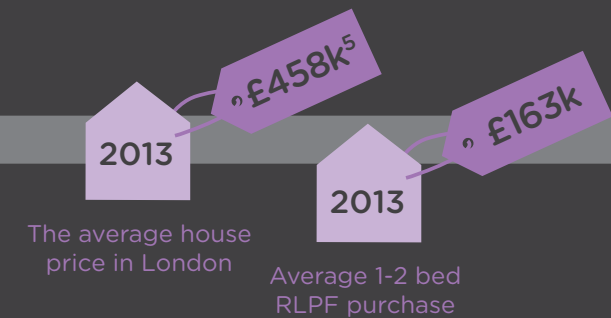
RENT IN LONDON?



Despite the high costs of living in London, Real Lettings is managing to house people stably within these financial constraints.

*Based on LHA

REAL LETTINGS PROPERTY FUND



The RLPF provides a portfolio to go with Real Lettings tried and tested model, more effectively than Real Lettings could do if it sought properties 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 seeing them move-on to other stable homes. By providing the right properties to Real Lettings, 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 through a workshop and discussions between Resonance and Broadway/Real Lettings which explored the underlying change values motivating the project.

RLPF is at a relatively early stage and some measures are not yet available. For instance, at the time of writing (June 2014), no tenants have been in an RLPF property for 12 months. This is an important marker because it will trigger discussion and activity with residents about extending their tenancy or moving on: the property and assistance has to enable people to move-on from RLPF, both as a reflection of their increased independence and so that others can benefit from it.

However, the full range of metrics combined with case studies gives a sense of the progress that is being made now and additional evidence will be presented in future annual social impact reports.

Who we worked with

The diagram to the right shows who RLPF has supported during its initial start-up period. These are all people who have become residents since the start of the Fund and up to the end of March 2014. 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. To put this in context, as of the end of March 2014, Real Lettings had 23 tenanted RLPF properties compared to 139 non-Fund properties (March 2014) in its historic portfolio of properties which were negotiated with individual landlords prior to the start of the Fund.

Despite its size, this original portfolio is declining as landlords increasingly take properties back at the end of tenancies. One of the key reasons for starting the fund was that new properties were not forthcoming. Over its life, the Fund is intended to add 220 new properties for use by Real Lettings tenants.

It should be noted that we are reporting specifically on the impact on tenants in RLPF properties. In this way, we are focusing on the specific social impact generated by the investment capital which has been contributed to the Fund.

Understanding who is supported by RLPF is important to understanding its impact, because it demonstrates why they needed the support. The following visual indicates where people came from, who they are and how long they have been in a property. In all cases, people who move in are referred from a local authority working with Real Lettings, based on agreed eligibility and guidelines. This is essential to ensure that, on the one hand, they are genuinely in housing need but, on the other, that they do not currently have such high support needs that they are not ready to make the transition to greater independence, albeit with support.

CLIVE



Clive is a 37 year old man who has been living in his Real Lettings Property Fund flat for 3 months. In 2009 Clive lost his job and was unable to find another which put a huge strain on his relationship. The relationship broke down and Clive was forced to leave the family home. He was one of the lucky ones; he got a bed in a hostel for homeless people. But staying in a hostel meant he didn't get to see his daughter for more than a few hours at a time and was unable to have her stay overnight.

GABRIELLA

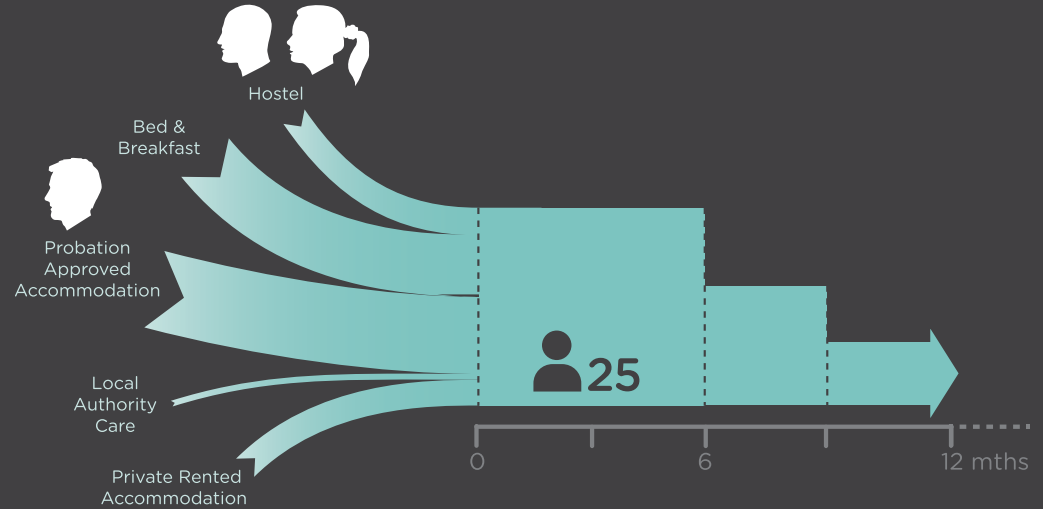


Gabriella, 22, found out she was pregnant when she was due to sit her finals for her Masters Degree in Social Science. Gabriella was all set to begin her PhD but decided that she would instead get a job and do her PhD when her child was a bit older. Like many other graduates, Gabriella was unable to find work and with her due date getting closer she moved back home with her parents. Living back in the family home after nearly 5 years away put a huge strain on her relationship with her parents and when her son was 9 months old she moved into a hostel for mothers and babies.

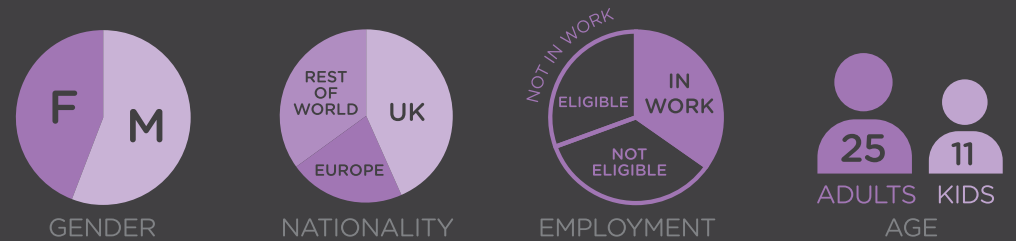
JAMES



James is a 30 year old man and has been living in a Real Lettings Property Fund home for 4 months. James was referred to Real Lettings from the Probation Service. James committed robbery and was sentenced to 4 years in prison. After serving his sentence James moved to a hostel and was supported to find work at a garden centre. He lived in the hostel for two years until he was assessed as ready to live independently.



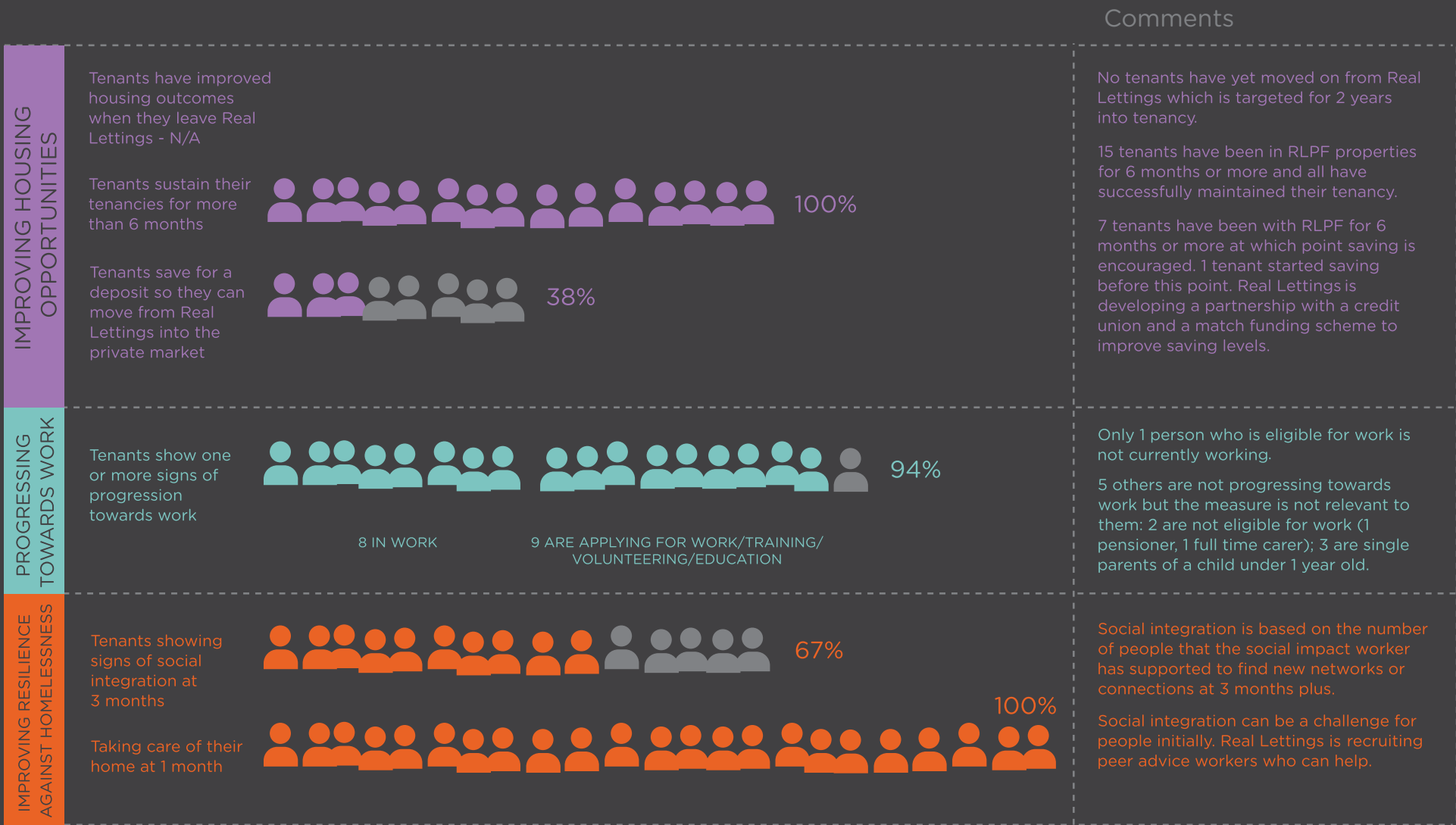
WHERE ARE PEOPLE FROM? HOW LONG HAVE THEY BEEN IN A RLPF PROPERTY?



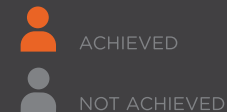
WHO ARE THEY?

NB there are 25 adults living in RLPF homes but only 23 of these are the registered tenants. With the exception of the numbers for adults and children, all other figures are based on the tenant.

INITIAL OUTCOMES FOR RLPF TENANTS



EACH PERSON ICON REPRESENTS AN ACTUAL RLPF TENANT



CLIVE



Clive was determined to find work and Real Lettings quickly referred him to the Education, Training and Employment Service. He also wanted to get a bike; unfortunately his bike had been stolen when he was living in the hostel. The Real Lettings worker contacted a local cycling charity and they donated a bike to Clive that needed some minor repairs. In return Clive offered his time to help do up other people's bikes, which has kept him busy, given him new skills and helped him meet new people.

Because Clive had a flat, he was finally able to have his daughter for longer periods of time, Clive said: "The first time my daughter came to stay for the weekend we had an amazing time. Looking after her has taken a strain off her mother too and we are getting on much better now."

The Real Lettings worker was able to find a local group that runs every Saturday for fathers and their children. Clive has taken his daughter each Saturday he has had her to stay and has been able to make some new friends in the local area through the group.

GABRIELLA



Gabriella moved into her Real Lettings Property Fund home a week before her son turned one. Within two weeks, Real Lettings had referred Gabriella to two specialist services (Education, Training and Employment, as well as Money Management and Budgeting). This was to help Gabriella to assess her earnings compared to childcare costs: she wanted to get back to work and already had a one day a week retail job but wanted to use her qualifications to get a graduate job.

New to the area, Gabriella expressed a desire to get to know other mothers and the Real Lettings worker was able to find a local Children's Centre with a busy schedule of free baby and toddler classes. The Real Lettings worker also found Gabriella a local dentist and doctor's surgery that were taking new patients. Gabriella is feeling much more positive about life for her and her son.

JAMES



The Real Lettings worker helped James set up direct debits for his utilities and showed him how to read his gas and electricity meters, something he'd never had to do before. They also helped him to set up a savings account, register at a local doctor's surgery, find a football team that he could join and free classes at the local library.

James's main concern was work. The Real Lettings worker found a vacancy for a personal trainer, something in which he had an interest and a qualification, at the local gym and helped him to apply. Unfortunately he was unsuccessful: they wanted a higher level qualification. The Real Lettings worker then assisted James to contact a specialist charity and secure funding to complete the qualification with the strong possibility of a job at the end of the course. James is currently still working at the garden centre and is waiting for his course to start.

James said of the Real Lettings worker: "I have a probation officer, a hostel worker and a housing coach and yet the Real Lettings worker was the first person to actually ask me what I wanted, listen and then come up with the goods. I'm really excited about the future."

Evidence for the positive impact on tenants is beginning to build – although tenants have only just begun to move into properties, early stage indicators are positive. In particular, there has been 100% tenancy sustainment for those in tenancies to date and all tenants have evidenced they are taking care of their home at the 3 month stage. A high proportion are also integrating socially and progressing towards work. By the time of the next report, many of these tenants will have passed the important 12 month review stage, at which point other important objectives, including saving for a deposit and preparing to move-on from Real Lettings can be better assessed.

Lessons so far

The Fund has only existed for just over one year, and much of this time has been focused on establishing its operations and beginning to move the first tenants in. General lessons so far, therefore, focus more on this stage of development than on the specific impact on tenants:

Social and financial goals can be achieved simultaneously in the London housing market

Through careful targeting and an efficient acquisition process it remains possible to acquire properties which fulfil the needs of Real Lettings tenants and also target financial metrics for investors, even in the current London housing market. The fund continues to acquire properties fulfilling both criteria at a rate of around 5-10 properties per week.

Higher quality property for tenants

The fund provides a higher quality of property for Real Lettings and its tenants than was available from previous routes of negotiating leases with individual landlords, where these were available at all. As a result, the charity gets exactly what it needs, not what landlords don't want. It will be interesting to see how the high quality of property potentially impacts positively over time on tenant aspirations and progress.

An integrated approach reaps rewards

A key strength has been the fully integrated approach to property selection with both the charity and the fund manager involved at all stages.

This has been built into the process from day one and is now a very unique approach, yielding quality properties which are suitable for the tenant group and match financial criteria. This partnership approach between finance provider and social enterprise has, in this case, yielded better results than might have been achieved by a traditional residential property fund.

Small blocks can work well under certain circumstances but single units are a more reliable source of stock

We have learned that small blocks can work well for this tenant group if the configuration of property is appropriate, and a mix of open market tenants and the target tenant group is maintained in the block, at least initially. However, it remains the case that single units are the more reliable source of stock to match both social and financial aims. Interestingly, this strategy, though driven by the social aims of the fund, has also begun to deliver a more diversified portfolio, less at risk than a traditional residential property fund from price fluctuations of a small number of larger blocks in a few locations.

More need for properties for mothers and children than expected

The fund was designed to be flexible to adapt its acquisition strategy to the evolving need of those requiring a Real Lettings property. Whilst the original assumption had been of an even split between one and two beds, due to very high emerging need for parent and child accommo-

modation the percentage is now around 75% two beds. The flexibility of the fund has meant we have been able to respond to this need.

An attractive option for Local Authorities

The RLPF can be attractive for Local Authorities to invest from capital budgets in preference to seeking to acquire properties directly themselves to meet this need. This is because it has a faster response time, better outcomes for tenants, and lower risk (in terms of voids and maintenance). Whilst local authorities invest on the same terms as other investors, they have a separate nominations agreement with Real Lettings to refer some suitable tenants to properties, which do not need to be in their borough.

The challenge of developing a model suited to impact

If St Mungo's Broadway and Real Lettings are successful, then tenants should require ever fewer interventions throughout the course of their tenancy. Therefore, the challenge is how to measure what is not happening, not just what is happening. There is also a difference between developing an information system that can evidence impact and information systems which support tenant management, typically either reporting on activity or on exceptions, i.e. circumstances where intervention is needed. The merger of St Mungo's and Broadway is leading to a number of changes in information systems which will hopefully lead to better impact data based on a more dynamic database system. This

will include adding questions around residents' outlook and ability to take next steps, effectively a confidence check on whether they feel they can make changes. This will help demonstrate impact and will be particularly useful as the number of tenants increases.

Tenants' circumstances can change quickly, particularly in terms of work

One of the more challenging areas to understand and evidence is employment. Real Lettings tenants often have some kind of work when they arrive (true of about one third of tenants) and/or during their tenancy, and are keen to find better jobs. They are also prepared to take short term and zero-hours contracts to get into the labour market. Broadly, these should be considered progress but it is hard to capture the variability that these different circumstances create. For example, current reporting tends to ask who is working now rather than whether someone has worked at all in the last month. There has also been at least one instance of a resident having to give up a zero-hours contract that wanted them to work more hours a week but which would have caused them to lose their home because of decreases to their benefits. As it was, they ended up several thousand pounds in debt. In this case, Real Lettings is providing support to help them improve their qualifications and get a better job. But it indicates a challenge with seeing progress to employment as a linear or stable journey, something that needs to be taken into account when assessing impact.

Next steps

The Fund continues to operate successfully against both social and financial criteria, and is seeking to increase investor commitments from the current £26.2m to £45m or more by the fourth quarter of 2014. Depending on the level of commitments received, the fund will either complete its deployment by February 2015 or, if investors so decide, may extend its investment period by up to one year to February 2016.

Meanwhile, Real Lettings is continuing to move suitable tenants into the properties which the fund is acquiring and refurbishing. The next social impact report for the Fund (in June 2015) will therefore show data for a much larger number of tenants, some of whom will have passed the 12 month point in their tenancy and received a further assessment. This should provide further evidence of whether tenants are making the expected progress, although it may still be early to assess the prospects for further move-on from Real Lettings properties into the wider private rented sector (generally targeted for around two years into a tenancy). In the meantime, we believe the evidence to date shows that people supported by RLPF are generally showing real progress in one or more of their housing outcomes, their employment and their resilience against homelessness.

Without Real Lettings

CLIVE



Clive... would have struggled to find move-on accommodation and the hostel would have had one less space for someone else. It would have been difficult for him to find suitable context for spending quality time with his daughter, very disappointing for him and to the likely detriment of their relationship. It is less likely that Clive would have had the opportunity to develop the skills required to fix bikes and, importantly, might not have developed the connections and friendships made possible by his attendance of the group for fathers and children.

GABRIELLA



Gabriella... would probably still be in a hostel for mothers and babies, or perhaps temporary accommodation in a B&B. She would not know the security and comfort made possible by being able to raise her infant son in a safe and supportive environment with a space of her own. Without access to support and advice through Real Lettings, Gabriella's prospects for employment, despite her qualifications, might only amount to continuing to work one day a week in retail, a poor basis for getting a place for herself and her son.

JAMES



James... is ineligible for local authority housing and would have struggled to find a private rental. He would probably still be in the hostel but if he had found a home, the experience of being responsible for taking care of it, preparing food and paying bills would have been extremely challenging and isolating. It is difficult to imagine that James would have had the encouragement needed to apply for and receive a grant for further education to fulfil his dream of being a personal trainer. In a private flat without Real Lettings advice and guidance, the likelihood of him losing his home and reverting back to old lifestyle habits would be greater.

Real Lettings Property Fund bridges the gap between hostels and unstable temporary accommodation and the private rental market. Without a supportive mode of housing to make the transition, there are high social costs for the individuals and their families and high financial costs for the state. Real Lettings provides an innovative solution to a systemic problem which helps to improve the prospects of those it houses. Real Lettings does not offer a stop-gap housing solution, or just another "warehouse" to put people in, but rather a tenure of advancement.

Appendices

a) About Resonance

Resonance is a social impact investment company with over a decade of 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 property, 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 subsidiaries; Resonance Impact Investment Limited (RIIL), a deal arranger and fund manager authorized by the Financial Conduct Authority (FCA) and Community Land & Finance CIC, a community development finance institution and accredited Social Enterprise.

As well as the Real Lettings Property Fund, Resonance currently manages two debt funds lending to community-led organisations to develop assets that serve local need and/or make the most of local opportunities. These funds help the development of resilient, powerful, inclusive communities mobilising both financial and social capital for the long-term benefit of communities around the country.

With offices in London, Manchester and Cornwall and a team of 26, 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 Broadway

St Mungo's Broadway 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 people a year.

We believe no one should be homeless and that people can – and do – recover from the issues that create homelessness.

We support men and women through more than 200 projects including emergency, hostel and supportive housing projects, advice services and specialist physical health, mental health, skills and work services.

Formed in April 2014 by the merger of two long established charities, we currently work across London and the south of England but influence and campaign nationally to help people to rebuild their lives.

St Mungo's began helping people sleeping rough off the streets in 1969. It then developed many ground breaking services including; the first specialist project solely for mentally ill rough sleepers, funded by the Government; the first specialist project solely for rough sleepers who drink heavily; the only specialist project solely for elderly rough sleepers and, more recently, the first Recovery College in the homelessness sector.

Broadway was created on 1 April 2002 from the merger of two London charities that, between them, had been supporting homeless people for more than 20 years. Broadway always recognised that the solutions to homelessness were as varied, complex and individual as the people it supported. Its services, projects and activities delivered practical support and guidance to help homeless and vulnerably housed adults on their journey from street to home.

We believe every person should:

- Have a decent place to live – to find and keep a home
- Have something meaningful to do – to work and learn, and move towards financial self sufficiency
- Have positive relationships and the good health to enjoy them.

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 Broadway) and review its options after that period, which may include:

- extension of some leases, by mutual consent with St Mungo's Broadway
- 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, as appropriate
- portfolio sale of properties to an institutional investor with a social housing focus, as appropriate
- as above, but with a breaking up of the portfolio into smaller parcels and subsequent sale to a series of social housing focused landlords, as appropriate

The exit strategy will seek to optimise the capital values of the portfolio whilst taking into account, where feasible, a preference to dispose of the assets to socially motivated investors, entities or persons that will generate a lasting and positive social impact.

In all exit scenarios, 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.

Under its current operational model Real Lettings already manages transition of tenants between properties within its portfolio when individual landlords end lease arrangements. If the need for move-on accommodation of this kind remains or even 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.

d) Updates since end of reporting period

The report covers the first financial year of operation, up to 31st March 2014. However, at the time of issue (June 2014), the Fund has shown significant further growth in terms of properties and residents.

Growth in Fund activities since end of reporting period

	As at 31st March 2014	As at 20th June 2014
Total properties (completed & in conveyancing)	58	154
Completed acquisitions	34	57
Handed over to RL	29	41
Tenants moved in	23	34

e) Developing a framework for measuring social impact

Resonance and St Mungo's Broadway recognise the importance of assessing impact and share a commitment to building this into the running of RLPF. St Mungo's Broadway 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.

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 the RLPF Resonance ran a workshop with Broadway using the Transformational Index. This established a framework based on the underlying change values of Real Lettings. This then went through several iterations as the Fund was developed and systems to evidence the different metrics were explored and agreed. The most recent version is shown in the table on the left. The experience of the partners was that it was valuable to have a framework grounded in the motivations of the project, and that the "how" of measurement had to adapt as new systems and processes developed, in response to increasing scale and most recently with the merger of Broadway and St Mungo's.

Besides serving as the basis for an annual Social Impact Report, these results are also compiled quarterly and monitored by Resonance's team.

Some measures were collected and not shown in the impact report, on the basis that they were felt to be too subjective or otherwise not sufficiently reliable for analysis at this stage. The intention here is to develop increasingly robust collection methodologies (timely as new systems are developed for the merged charity) and will become part of future reporting.

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