

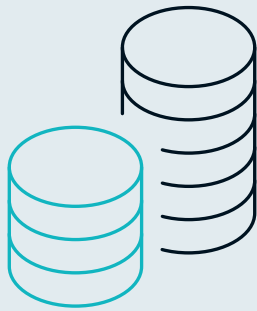
THE
GOOD
ECONOMY

Funding Affordable Homes

Impact Report 2021



Headline Results as of 30 June 2021

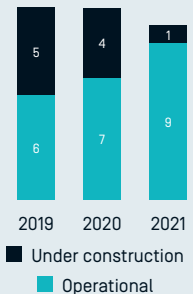


£133.4M
INVESTED

£149.4M GROSS
DEVELOPMENT
VALUE



10 PROJECTS
9 OPERATIONAL
1 UNDER
CONSTRUCTION



768 HOMES
(OF WHICH 693
ARE COMPLETED)



PROVIDING A HOME
FOR AROUND
1,328 PEOPLE



65% SPECIALIST
HOUSING



35% GENERAL
NEEDS HOUSING



6 REGISTERED
PROVIDER
PARTNERS



679 JOBS CREATED IN
CONSTRUCTION

For 6 schemes where data is available.
Data from 2020.

AVERAGE OF 113 FULL TIME
EQUIVALENT (FTE) JOBS
CREATED PER SCHEME



100% OF COMPLETED
HOMES HAVE AN EPC
RATING OF C OR ABOVE

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This report has been commissioned by Funding Affordable Homes SICAV SIF S.A. ("Funding Affordable Homes" and "FAH") and has been prepared by The Good Economy Partnership Limited ("The Good Economy" and "TGE"), a specialist social advisory firm with expertise in impact measurement and management. The Good Economy supported Funding Affordable Homes to develop its impact assessment methodology and carries out a review of the social and environmental impact performance of Funding Affordable Homes on an annual basis. This report is based on analysis of quantitative data, performance data from partner organisations, resident surveys and in-depth interviews with residents, partner Housing Associations, service providers, and the management and staff of Edmond de Rothschild Real Estate Investment Management (UK) Limited ("EdR"), the Real Estate and Investment Advisor to Funding Affordable Homes.

Front cover
Residents from
FAH's homeless hostel
and Extra Care
accommodation

Executive Summary

Funding Affordable Homes (FAH) is a social impact investment company established in 2015 to invest in UK affordable housing, including specialist homes for people who need additional support. This is the sixth Annual Impact Report produced for FAH by The Good Economy (TGE), an independent social advisory firm specialising in impact measurement and management.



This report covers the period from July 2020 to June 2021. With residents moving in to Ashey Road, Landmark Pinnacle and River Beal Court, 9 of FAH's 10 schemes are now operational. The final scheme is due to complete in September 2021.

Overall, the current portfolio has a Gross Development Value of £149.4m. It should provide 768 homes for more than 1,300 people.

This report assesses FAH's performance against its stated impact objectives, as well as its broader social and environmental outcomes.



Impact Objectives



Social Need

FAH invests in affordable housing to provide homes for people in social need. When the last of its 10 current projects completes construction in late 2021, the portfolio will provide 768 homes for more than 1,300 people across general needs and specialist housing types.

Overall, 49% of homes are located in the 20% most deprived local authorities in the UK. This highlights how FAH homes serve people in some of the country's poorest areas with greatest social need.



Affordability

FAH aims to maximise the affordability of its properties. Approximately 43% of its general needs homes are in the most affordable Social rent category – a far higher proportion than the affordable housing sector as a whole where just 5% of completions last year were for Social rent homes. Also, there is evidence that several of FAH's specialist housing schemes are generating value for money for public budgets, by providing a more cost-effective housing solution than potential alternatives.



Additionality

FAH continues to achieve 'best-in-class' additionality. TGE categorises no less than 80% of its projects as having high additionality. TGE are aware that FAH has a strong pipeline of projects.



Quality of Management

FAH emphasises standards of property management in its relationships with its Registered Provider (RP) partners. All three of its partners large enough to hold governance and viability gradings from the Regulator of Social Housing (RSH) meet or exceed the regulator's requirements.

FAH's impact aligns with several of the UN's Sustainable Development Goals (SDGs). This includes #11 (Sustainable Cities and Communities) as well as #1 (No Poverty) and #8 (Decent Work & Economic Growth).

Outcomes



Social Outcomes



FAH's homes deliver multiple positive social outcomes for residents. Evidence shows that its general needs housing contributes to improved physical and mental health, improved relationships and sense of community, better education or employment outcomes, and greater stability. Similarly, its specialist housing also contributes to the first two of these outcomes for its residents with support needs, as well as improved confidence and independence, feeling safer at home, and (where relevant) positive move-ons.



Environmental Outcomes

FAH's homes continue to achieve above-average energy efficiency. 100% of its completed properties hold an EPC rating of C or above (15% rated A, 79% rated B, 6% rated C). This compares favourably to the national average for a dwelling in England which is an EPC rating D.

The table below summarises FAH's portfolio-level impact performance data.

FAH Impact Objectives	Metrics	2021 results
 Provide housing to support those with a Social Need	# of households housed (with breakdown of general needs/specialist needs)	Homes currently occupied 618 homes occupied (out of 693 available) > 242 General Needs households (39%) > 376 Specialist households (61%)
	# of properties by tenure, (with breakdown of Social rent, Affordable rent, Shared Ownership and specialist homes) ¹	Total homes – 768 General Needs tenure mix > Social rent – 115 units (15% of portfolio) > Affordable rent – 77 units (10% of portfolio) > Shared Ownership – 74 units (10% of portfolio) Specialist Housing types > Extra Care – 387 units (50% of portfolio) > Homelessness accommodation – 78 units (10% of portfolio) > Supported living – 37 units (5% of portfolio)
	% homes in 20% most deprived local authorities	49% of homes
 Maximise Affordability for residents	% of Social rent within general needs homes	> 43% are Social rent > Compared to the national average of 5% of all affordable homes completed in the year to March 2021
 Fund homes that would not have been built otherwise – Additionality	Scheme additionality:	> High additionality – 89% > Medium additionality – 11% > Low additionality – 0%
	# of new homes	768 new homes
 Work with partners to provide a high Quality of Management of the properties	RSH grading of partner RPs	> 1 x G1/V2 > 2 x G2/V2 > 1 x Awaiting grading > 2 x Smaller RPs without RSH grading
	Resident satisfaction surveys and feedback	Generally good, but room for improvement at some locations

¹ Note this breakdown by tenure type has changed since 2020 due to a definitional change in relation to the Ryde and Freshwater properties. These have now been classed as 100% Specialist Housing. These schemes include Shared Ownership homes which have specific age-related constraints.

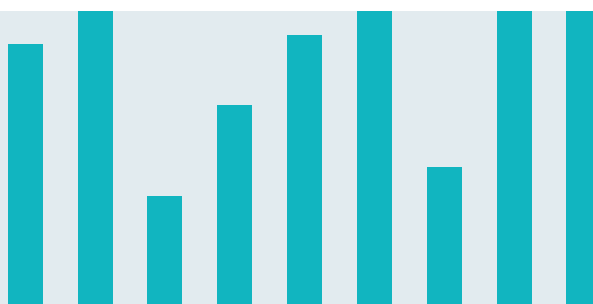
Areas of Strength

- > **Achieving 'best-in-class' additionality** – Thanks to a partnership approach that enables affordable housing that would not otherwise have been built, such as Birchett Road in Aldershot, FAH continues to achieve 'best-in-class' additionality.
- > **Meeting clear social need** – As FAH completes more homes, it is able to benefit more residents in social need. The substantial demand for newly completed schemes at River Beal Court in Rochdale and Ashey Road in Ryde underscore this. Note, though, that deployment of capital has slowed in the past year as the fund has shifted focus during the pandemic to completing existing projects.
- > **Maximising affordability** – FAH is generally achieving its aim of maximising the affordability of its properties. This carries positive benefits for people enabled to rent or buy their homes who would otherwise remain on affordable housing waiting lists. There are, however, challenges to be overcome with the affordability of some of the Shared Ownership homes in London.

Potential Risks and Areas for Improvement

- > The Shared Ownership apartments in the Landmark Pinnacle tower in London will primarily serve first-time buyers who have higher earnings than typical Shared Ownership purchasers. TGE calculates that the price of the homes has been set at a level which requires a household income close to or at £90,000 (the London maximum to be eligible for Shared Ownership). This risk is mitigated to an extent by the fact that rent levels have been set clearly below the maximum permitted level, but it still presents an impact risk in terms of the affordability of these homes for the target demographic.
- > Below-target occupancy raises financial risk at Rosebank Park and Beaumont House. While the size of the RP partner (One Housing Group) moderates the level of financial risk, the unoccupied units do limit the scheme's capacity to meet the social need for independent living options.
- > Care providers at the Ryde scheme identified some design issues with the building. These have been corrected and the learning has been incorporated into the construction of the related Freshwater scheme.
- > Antisocial behaviour and responsiveness to maintenance issues raise impact risk at Birchett Road in Aldershot. Since these issues affect residents' wellbeing, it is critical that FAH continues to monitor its partners' performance to ensure high quality services.

Overall, TGE judges that FAH continues to meet its impact objectives and to contribute to positive social and environmental outcomes.







1. Introduction

About Funding Affordable Homes

Funding Affordable Homes (FAH) is a social impact investment company that provides general needs and specialist housing in the UK. Launched in 2015, FAH aims to help alleviate the chronic shortage of affordable housing in the UK by providing a new source of funding to the sector. Its social purpose is to increase the provision of high-quality affordable housing to improve the lives of people in social need. At the same time, it seeks to deliver an acceptable financial return to investors.

In 2019, FAH appointed Edmond de Rothschild Real Estate Investment Management Limited (EdR) as its property advisor. EdR provides all real estate and investment advisory services.



FAH is funded by a range of private and institutional investors, together with Big Society Capital and the Joseph Rowntree Foundation (JRF). Big Society Capital is one of the leading social impact investing organisations in the UK. It exists to improve the lives of people in the UK through investment with a sustainable return. JRF is an independent social change organisation working to solve UK poverty. Through research, policy, collaboration, and practical solutions, JRF aims to inspire action and change that will create a prosperous UK without poverty.



This Report

This report is the sixth Impact Report prepared independently for FAH by The Good Economy (TGE). It covers the 12-month period to 30 June 2021.

TGE acts as the social impact advisor to FAH, helping the fund to measure, manage and report on its investments' impact on residents. In this role, TGE conducts pre-investment due diligence on all potential FAH projects and produces this annual impact report to independently assess FAH's performance against its impact objectives and target outcomes.

A mix of quantitative and qualitative data informs TGE's impact assessment. This includes analysis of FAH's key performance indicators (KPIs), resident surveys, performance data provided by partner organisations and semi-structured interviews with residents, Registered Providers (RPs), local authorities, care providers and developers [see Appendix for more details]. Overall, TGE takes a stakeholder-driven and outcomes-focused approach to assessing the impact of FAH's investments. This incorporates a core focus on residents' lives and their wellbeing (who benefits and how), which is aligned with the Impact Management Project (IMP)².

The Covid-19 pandemic continues to affect virtually all aspects of life. For this report, TGE has sought to understand how Covid-19 has been managed across FAH's schemes. This includes how the pandemic has affected residents' experience of living in the homes, as well as how housing managers and care providers have amended working practices to ensure services can continue to be delivered safely.

FAH AND FAHHA STATEMENT ON BOARD DIVERSITY

FAH's board contains seven members, of which six are male and one is female. These board members are aged between 41 and 69 years old.

Funding Affordable Homes Housing Association (FAHHA) – the RP owned by FAH – is made up of 5 board members, three male and two female. The board members are aged between 62 and 72 years old. One board member is Asian and four are White British.

² The IMP is a forum for building global consensus on how to measure, manage and report on impact performance – see <https://impactmanagementproject.com>.

2. Investment and Impact Thesis

Impact Measurement and Management

FAH's overall impact goal is to increase the provision of high-quality affordable housing to improve the lives of people in social need.

Under this goal, FAH has worked with TGE to develop an Impact Measurement and Management (IMM) framework. This sets out FAH's impact objectives, identifying the activities and intended outcomes through which the fund aims to contribute to positive impact creation.

This framework is continually reviewed and updated to ensure FAH aligns with best practice standards in impact measurement, management and reporting. This year the framework has been updated to explicitly separate out **Impact Objectives** – the areas

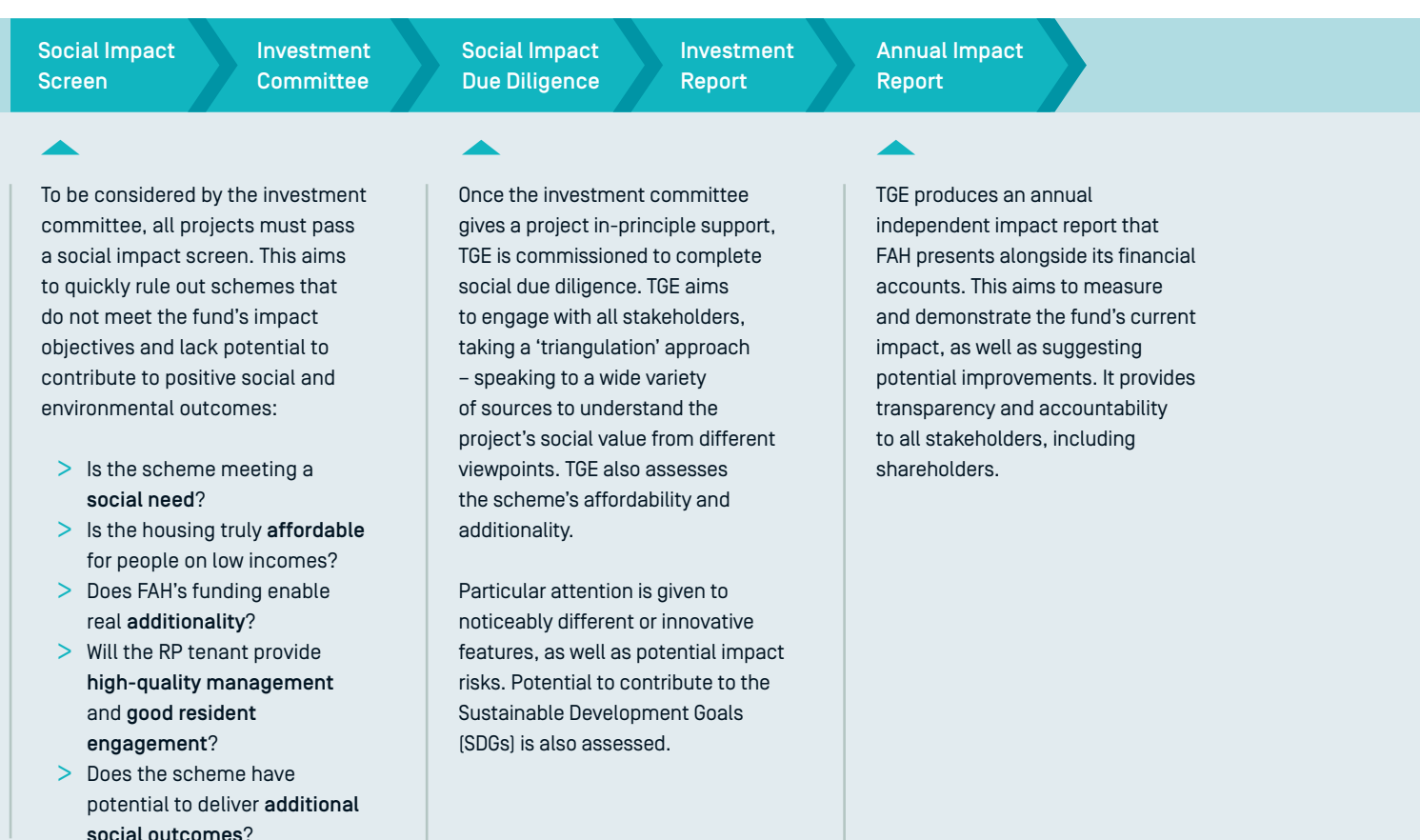
FAH directly influences – and the **Outcomes** that ultimately occur on people and planet, which depend on many factors.

FAH's IMM Framework has been updated this year to better align with the reporting framework developed through the Equity Investor Impact Reporting Project. This is a sector-wide collaborative project which aims to develop a common framework for equity investors in social and affordable housing to measure, manage and report on their investments' impact in a consistent and comparable way. FAH is a founder member in this project.



Investment Strategy and Process

TGE has worked closely with FAH to help it integrate impact considerations into each step of the investment process.



Alignment with the Sustainable Development Goals

In 2020 TGE assessed FAH's alignment with and strength of contribution to the SDGs, identifying the most relevant targets and giving each UN indicator a proxy metric. TGE's analysis confirmed that the fund contributes directly to SDG 11 (Sustainable Cities and Communities) through its core business of developing affordable housing. It also contributes to SDG 1 (No Poverty), SDG 3 (Good Health and Wellbeing), SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action).

Figure 1: SDG Linkages Diagram





3. Portfolio-level Impact Assessment



Provide housing to support those with a **Social Need**

FAH continues to provide housing for people with a clear social need for quality affordable accommodation.

To serve individuals and families with a range of needs, FAH's portfolio includes both general needs and specialist housing. The general needs portion delivers affordable rented accommodation for people on affordable housing waiting lists, as well as shared ownership for those who cannot afford to buy on the open market. The specialist portion provides accommodation for individuals who need support, including older people, people with disabilities and people at risk of homelessness.

Some of FAH's schemes meet substantial levels of demand. For example, Midland House provides homelessness accommodation in a local authority ranked in the highest 5% nationally by number of people classed as homeless. The property has just 78 places but received more than 300 referrals in each of the past two years. The need for this kind of accommodation has been brought into even sharper focus by government efforts to house all homeless people during the pandemic.

The development at Island Point was completed in March 2020. This is a 173-home affordable housing development in Tower Hamlets, where the proportion of people on the affordable housing waiting list is more than three times the national average. Unsurprisingly, demand for the homes has been strong and all of the rented units are occupied, while all but one of the shared ownership homes have been sold.

Similarly, demand for homes at the recently completed Ryde development on the Isle of Wight has been very strong. Construction was completed in November 2020 and all rented units were occupied by March 2021. This development serves an important social need in expanding options for older people to live independently.

However, some schemes – such as Shared Ownership units in the Landmark Pinnacle tower – have seen weaker demand. This probably reflects the general decline in appetite for city centre apartment living during the pandemic.

Moreover, two Extra Care schemes which opened in 2017 – Rosebank Park and Beaumont House – have both seen occupancy remain below expected levels at around 70%. There have been relatively few referrals through the adult care system for the unoccupied apartments.

Overall, 49% of homes are located in the 20% most deprived local authorities.

Beaumont House,
Walton-on-the-Naze



Figure 2: Map of England showing the distribution of FAH properties

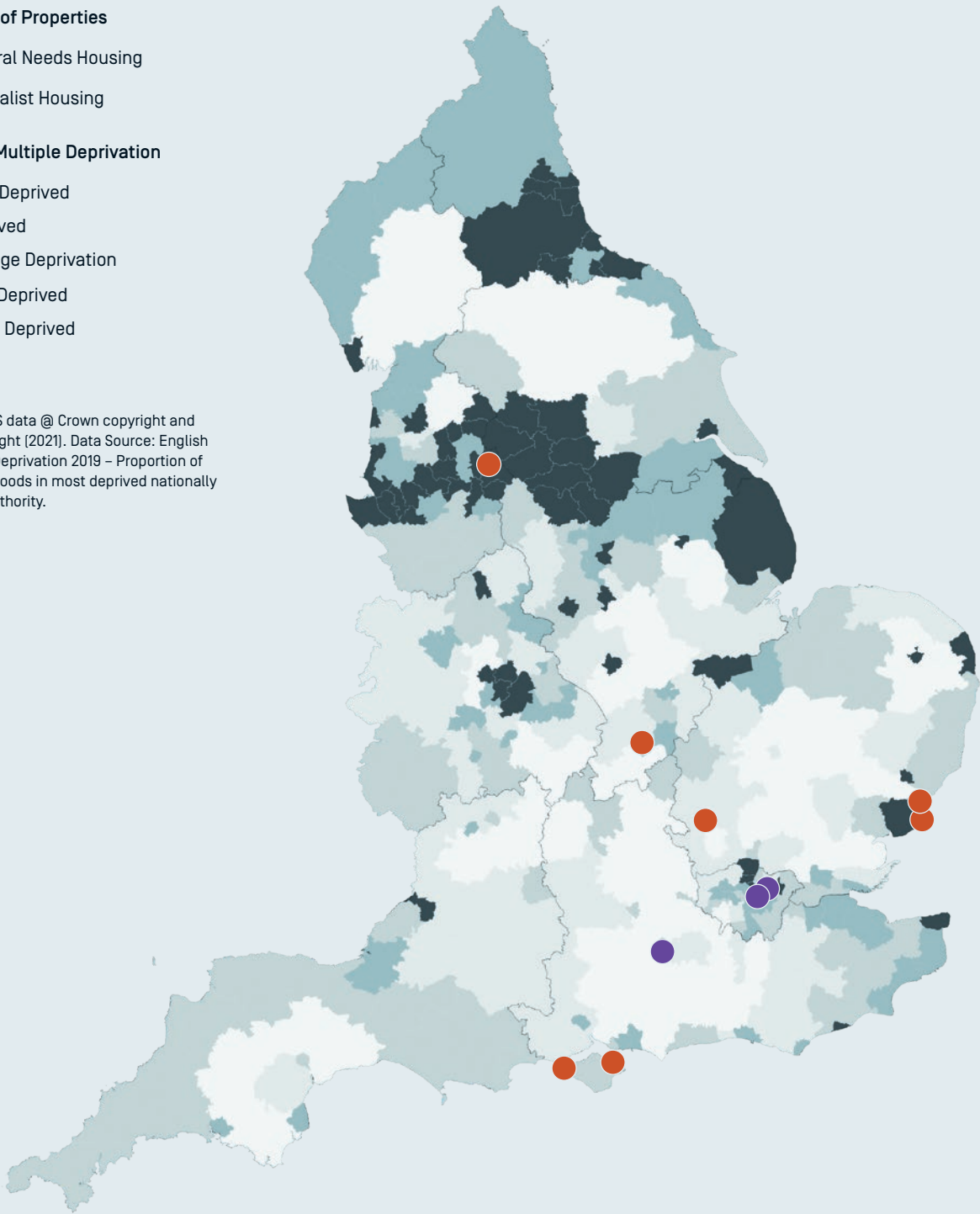
Location of Properties

- General Needs Housing
- Specialist Housing

Index of Multiple Deprivation

- Most Deprived
- Deprived
- Average Deprivation
- Less Deprived
- Least Deprived

Contains OS data @ Crown copyright and database right (2021). Data Source: English Indices of Deprivation 2019 – Proportion of neighbourhoods in most deprived nationally by Local Authority.





Maximise **Affordability** for residents

FAH aims to maximise the affordability of its properties for people who would otherwise struggle to rent or buy on the open market.

Breakdown of FAH's general needs homes by tenure type:

- > 43% are Social rent homes
- > 29% are Affordable rent homes
- > 28% are Shared Ownership homes

This breakdown is notably better than the affordable housing sector overall. In the year to March 2021, only 5% of all affordable homes completed were in the most affordable Social rent category, where rents are typically set at around 50% of market rent³. This makes the proportion of Social rent properties in FAH's portfolio more than eight times last year's sector average.

Resident interviews affirm the positive impact that truly affordable housing can have on residents. For example, a single working mother resident of the Birchett Road scheme in Aldershot told TGE she had been unable to move out of her parent's overcrowded house because she could not afford to rent on the open market. Having been on the affordable housing waiting list for more than 18 months, Birchett Road allowed her to move into her own home.

TGE does, however, have some concerns over affordability of Shared Ownership homes in the Landmark Pinnacle tower. The 2-bed apartments cost up to £750,000 which, according to TGE's affordability calculation, would under normal circumstances require a household income in excess of £90,000 (the London maximum for Shared Ownership). However, this is mitigated by rent levels having been set at 1.75% of the remaining unsold equity (which is below the maximum permitted level of 2.75%). Nonetheless, these homes will primarily serve higher earning households, though it will allow them to buy in an area that they would likely be unable to otherwise afford.

It is, however, worth stating that these 35 shared ownership units are part of the Section 106 requirement for Landmark Pinnacle. This requirement also comprises the 173 affordable homes that have been delivered at Island Point. This development predominantly consists of Social and Affordable rent properties, and is providing much-needed housing to low-income families in Tower Hamlets. Therefore, though the shared ownership units in the Landmark Pinnacle tower are relatively expensive, they do play an important role in cross-subsidising the delivery of the more affordable units at Island Point.

In relation to FAH's portfolio of specialist housing, most residents' housing costs are paid for through Housing Benefit. This means costs are generally incurred by the UK government rather than residents themselves. Such schemes should therefore be assessed from the perspective of the value for money they generate for local authorities compared to residents' likely alternative accommodation.

In the case of Midland House, TGE have heard that this scheme is a strategic site for the council in helping them to tackle homelessness. The hostel provides an alternative to expensive temporary accommodation such as bed and breakfast, and provides a pathway for residents to achieve more secure, long-term tenancies. This should help to deliver cost savings in the long-term by reducing residents' dependence on government support.

FAH is also funding a number of Extra Care housing schemes, both for older people and for people with disabilities. There is evidence that such schemes can provide a cost-effective alternative to residential care – the likely alternative for many residents. An evaluation funded by the Department of Health Extra Care Housing Fund concluded that “Better outcomes and similar or lower costs indicate that Extra Care housing appears to be a cost-effective alternative for people with the same characteristics who currently move into residential care”⁴.

³ Homes England, Housing Statistics 1 April 2020 – 31 March 2021

⁴ HB Villages, Specialised Supported Housing & Extra Care; a Briefing Paper 2017



Fund homes that would not have been built otherwise – **Additionality**

FAH continues to bring a substantial level of additionality to the sector, partnering with local authorities, developers and RPs to deliver affordable housing that would not have been built otherwise. TGE considers FAH's additionality 'best-in-class', and it has a strong pipeline of projects.

TGE uses an additionality scale to review all projects as having high, medium or low additionality. This is based on the likelihood of homes being built without the investment. Currently 80% of FAH projects are assessed as having high additionality. Examples of its substantial contribution include:

- > Freshwater, Isle of Wight – development of a private market scheme (with no affordable homes) had stalled but FAH stepped in, accessing a Homes England grant to redesign the scheme into an affordable housing development. This prolonged planning permission and facilitated the delivery of 75 apartments providing Extra Care and Shared Ownership for older people.
- > Birchett Road, Aldershot – the scheme was initially intended to contain 52 flats for private sale with just six Shared Ownership flats under the Section 106 planning provision. FAH worked with the developer, accessing a Homes England grant to convert the scheme to an exclusively affordable development of 58 units: an additional 52 affordable homes above the minimum requirement for the site.

These examples provide evidence of the fact that FAH is able to bring significant additionality at the scheme level by driving deals forward and increasing the supply of affordable housing. FAH has a strong pipeline of projects which TGE assesses to have the potential to deliver substantial impact.

In the last 12 months, FAH's focus has been on delivering its existing schemes. It added no new schemes to the portfolio, but completed construction of three schemes.



Work with partners to provide high **Quality of Management** of properties

As part of its aim to develop strong working relationships with more capable RPs, FAH emphasises their standard of property management. TGE recommends that FAH continues to monitor this parameter, incorporating resident feedback where possible to ensure residents' role in shaping services.

Partnerships are an essential part of the FAH model. The fund is well placed to play a key role in forming partnerships with RPs, developers, local authorities and, in some cases, care providers to develop its schemes. Its team has extensive experience in the affordable housing sector and strong networks, which it leverages in bringing partners together and sourcing new opportunities.

As the building owner, FAH is at a distance from the experiences of the residents living in its homes. So it is essential that it selects capable partners and closely monitors the quality of property management. FAH currently has partnerships with six RPs (see table overleaf).

Registered Provider	Schemes in FAH portfolio	Homes in FAH portfolio	Total homes managed ⁵	Regions of operation	Governance & Viability Grading
Impakt Housing & Support	Midland House	78	N/A	East Midlands	N/A
One Housing Group	Rosebank Park (70) Beaumont House (60)	130	12,334	London & South East	G2/V2
Poplar HARCA	Island Point (173) Landmark Pinnacle (35)	208	5,267	London	G1/V2
Plexus	Birchett Road (58) Balmoral Road (80)	138	401	National	Waiting assessment outcome
Southern Housing Group	Ashey Road (102) Colwell Road (75)	177	26,653	London & South	G2/V2
Partners Foundation	River Beal Court	37	325	National	N/A

All three of the Fund's larger partners have governance and viability gradings that meet RSH requirements. The other partners are of a scale not requiring an RSH grading.⁶

During visits this year to two schemes – River Beal Court and Ashey Road – TGE heard first-hand from residents that they are generally satisfied with the quality of property management. Residents were complimentary about the standard of maintenance and repairs, and also reported good relationships with both RP and care staff.

FAH monitors the quality of service provision being delivered by its partners through quarterly monitoring reports, which it receives from all partner RPs. The monitoring reports provide scheme-level information in relation to a number of key areas including: rent collection, voids, repairs, health and safety, and resident satisfaction levels.

⁵ Regulator of Social Housing (RSH) Statistical Data Return 2020

⁶ RPs only receive a formal Governance and Viability grading from the RSH if they manage over 1,000 units.

4. Contribution to Outcomes

Impact objectives play an important role in assessing FAH's impact since they relate to the areas in which the Fund has direct influence. However, they fail to capture FAH's full impact since outcomes that residents experience are not factored in.

Accordingly, this section assesses FAH's social and environmental outcomes. As these are influenced by many factors, the fund's investment activities are only one contributor. Even so, they provide valuable insight into FAH's ultimate impact.

TGE groups the fund's intended outcomes into two broad areas: Social Outcomes and Environmental Outcomes. These are sufficiently broad to accommodate the different types of schemes that FAH funds and, by extension, variation in types of outcome experienced. TGE considers these outcomes in relation to the five core dimensions of impact, as identified by the Impact Management Project (IMP): What, Who, How Much, Contribution and Risk.



Social Outcomes

FAH's homes deliver a range of positive social outcomes for residents. These vary with type of housing and individual circumstances.

In **general needs housing**, quality affordable accommodation should lead to the following outcomes that contribute to improved quality of life:

- > Improved physical and mental health
- > Better education or employment outcomes
- > Greater stability
- > Improved relationships and sense of community

Specialist housing residents experience a range of outcomes. These vary depending on the needs and type of support residents require. TGE have identified the following outcome areas in relation to FAH's provision of specialist accommodation:

- > Positive move-ons
- > Improved physical and mental health
- > Improved confidence and independence
- > Improved social interactions
- > Feeling safer at home

General Needs Housing Outcomes

Improved physical and mental health

Residents told TGE that their new homes have made a significant positive difference to their wellbeing. At the Island Point scheme, one family moved out of an overcrowded home into a new flat and reported being far happier as a result. Another Island Point resident reported lower levels of stress since moving in.

While residents of the Birchett Road scheme in Aldershot affirmed the property was of high quality, some reported that their wellbeing was affected by anti-social behaviour and inadequate property maintenance.

Better education and employment outcomes	There is evidence that a stable, affordable home can impact education and employment outcomes positively. In a 2020 survey of Birchett Road residents, 11% of respondents reported an improvement in their work status and 25% of households with children reported an improvement in how their children were doing at school.
Greater stability	<p>Securing a long-term tenancy in an affordable home should provide residents with stability, particularly for those who have moved from temporary accommodation, or overcrowded and/or inadequate homes.</p> <p>Residents of both the Island Point and Birchett Road schemes told TGE that their new homes improved their housing stability. For residents of shared ownership properties, gaining access to an affordable home ownership product should be providing them with a more long-term home compared with renting.</p>
Improved relationships and sense of community	<p>FAH seeks to ensure that its schemes are well-designed and foster a sense of community. Despite some issues around planning restrictions on parking, Island Point residents mostly told TGE of a very supportive and friendly atmosphere with good relations among neighbours.</p> <p>The Island Point scheme also won the Richard Feilden Design Award. The scheme was recognised for the fact that residents have access to their own front door and a generous amount of shared outside space, including a public square and Community Pavilion.</p>
Specialist Housing Outcomes	
Positive move-ons	At Midland House, which provides homelessness accommodation, the key performance measure is the percentage of 'planned' resident move-ons. Of 49 clients who vacated in 2020–21, 90% were 'planned' moves. This covers residents moving to their own private or affordable rented tenancy, or to live with family or friends or to another supported accommodation provider.
Improved physical and mental health	<p>TGE found evidence of FAH's specialist housing schemes having a beneficial impact, particularly on residents' mental health. Numerous River Beal Court residents affirmed that they felt far happier since moving into their new apartment (see case studies on p.46–47).</p> <p>Moreover, a January 2021 survey of Ryde Extra Care residents showed 78% of respondents reporting an improvement in their health or in their capacity to sustain their health.</p>
Improved confidence and independence	Residents of several FAH specialist housing schemes benefit from a greater degree of independence than they would be afforded in the likeliest alternative accommodation (particularly residential care). This is because supported living and Extra Care schemes offer individualised care packages. Moreover, residents have their own self-contained apartment within a wider development.

River Beal Court residents told TGE that they were feeling more confident since moving in, and that they were enjoying the independence of having their own apartment. Similarly, TGE heard about a Beaumont House resident who previously lived in a family home that restricted his freedom but is now far happier and more independent, and is able to perform daily tasks without assistance.

78% of respondents to the Ryde Extra Care resident survey reported feeling more confident and independent.

Improved social interactions

As FAH's specialist housing schemes generally involve a relatively large number of residents living on one site, they have the potential to improve residents' social interactions – and they appear to do so. For example, River Beal Court staff told TGE about several friendships among residents. In addition, 63% of Ryde residents reported an improvement in their social interactions since moving in.

Feeling safer at home

One key advantage of Extra Care and supported living schemes is that residents are afforded their own home while still having care services available on-site, often 24 hours a day. This should benefit residents by helping them to feel safer in their own homes since they know support is available if they require it. 98% of Ryde residents reported feeling safer in their current home compared with their previous accommodation.



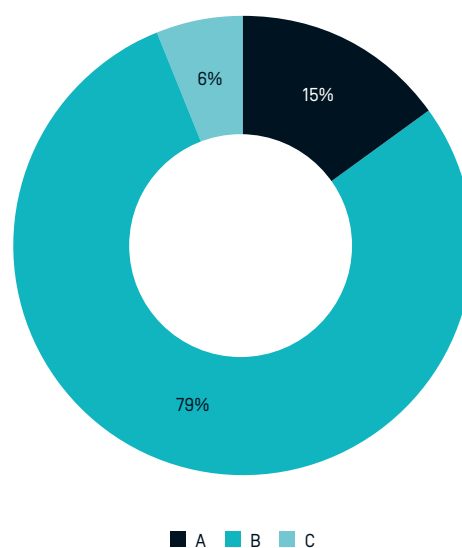
Environmental Outcomes

FAH's contribution to environmental outcomes primarily results from the energy efficiency of its homes. The adjacent pie chart provides a breakdown of the EPC ratings of FAH's completed properties.

The results show that 94% of FAH's completed units have an EPC rating of B or above, and 100% are rated C or above. This means that all of the Fund's homes meet the government's Clean Growth Strategy which has set the target of upgrading all homes to an EPC rating of C by 2035 where it is possible to do so.



These results demonstrate that FAH continues to achieve above-average energy efficiency compared to the country's current stock of housing. The average dwelling in England and Wales has an EPC rating of D, and so all of FAH's homes outperform this national average. As a predominantly new-build fund, this is largely to be expected since new homes are invariably more energy efficient than old ones. Nonetheless, these figures demonstrate that FAH is contributing to the delivery of a more energy efficient stock of housing, which should lead to positive environmental outcomes in the long-term.

EPC ratings of FAH's completed properties



Sustainable Development Goals [SDGs]

FAH's impact aligns positively with several SDGs. TGE uses proxy measures to assess FAH's alignment against and contribution to a number of specific SDG indicators.

SDG	SDG Target	SDG Indicator	TGE Proxy Measure & FAH Data	Alignment	Strength of Contribution
	11.1 – By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums	11.1.1 – Proportion of urban population living in slums, informal settlements or inadequate housing	Total Homes: 768 General Needs: <ul style="list-style-type: none"> > 115 Social rent > 77 Affordable rent > 74 Shared Ownership Specialist Housing: <ul style="list-style-type: none"> > 387 Extra Care apartments > 78 homelessness places > 37 supported living apartments 	Positive	High
	11.2 – By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all.	11.2.1 – Proportion of population that has convenient access to public transport, by sex, age and persons with disabilities	The average public transport travel time to the nearest train station or ferry is 21 minutes.	Positive	Medium
	11.a – Support positive economic, social and environmental links between urban, per-urban and rural areas by strengthening national and regional development planning	11.a.1 – Proportion of population living in cities that implement urban and regional development plans integrating population projections and resource needs, by size of city	49% of homes in the 20% most deprived local authorities	Positive	Medium
	1.2 – By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	1.2.1 – Proportion of population living below the national poverty line, by sex and age	<ul style="list-style-type: none"> > 1 homelessness hostel built with 78 places > 115 Social rent homes > 192 homes at subsidised rent levels 	Positive	High

SDG	SDG Target	SDG Indicator	TGE Proxy Measure & FAH Data	Alignment	Strength of Contribution
	3.8 – Achieve universal health coverage, including financial risk protection, access to quality healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all	3.8.1 – Coverage of essential health services	<ul style="list-style-type: none"> > 387 Extra Care apartments > 78 homelessness places > 37 supported living apartments 	Positive	Medium
	7.1 – By 2030, ensure universal access to affordable, reliable and modern energy services	7.1.2 – Proportion of population with primary reliance on clean fuels and technology	100% of completed homes with EPC rating C or higher, and 94% rated B or higher	Positive	Medium
	8.3 – Promote development-orientated policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation	8.3.1 – Proportion of informal employment in non-agriculture employment, by sex	<ul style="list-style-type: none"> > Average of 113 FTE jobs created per scheme⁷ > Easy access to transport for work opportunities 	Positive	Low
	12.4 – By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle	12.4.2 – Hazardous waste generated per capita and proportion of hazardous waste treated, by type of treatment	FAH and their developer partners follow all UK Building Regulations requirements	Positive	Low
	12.5 – By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	12.5.1 – National recycling rate, tons of material recycled	FAH and their developer partners follow all UK Building Regulations requirements	Positive	Low
	12.7 – Promote public procurement practices that are sustainable, in accordance with national policies and priorities	12.7.1 – Number of countries implementing sustainable public procurement policies and action plans	FAH and their developer partners follow all UK Building Regulations requirements	Positive	Medium
	13.2 – Integrate climate change measures into national policies, strategies and planning	13.2.1 – Establishment of integrated policy which increases ability to adapt to adverse impact of climate change, and foster climate resilience and low GHG emissions	177 homes built using wooden frames – a step towards circularity	Positive	Low

⁷ This is based on data from 2020.







5. General Needs Housing: Social and Affordable Rented, and Shared Ownership

Project	Location	Gross Development Value (GDV) ⁸	Type of property	Project status	No. of homes	Potential no. of residents
Birchett Road	Aldershot, Hampshire	£12.5m	Social & Affordable rented and Shared Ownership homes	Operational	58 x 1- to 4-bed apartments and maisonettes	c.120
Island Point	Tower Hamlets, London	£37.0m	Social & Affordable rented and Shared Ownership homes	Operational	173 x 1- to 5-bed apartments and houses	c.450
Landmark Pinnacle	Tower Hamlets, London	£13.1m	Shared Ownership homes	Operational	35 x 1- & 2-bed apartments	c.50
Total		£62.6m			266	c.620

FAH invests in the development of Social rent, Affordable rent and Shared Ownership homes for general needs households who are unable to rent or buy in the private market. Social and Affordable rent homes typically serve individuals on lower incomes and it is likely that many of these individuals and households will be eligible for and claim government-funded Housing Benefit up to the Local Housing Allowance (LHA)⁹.

Shared Ownership homes are likely to serve median earners seeking to purchase a portion of their home as a way of getting on the property ladder. Household earnings must be under £80,000 (outside London), or £90,000 (in London).

This section provides an overview of FAH's general needs housing and examples of its social impact.

⁸ Valuation as of 30.06.2021, GDV calculated as Fair Value + Grant (where appropriate).

⁹ 'Local Housing Allowance' is a government determination of the reasonable cost of providing subsidised accommodation that varies by local authority.

Birchett Road, Aldershot

	Property type: Social rented, Affordable rented and Shared Ownership homes	
	Investment date June 2019	
	Occupation date September 2019	
	Potential number of residents c.150	
		Location Aldershot, Hampshire



Project Overview

Birchett Road provides a mixture of affordable housing types. The scheme comprises six Social rented, 44 Affordable rented and eight Shared Ownership homes. Plexus, part of the Mears Group, manages the properties.

Birchett Road, Aldershot

The development was first planned as 52 flats for private sale, with just six Shared Ownership flats required under the Section 106 planning agreement. However, FAH worked with the developer, accessing a Homes England grant to convert the scheme to an entirely affordable development. This demonstrates FAH's role in



developing affordable housing that would not otherwise be delivered.

Like much of the country, Aldershot has a distinct need for more affordable housing options. There are nearly 1,500 households on the waiting list, with rising house prices and rents making accessing housing on the private market increasingly unattainable for many. This scheme responds to that need.

Progress Update

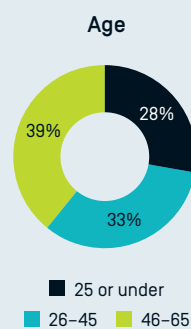
Birchett Road was completed in June 2019, with the first residents moving in in September 2019. At the time of writing, it is fully occupied except for one rented and one Shared Ownership home.

Several residents told TGE that the homes are of a high quality – better than is often the case with affordable housing because they were initially intended for private sale. Moreover, the development is well located, close to shops, transport links and a doctor's surgery.

IMPACT RESULTS

Who Benefits?

In 2020 TGE commissioned a phone-based resident outcomes survey with the residents of Birchett Road. All households were contacted, and 18 out of the 58 responded. The results below are based on those 18 respondents.



65%
Receive Housing Benefits

35%
Don't receive Housing Benefits

Previous accommodation

Parent's home/family member's home	39%	<div></div>
Private rental	33%	<div></div>
Emergency/temporary accommodation	11%	<div></div>
Social rent	6%	<div></div>
Affordable rent	6%	<div></div>
Other	6%	<div></div>



Household make-up

Single-person household	44%	<div></div>
Single parent	28%	<div></div>
Couple, with children	17%	<div></div>
Couple, no children	11%	<div></div>

Household employment status

One adult working full-time	44%	<div></div>
No adult in household working	39%	<div></div>
One adult working part-time	11%	<div></div>
One adult working full-time and one part-time	6%	<div></div>

Island Point & Landmark Pinnacle, Tower Hamlets, London

	Property type: Social rented, Affordable rented and Shared Ownership homes	
Investment date June 2017	Occupation dates March 2020 (Island Point) November 2020 (Landmark Pinnacle)	
Potential number of residents c.500	Location Tower Hamlets, London	

Project Overview

This project forms part of the Section 106 planning obligation for Landmark Pinnacle, a 75-storey tower in Tower Hamlets that is one of the tallest residential buildings in Europe. The project has two parts:

- > **Island Point** – a 173-home affordable development spread across five buildings, comprising 109 Social rented, 33 Affordable rented and 31 Shared Ownership homes.
- > The homes range from 1-bed apartments to 5-bed townhouses.
- > **Landmark Pinnacle** – FAH owns 35 Shared Ownership homes (1 and 2-bed apartments) in the Landmark Pinnacle tower.

Poplar HARCA is the RP tenant. It is responsible for housing management services, letting the rented units and selling the Shared Ownership units.

This project goes some way to alleviating the urgent need for more affordable housing in Tower Hamlets, one of London's poorest boroughs. Its percentage of households on the affordable housing waiting list is more than three times the national average. Many households have been stuck in temporary and/or overcrowded accommodation for many years due to the shortage of affordable accommodation.



Island Point,
Tower Hamlets

Progress Update

The Island Point development was completed and handed over in March 2020. All of the rented units are occupied and 29 of the 31 Shared Ownership units have been sold.



Poplar HARCA judges the scheme a success. The homes are of a high quality, rent arrears are low (below Poplar HARCA's average) and the RP reports a good sense of community cohesion. The scheme also received the Richard Feilden Award, providing external recognition of its high-quality design. Specifically, this award recognises the outdoor and communal space all residents have access to, including the public square and Community Pavilion, which sit at the heart of the development.

Moreover, demand for the Shared Ownership homes has been strong in view of the pandemic. Only one 3-bed unit was still available at year-end. Although this may be more difficult to sell, due to a lower level of demand for larger units in London, Poplar HARCA is now offering incentives including a 6-month rent-free period.

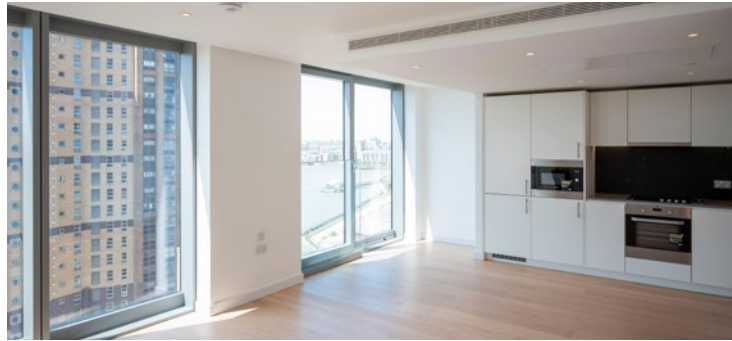
The main issue Poplar HARCA raised with the scheme was restricted parking as a result of planning requirements. The site is designed to accommodate a small number of vehicles, this means some residents ignore parking restrictions, with Poplar HARCA having to intervene. The resulting access issues have now been mostly alleviated. The underground car park is fully operational (though only about one in three residents has a space). Residents have also signed an agreement for a car-free zone for the area where issues arose.

Island Point,
Tower Hamlets

The Landmark Pinnacle development was completed and handed over in November 2020 with the first residents moving in that month.

Of the 35 Shared Ownership units in the tower, 12 sales had completed by year-end with a further four in progress. Poplar HARCA judges that demand for these homes has been negatively impacted by the pandemic, as remote working has generally driven people towards larger homes further out from city centres. The homes continue to be marketed on several property platforms and with various advertising initiatives.

TGE has some concerns over the affordability of the Shared Ownership units – particularly the 2-bed apartments, which cost up to £750,000. At this price, these homes will be unaffordable, unless households earn around £90,000, which is the maximum for Shared Ownership in London. TGE will continue to monitor this moving forward.



Landmark Pinnacle,
Tower Hamlets



6. Specialist Housing

Project	Location	Gross Development Value (GDV) ¹⁰	Type of property	Project status	No. of homes	Potential no. of residents
Midland House	Luton, Bedfordshire	£8.7m	Homelessness accommodation	Operational	78 x 1- & 2-bed apartments	78
Rosebank Park	Harwich, Essex	£12.7m	Extra Care for over-55s	Operational	70 x 1- & 2-bed apartments	c.105
Beaumont House	Walton-on-the-Naze, Essex	£10.9m	Extra Care for over-55s	Operational	60 x 1- & 2-bed apartments	c.90
Balmoral Place	Northampton, Northamptonshire	£17.6m	Extra Care for over-55s	Operational	80 x 1-bed apartments	c.120
River Beal Court	Rochdale, Greater Manchester	£5.5m	Supported Living for individuals with a care need	Operational	37 x 1-bed apartments	c.55
Ashey Road	Ryde, Isle of Wight	£17.4m	Extra Care and Shared Ownership for over-55s, or over-45s with a support need	Operational	27 x 2-bed bungalows, 63 x 1-bed & 12 x 2-bed apartments	c.150
Colwell Road	Freshwater, Isle of Wight	£14.0m	Extra Care and Shared Ownership for over-55s, or over-45s with a support need	Under construction – Practical Completion due September 2021	60 x 1-bed & 15 x 2-bed apartments	c.110
Total		£86.8m			502	c.708



FAH has forward-funded the development of a range of specialist homes to provide services to individuals and households with additional support needs. These include Extra Care for older residents, accommodation for those who are homeless and supported living for individuals with care needs such as physical and/or learning disabilities. This does not involve nursing or residential care homes.

FAH partners with RPs who deliver housing management services and, in some cases, the low level care required by residents. In other cases, a care provider is commissioned by the local authority to deliver the care and support packages. The vast majority of the affordable rents charged for this type of specialist housing are paid through government Housing Benefit.

The next section provides an overview of the specialist housing that FAH delivers and examples of its social impact.

¹⁰ Valuation as at 30.06.2021, GDV calculated as Fair Value + Grant (where appropriate).

Midland House, Luton

	Property type Homelessness accommodation	
	Investment date October 2015	
	Occupation date June 2016	
	Potential number of residents 78	
		Location Luton

Project Overview

Midland House is a 78-bed hostel in Luton that provides accommodation for people who are homeless. The building was originally an office block, but was converted into a hostel with the support of FAH forward-funding in 2015. The hostel has now been operational for nearly five years, with residents first moving in in 2016. The property is managed by Impakt Housing and Support (previously called YMCA Bedfordshire), a charity that works to support those experiencing or at risk of homelessness.

Midland House, Luton

The hostel contains 78 rooms in total. This comprises 72 bedrooms in clusters of two, each with a small lobby, kitchen and bathroom. In addition, the top floor contains six single-occupancy flats which are used as a bridge between the hostel and an affordable or private-sector tenancy. These flats help residents who have made progress prepare for a more independent life when they move on from the hostel. Residents generally stay at Midland House for up to 18 months before moving on to more permanent accommodation.

Residents also receive individual support and education, including management of Housing Benefit, Personal Benefits and budgeting advice. This helps them develop independent living skills to reintegrate into the community.

Overall, the hostel provides an essential service in an area of distinct social need. According to research by the charity Shelter, one in every 49 people in the borough are classed as homeless (including those living in temporary accommodation). This places Luton in the highest 5% of local authorities nationally.



Progress Update

Demand for places at Midland House remained relatively consistent with 309 referrals, and an occupancy rate of 99.7%. However, due to lockdown and the increased onus on local authorities to house rough sleepers, there were significantly fewer exits from Midland House in 2020–21. Overall, approximately half as many new placements became available for applicants compared with 2019–20. Also, 'stay at home measures' meant that residents stayed at Midland House longer than would have been expected, as the legal ban on evictions meant fewer affordable housing options were available to them.



IMPACT RESULTS

Who Benefits?

309

referrals over a 12-month period, of which:

47

new
placements

90

accepted but no
accommodation
available

74

refused due
to ineligibility

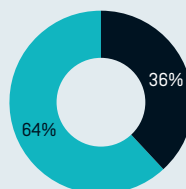
61

did not attend
and were
uncontactable

37

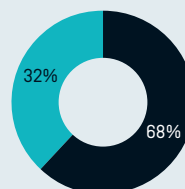
still open/
to be assessed

Age



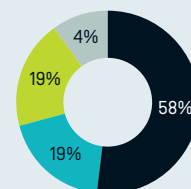
■ 18–25 years
■ 26+ years

Gender



■ Male
■ Female

Ethnic origin



■ White, British & Other
■ Black, Caribbean & African
■ All other Minority Ethnic
■ Did not disclose

Note demographic data relates to new placements only

Housing status on referral

Rough sleeping (no fixed abode)	40%	
Living with friends/family	29%	
Temporary accommodation	19%	
Supported living	9%	
Social Care	2%	

CASE STUDY

Raja

Raja was living with his family before a domestic incident left him in custody and homeless for a week. During this time, a friend who was living at Midland House recommended the hostel to Raja, and after calling Impakt on a Monday he was able to move in that same Wednesday.

Raja has now been at Midland House for 18 months, where he has had an improved social life, playing pool and watching TV with other residents. However, Covid resulted in the implementation of isolation measures that stopped residents from interacting with each other: Raja called this the “worst part of his life”. Nevertheless, the staff remained supportive, and Raja informed TGE that Impakt managed to, along with other charities, deliver food and other provisions to residents. Now that restrictions have eased, Raja is benefitting from a much greater quality of life and has gone back to enjoying the communal space where he participates in various activities, and watches football. He remains adamant about the hostels’ high-quality support services and labelled support staff as “the best”.

Raja discussed how Impakt aided him in tackling his alcohol problem through connecting him with ResoLUTIONs – a support charity focused on various challenges, including drugs, housing, alcohol, and health and wellbeing. Impakt also sorted all admin duties regarding universal credit and affordable housing application forms.

Raja joined the affordable housing waiting list in December 2020 and has been told by staff that he will likely have new accommodation in the Summer or Autumn of 2021. From there, Raja will aim to regain his coach driving license and continue his life with home-based stability.

“Any problem, any need, they’ll help you out. The staff look after us like we’re family”



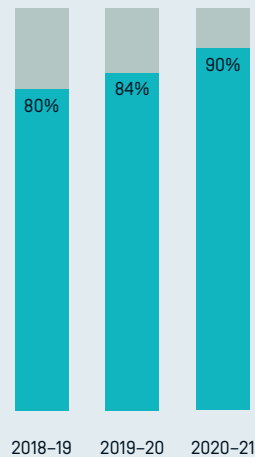
IMPACT RESULTS

How do residents benefit?

For Midland House, tracking whether residents leave the service via a 'planned' or an 'unplanned' departure is a Key Performance Indicator for the service.

- > A 'planned' move is when a resident departs on positive terms to a more suitable and sustainable form of accommodation. This includes private or affordable rented accommodation, living with family/friends, or to another supported accommodation provider.
- > An 'unplanned' move typically includes abandonments, evictions, entering police custody or hospital.

During the year 2020–21, a total of 49 clients vacated Midland House. Of those, 90% moved via a 'planned' departure. The adjacent bar chart shows that this figure has improved year-on-year for the last three years. Moreover, the proportion of residents moving to a private or affordable rented tenancy increased from 37% to 64% between 2019–20 and 2020–21.



Residents leaving the service via a 'planned' move

Residents 'planned' departure destination (2020–21)

Private/affordable rented tenancy	64%	
Other supported accommodation	18%	
Living with parents or family	11%	
Other	7%	



talk

CASE STUDY

Peter

Peter was living with family, before domestic issues caused him to leave and reside in another homeless hostel. Peter described the accommodation as a terrible place, with instances of prostitution, drugs, drink and general anti-social behaviour.

Fortunately, Peter was able to move into Midland House after living at the other hostel for nine days. He has now stayed at Midland House for 17 months, where he informed TGE that he feels safe and that his accommodation is good quality. The central location of the hostel has greatly benefitted Peter, as he spoke of visiting the library every day when it was open. The accommodation is also within a reasonable distance of his mother's home, where he often resides on the three days a week that he is allowed to stay elsewhere. Whilst Peter has found that the other residents are mostly pleasant, he does have an issue with a neighbour's strange behaviour that has aroused safety concerns. Incidences have been reported to staff.

When moving into the hostel, Peter received help from Impakt in completing his Housing Benefit forms, making his transition into the accommodation as easy as possible. Peter has also now been assigned a housing coach who he gets on very well with and who he feels understands his needs.

Peter is currently looking for council housing near the city centre but has struggled with some of his bids being turned down. He feels he has not been as proactive as he would have liked in searching for accommodation. Peter has also been looking for stable work for a few years, having previously volunteered as a classroom assistant (which ended due to Covid) and temporarily working at a shopping mall booth.

Staff at Impakt explained to TGE that, if not for Covid, Peter is someone who they expect would have been able to move on much sooner. Therefore, they hope that Peter will have more success in finding long-term accommodation as the pandemic draws to a close.



Rosebank Park & Beaumont House, Essex

One Housing

Property type
Extra Care for over 55s

Investment date
December 2015

Occupation dates
January 2017 (Rosebank Park)
June 2017 (Beaumont House)

Potential number of residents
c.195



Project Overview

In 2015 FAH financed the development of these two Extra Care housing schemes in Essex. The properties cater for residents over the age of 55 with care needs of between six and 40 hours per week. The two schemes are:

- > Rosebank Park, Harwich: 70 x 1 & 2-bed Extra Care apartments for older people, including 12 for individuals with learning disabilities
- > Beaumont House, Walton-on-the-Naze: 60 x 1 and 2-bed Extra Care apartments for older people



Beaumont House,
Walton-on-the-Naze

The project is managed by Senior Living (part of One Housing Group) and care services are delivered by One Housing.

Across both properties, all apartments are self-contained, allowing residents the independence of their own home while also having the benefit of care available on-site. The properties have been built to a high standard, with a modern finish as well as a number of communal areas for residents to use, including dining room, bar and a courtyard garden. Rosebank Park is also co-located with a local medical centre.

The towns in which the schemes are located, Harwich and Walton-on-the-Naze, are both areas with a high proportion of older people and a distinct need for more independent living options. In 2015 it emerged that 1,000 people across Essex aged over 55 with low to moderate care needs had been inappropriately placed in residential care due to a lack of alternative options. Over 2,000 other people were also identified as being suitable for this type of accommodation. The schemes respond to this need, providing a greater degree of independence for older people.

They also have the potential to save public money. Entering registered care sooner than necessary leads to higher care costs for councils. A county-wide financial analysis in Essex projected that Independent Living options could generate net savings of £3,900 per person per year.

Progress Update

Both properties have been operational since 2017. Between 2020 and 2021, occupancy levels remained relatively stable, but below a typical Extra Care target of 90%. One Housing Group told TGE that this largely results from a lack of referrals coming through the adult social care system, particularly during the Covid-19 pandemic. The fact that both properties are below this occupancy target presents both a financial and an impact risk.

Financial risk is mitigated by One Housing Group being a large housing association that manages over 17,000 homes. This makes voids across two properties unlikely to cause any material issues. However, FAH's impact is reduced because available accommodation is not being used to its full extent.

Over the last 18 months, One Housing Group reported a small number of Covid cases across both properties. These were all managed appropriately and residents recovered. A number of residents also decided to self-isolate within their apartments, choosing not to come into contact with care staff.

A housing manager at One Housing Group affirmed that the properties' layout supported their management during lockdown. The buildings' wide hallways helped with social distancing. They also allowed residents to speak to staff and to other residents from their doorway while remaining at a safe distance.



Rosebank Park, Harwich

CASE STUDY

Jonathan*

One resident who moved into Beaumont House in September 2020 suffers from Alzheimer's and had previously been living with a family member. This had not been a positive environment for him and he was extremely limited in what he could do. His family member also suffered from poor mental health. This led to his housing verification process being fast-tracked.

Since moving in, he has blossomed and is "a different person", according to one of his support workers. In his new apartment he enjoys a far greater degree of independence and seems more confident and happier in himself. This provides a very tangible demonstration of the value this kind of housing can deliver in providing an environment in which residents have their own home but with personalised care available as they need it.

*Not his real name

IMPACT RESULTS

Who Benefits?*

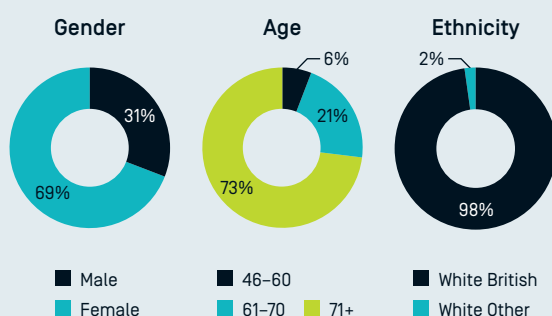
*Note this demographic data is from June 2020.

Rosebank Park



Opened
Jan 2017

70
apartments



Previous type of accommodation

Affordable or private rented	25%	<div></div>
Own home	34%	<div></div>
Residential care	15%	<div></div>
Don't know	26%	<div></div>

8 people self-funding their care costs

6 to 40 care hours per week per resident

10.5 average care hours per week per resident

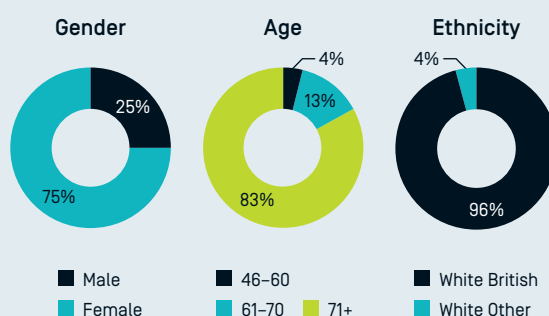
Rosebank Park was inspected by the Care Quality Commission (CQC) in June 2018 and received a rating of 'Good' across all five key areas.

Beaumont House



Opened
Jun 2017

60
apartments



Previous type of accommodation

Affordable or private rented	63%	<div></div>
Own home	11%	<div></div>
Residential care	0%	<div></div>
Don't know	26%	<div></div>

6 people self-funding their care costs

6 to 40 care hours per week per resident

12 average care hours per week per resident

Beaumont House was inspected by the CQC in January 2020 and received an overall rating of 'Good'. This comprised a 'Good' rating across four of the five key areas and a 'Requires Improvement' rating for how well-led the service is.



IMPACT RESULTS

How do residents benefit? [Beaumont House]

A Beaumont House resident satisfaction survey in Q4 2020 received responses from 15 residents. A selection of the results are presented below:

73%

of respondents feel their **physical and mental health needs are being taken care of** to at least a good level.

87%

of respondents feel they are **receiving the support they need from staff** to at least a good level.

100%

of respondents **feel the scheme is a happy place to live.**

67%

of respondents feel the **service is maintained** to at least a good level. **20% feel the service could be improved.**

79%

of respondents **feel confident bringing complaints or suggestions to the manager's attention.**

80%

of respondents feel the service has **handled the Covid-19 risk** to at least a good level. **60%** feel they have handled it very well and only **7%** (1 respondent) feels Covid-19 has been managed poorly.

Residents reported food as an issue.

46%

feel the variety offered is poor and only **30%** feel it is good.

Resident feedback – positive and negative

“I am really happy here.”

“The staff have kept us very safe through Covid. They’ve done a good job.”

“I’d like to be able to see my other half and supported to do so. I’d also like to be supported to go out more.”

Balmoral Place, Northampton

 	Property type Extra Care for over 55s	
	Investment date June 2017	
	Occupation date December 2018	
	Potential number of residents c.120	
		Location Northampton

Project Overview

FAH forward-funded an 80-bed Extra Care facility in Northampton. The scheme comprises 1-bed apartments designed to meet the care needs of residents aged over 55 with low level support needs. Features include wheelchair accessibility, height-adjustable sinks and cooking facilities, and bathrooms that are large enough for hoists to be installed where necessary.

The project was developed by HB Villages. Now operational, the housing management is provided by Plexus Ltd (part of the Mears Group) and Mears Care provide the care services to residents.

The project provides a more independent living option for older people in Northampton. In 2016 Northamptonshire County Council forecast that housing provision for older people would need to double over the next 20 years to meet demand. The council recognised that it was placing a high proportion of people into residential care due to relatively limited options. The scheme should help alleviate this pressure by providing an option for those over 55 to live independently with personalised care.

Balmoral Road,
Northampton

Progress Update

The first residents moved into Balmoral Place in December 2018, meaning the property has been operational for around two and a half years.





River Beal Court, Rochdale

 Partners Foundation Working Together	Property type Supported Living for individuals with a care need	
	Investment date May 2019	
Occupation date September 2020	Location Rochdale, Greater Manchester	
Potential number of residents c.55		



Project Overview

River Beal Court, Rochdale

FAH forward-funded the development of 37 x 1-bed Supported Living apartments in Rochdale. The project is a high-quality and modern development that enables people with care needs to live independently in self-contained apartments, with 24/7 care available on-site. The property is managed by the RP, Partners Foundation, while care services are provided by Future Directions CIC.

The apartments are spread across two blocks. Block A is for individuals requiring a relatively lower level of care. It is staffed 24/7 with overnight waking staff. Block B is for individuals with higher acuity care needs, usually individuals with both physical and learning disabilities. This block is also staffed 24/7 with overnight sleep-in staff.

The scheme responds to the need for more independent living options for people with care



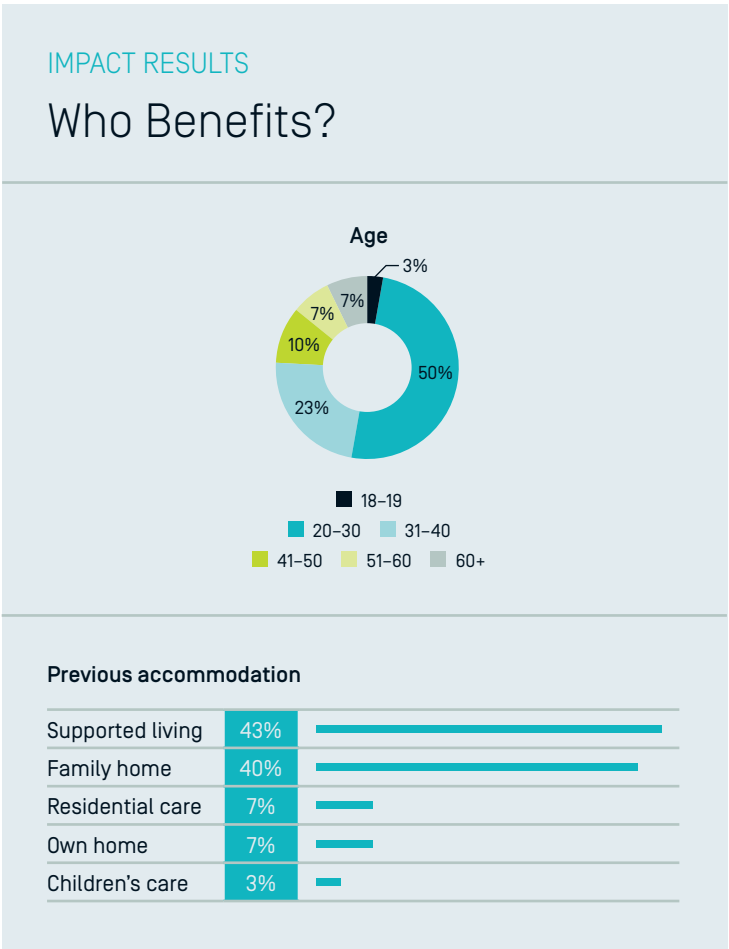
needs in Rochdale. This need is evidenced in Rochdale Borough Council's Housing Strategy 2017-22. Partners Foundation and several residents told TGE that no comparable alternative exists in the area. This evidences the scheme's important role in expanding options for individuals with support needs.

Progress Update

The development was completed and residents began moving in in September 2020. 30 of the 37 apartments were occupied at year-end. Partners Foundation confirmed substantial demand for the property, with the remaining units expected to be occupied quickly.

Partners Foundation reported difficulties in opening the property and having residents move in during the pandemic. The on-site cafe has had to remain closed for a number of months due to Covid-19 restrictions, though it has since been able to reopen.

Despite this, the property's first few months of operation have been highly positive. Residents and staff generally judge the building to be of a very high quality. Many residents have experienced positive personal outcomes since moving in (see resident case studies overleaf).



CASE STUDY

Roy

Roy has an Acquired Brain Injury (ABI) from a car accident many years ago, as well as learning disabilities. Before coming to River Beal Court, he had lived in residential care for 17 years where he felt very restricted. He wanted to move to a supported living facility to increase his independence. Since moving in, Roy feels his mental wellbeing has improved markedly and particularly enjoys the independence and privacy his apartment affords. Roy described both the building and staff as "brilliant".

Roy feels that if River Beal Court had not been built, he would probably still be in his previous accommodation. As no similar alternative exists in the area, Partners Foundation explained that Roy would have needed to look outside the borough to have been able to move out.

Specialist needs such as Roy's demonstrate the need for this kind of accommodation. Moreover, Roy's positive personal outcomes since moving in highlight the valuable role that supported living facilities can play in improving residents' lives.





CASE STUDY

Jason

Jason, who is autistic, moved into River Beal Court in January 2021 from his own council flat in Rochdale where he had been exploited by local drug users who even stole the laptop that he had been given by the council. This had a severely detrimental impact on his mental health and he was extremely eager to move.

Jason has found living with other residents challenging and had some problems with the supply of hot water in this apartment, but that has now been resolved. Overall, he feels far safer at River Beal Court and enjoys having his own space while also benefitting from support when he needs it. Jason also remarked that the quality of his apartment is far superior to his previous accommodation and that he particularly likes its open plan nature.

Jason receives support from care staff with daily tasks such as shopping, cooking and cleaning. He is keen to develop these independent living skills with a view to eventually transitioning to a home in the community with reduced support needs.

Since moving into River Beal Court, Jason has also been volunteering at a Covid testing centre. This is a role he really enjoys and he is planning to find more volunteering opportunities with the council.

CASE STUDY

Hamza

Hamza has autism, mental health needs and sensory impairment. He moved into River Beal Court in December 2020 and initially took time to settle due to the difficulties of moving home during Covid. He had previously lived at home with a relatively large family, which could become too crowded for him. Hamza heard about the development of River Beal Court through his support worker who encouraged him to apply for an apartment since it would be positive for his independence.

Hamza informed TGE that he feels very happy at River Beal Court. He thinks the quality of his apartment is excellent and feels his confidence has improved substantially since moving in. He enjoys the freedom of his own space but also still sees his family regularly. Hamza is particularly good friends with one of his neighbours and also gets on well with the other residents. He likes to keep busy and has been encouraged to continue doing so since moving in. He is enrolled on a college course, which he has been completing online throughout Covid, and he also volunteers with a homeless charity.



Ashey Road, Ryde & Colwell Road, Freshwater [Isle of Wight]

	Property type Extra Care and Shared Ownership for over-55s, or over-45s with a support need	
	Investment dates March 2018 [Ryde] March 2019 [Freshwater]	
	Occupation dates November 2020 [Ryde] September 2021 [Freshwater]	
	Potential number of residents c.260	
		Location Ryde & Freshwater, Isle of Wight

Project Overview

FAH has forward-funded the development of two schemes on the Isle of Wight for older people. These projects, at Ryde and Freshwater, provide a mix of Affordable rented and Shared Ownership Extra Care apartments for over-55s, or over-45s with a support need. There are also Shared Ownership bungalows at Ryde.

This mix of tenure types provides a range of accommodation for different levels of need. A consultant on the scheme told TGE that its hybrid nature is an innovative feature for older persons accommodation.

Ryde, Isle of Wight



The Extra Care units across these two schemes enable residents to live independently in their own self-contained home but with the comfort of on-site care and support. Meanwhile, the Shared Ownership homes allow residents access to that same support, while also enabling them to downsize and retain an ownership interest in their home.

At **Ashey Road, Ryde**, the development consists of 63 x 1-bed rented Extra Care apartments, as well as 12 x 2-bed apartments and 27 x 2-bed bungalows for Shared Ownership.

At **Colwell Road, Freshwater**, there are 60 x 1- and 2-bed rented Extra Care apartments, in addition to 15 x 2-bed apartments for Shared Ownership.

The schemes have been built and finished to a high standard, with the added benefit of specialist features such as assisted bathrooms. In addition, residents benefit from an extensive range of communal facilities including dining room, accessible gardens and guest suites. The two sites also offer a range of amenities such as hair salon, shop and on-site minibus service.

CASE STUDY

Sandy

Sandy moved into her Extra Care apartment at Ryde in December 2020. Previously she had been living in the basement of her son's house. Despite only requiring minimal support, Sandy moved to future-proof against her long-term care needs as she did not want to rely on her son providing care for her. Sandy is particularly active and informed us that one of her favourite things about her new apartment is the range of on-site activities. She spends much of her time in the communal areas with other residents and volunteers at the on-site shop, as well as at a charity in town. Sandy said that she feels very happy with her new accommodation and hopes to live there for many years.

“I feel much safer now I'm here.”

Southern Housing Group (SHG) provide housing management and domiciliary care services to both schemes. SHG is an established provider with a substantial presence on the Isle of Wight, owning or managing around 3,000 homes.

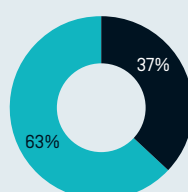
These schemes respond to distinct need on the Isle of Wight for new affordable, independent living options for older people. With over a quarter of island residents aged over 65, the council places a higher proportion of people into nursing or residential care than the national average. This is largely due to a lack of suitable, alternative options. The council has developed a housing strategy for older people called 'Independent Island Living', which aims to expand the range of options available to meet different needs. Both schemes contribute to expanding independent living options for older people.



IMPACT RESULTS

Who Benefits?
Ryde development

Gender

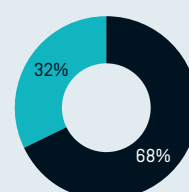


■ Male
■ Female

68

Average age

Funding



■ Self funded
■ Adult social care

45 to 93

Age range

Previous accommodation

Affordable rented	37%	<div></div>
Existing supported living	27%	<div></div>
Privately renting	15%	<div></div>
Lived with family	11%	<div></div>
Temporary accommodation	5%	<div></div>
Sold their existing property	5%	<div></div>

Progress Update

Construction at **Ryde** was completed in November 2020 and residents began to move in that month. All 63 of the Extra Care rented apartments were fully occupied by March and remain so. SHG reports substantial demand for these units, with a waiting list of prospective residents.

Of the Shared Ownership apartments, 11 out of 12 have been sold. All of the 27 Shared Ownership bungalows have also been sold, with 11 fully completed at year-end. Some construction and planning issues arose with these units, which has led to slower moving in. Nonetheless, the fact that virtually all of the homes have already sold underscores the level of demand that exists for this kind of independent living option for older people.

The Extra Care portion of the scheme contains a mix of residents – from individuals requiring very little support to those requiring relatively high levels, including adults with learning disabilities. They include a number of older people who moved in to effectively ‘future-proof’ themselves against future care needs. For example, one resident who requires virtually no support and is still fairly active, moved from living with her sons to the development so that she is in an appropriate setting when she starts to require support.

Some minor issues arose at the scheme during the first few months, but these were general ‘snagging’ issues common with new developments. For example, lights in the bathrooms were turning off while residents were showering, but this has been resolved. Creating a new and larger bin area is also underway.

SHG had some input into the scheme’s design to ensure it was fit for residents’ needs. For example, it recommended changing paths in the communal garden area to tarmac as the gravel originally planned by the developer would not have been appropriate for wheelchairs. This demonstrates positive partnership working.



Freshwater, Isle of Wight –
nearing completion

Overall, the scheme has a very pleasant atmosphere. Many residents affirmed to TGE that they are very happy living there and get on well with other residents and staff. There are regular group activities in communal areas, as well as a small on-site shop run by volunteer residents.

Construction of the **Freshwater** development has been delayed by the Covid-19 pandemic and completion is now forecast for September 2021. SHG told TGE that pre-interest in the homes has been good, but lower than for Ryde. This is largely explained by Freshwater being in a more rural location. Of the 60 rented units, 47 have been allocated at year-end. SHG anticipates that the scheme will be 90–100% occupied by the time it opens.

SHG will incorporate a number of lessons learned during Ryde’s early months at the Freshwater scheme. For example, bathroom lights will match those now installed at Ryde to pre-empt any repeat issues. At Freshwater, it has also been agreed to provide more communal laundry facilities. Although residents have laundry facilities in their rooms, the experience at Ryde has demonstrated that many are unable to do laundry themselves.

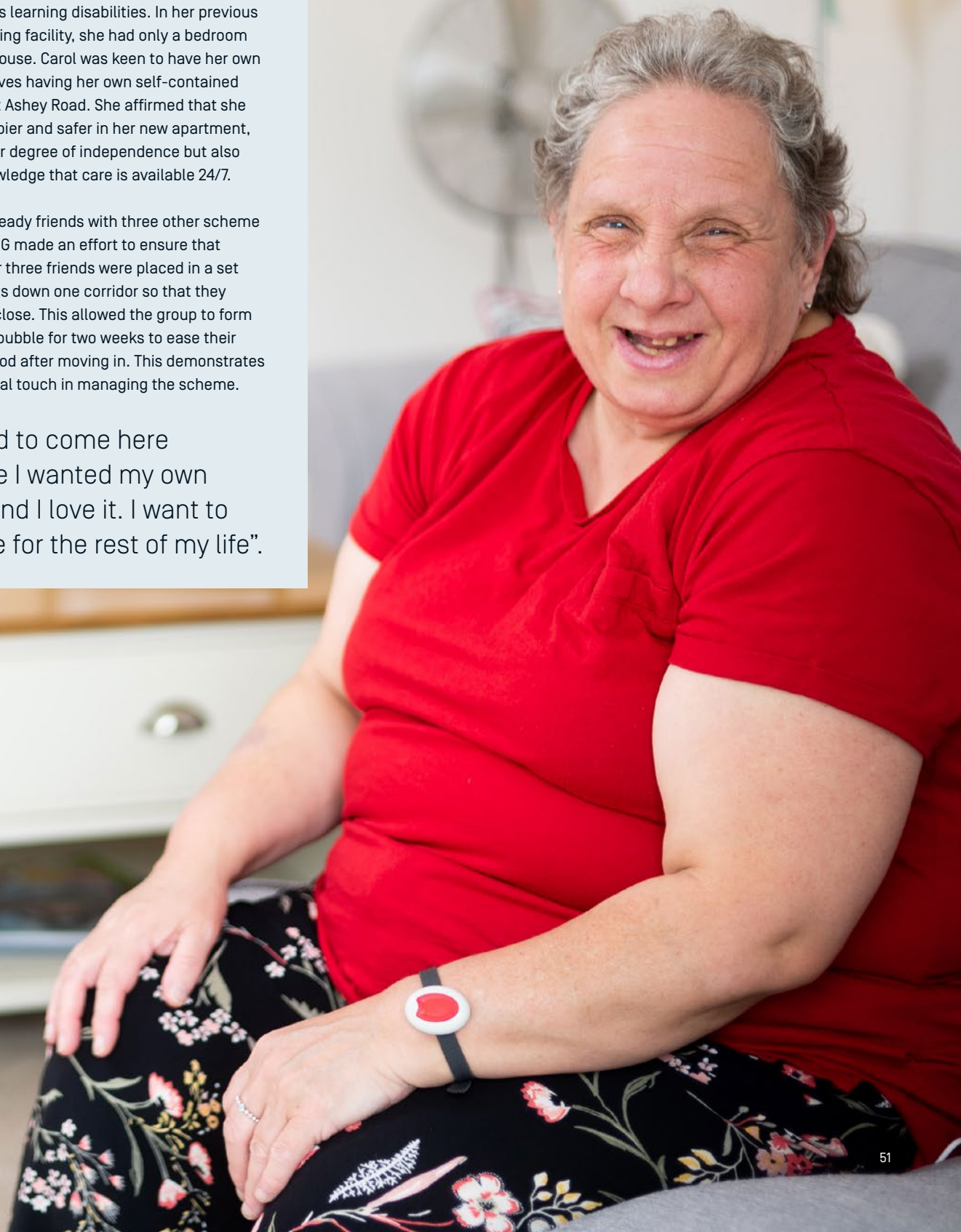
CASE STUDY

Carol

Carol was one of the first residents to move into her Extra Care apartment at Ryde in December 2020. She has learning disabilities. In her previous supported living facility, she had only a bedroom in a shared house. Carol was keen to have her own space and loves having her own self-contained apartment at Ashey Road. She affirmed that she feels far happier and safer in her new apartment, with a greater degree of independence but also with the knowledge that care is available 24/7.

Carol was already friends with three other scheme residents. SHG made an effort to ensure that Carol and her three friends were placed in a set of apartments down one corridor so that they could all be close. This allowed the group to form a protective bubble for two weeks to ease their isolation period after moving in. This demonstrates SHG's personal touch in managing the scheme.

“I wanted to come here because I wanted my own space and I love it. I want to live here for the rest of my life”.





IMPACT RESULTS

How do residents benefit? (Ryde)

To measure the Extra Care scheme's success, SHG uses the ASCOT self-completion questionnaire survey (Adult Social Care Outcomes Toolkit). This assesses the service's impact on and benefits to residents. The survey will be run every six months.

The initial survey was provided to all Ryde residents in January 2021. 75% returned completed surveys.

78%

reported an improvement in **confidence and independence in their own home**

70%

reported an improved **ability to self-care**

63%

reported an improvement of **social interaction**

89%

reported an improvement in **being able to undertake daily living functions**

78%

reported an improvement in **health or capacity to sustain health**, both physical and mental health

98%

reported an improvement of **feeling safe**

Resident feedback

"I love it here. It's better than where I was living as I have my own apartment and don't have to share the bathroom or kitchen."

"I feel a lot safer here than where I was living as the staff are always around to help me when I am worried or need help."

"My apartment is lovely. I feel like it's actually a home for me and haven't had this before."

CASE STUDY

Simon

Simon moved into his Extra Care apartment at Ryde in December 2020. He is partially blind and had been living with his sister. However, he wanted his own apartment in a communal living setting so that he could be more independent and meet more people. Meeting more people has been difficult due to Covid and Simon's condition, but he hopes this will improve in the future.

Overall, he is very happy with the quality of his apartment, and is particularly happy with how spacious it is, since this makes it easier for him to move around on his own. Simon receives wellbeing support from the SHG team and also receives support for three hours a day from a representative from Pairs, a charity that provides support to people living with sight issues. Simon feels very safe living in his new apartment, knowing that support is available and he has emergency cords if he needs them.



7. Conclusions and Next Steps

Areas of Strength

- > **Achieving 'best-in-class' additionality** – Thanks to a partnership approach that enables affordable housing that would not otherwise have been built, such as Birchett Road in Aldershot, FAH continues to achieve 'best-in-class' additionality.
- > **Meeting clear social need** – As FAH completes more homes, it is able to benefit more residents in social need. The substantial demand for newly completed schemes at River Beal Court in Rochdale and Ashey Road in Ryde underscore this. Note, though, that deployment of capital has slowed in the past year as the fund has shifted focus during the pandemic to completing existing projects.
- > **Maximising affordability** – FAH is generally achieving its aim of maximising the affordability of its properties. This carries positive benefits for people enabled to rent or buy their homes who would otherwise remain on affordable housing waiting lists. There are, however, challenges to be overcome with the affordability of some of the Shared Ownership homes in London.

Potential Risks and Areas for Improvement

- > The Shared Ownership apartments in the Landmark Pinnacle tower in London will primarily serve first-time buyers who have higher earnings than typical Shared Ownership purchasers. TGE calculates that the price of the homes has been set at a level which requires a household income close to or at £90,000 (the London maximum to be eligible for Shared Ownership). This risk is mitigated to an extent by the fact that rent levels have been set clearly below the maximum permitted level, but it still presents an impact risk in terms of the affordability of these homes for the target demographic.
- > Below-target occupancy raises financial risk at Rosebank Park and Beaumont House. While the size of the RP partner (One Housing Group) moderates the level of financial risk, the unoccupied units do limit the scheme's capacity to meet the social need for independent living options.
- > Care providers at the Ryde scheme identified some design issues with the building. These have been corrected and the learning has been incorporated into the construction of the related Freshwater scheme.
- > Antisocial behaviour and responsiveness to maintenance issues raise impact risk at Birchett Road in Aldershot. Since these issues affect residents' wellbeing, it is critical that FAH continues to monitor its partners' performance to ensure high quality services.

Overall, TGE judges that FAH continues to meet its impact objectives, and to contribute to positive social and environmental outcomes.

Appendix: Data sources

Data Source/Evidence	Overview	Evidence Risk	Limitations
Scheme-by-scheme data and information	Information on each scheme provided to TGE by FAH during the Due Diligence phase. This includes information on: investment amount, number of units, tenure breakdown, rent levels, project location, relevant partners, planning requirements, grant and funding details.	Low	Reliant on accuracy of information provided by FAH.
EPC data	Dataset showing distribution of EPC ratings in the FAH portfolio. This is provided to TGE by FAH on an annual basis.	Low	Reliant on accuracy of data provided by FAH.
Gross Development Value (GDV) data	GDV data provided for each scheme. This is provided to TGE by FAH on an annual basis.	Low	Reliant on accuracy of data provided by FAH.
Construction job data	Data provided to TGE by selected development partners on number of jobs created during construction of scheme.	Medium	Data only received from some development partners, and not in entirely consistent format.
Yearly scheme data provided by housing management partners	Data shared with TGE by housing management partners. This includes information on occupancy levels, resident demographics and, in some instances, the results of surveys carried out with residents.	Low	Reliant on accuracy of data provided by partners. Also, variation in the amount and quality of data received across different schemes.
Resident Survey data	TGE conducted a survey with residents of the Birchett Road scheme from June to July 2020. The survey gathered responses from 18 of the 58 households. Selected results from the survey have been re-stated in this year's report.	Medium	Survey sample covers 31% of households at the Birchett Road scheme and was conducted more than a year ago.
Interviews with housing management partners	Interviews carried out with FAH's housing management partners. Through these interviews, TGE aim to get an update on progress at the scheme during the last year.	Medium	TGE aim to speak to all housing management partners on an annual basis but this is difficult in practice. This year, TGE successfully spoke to representatives for 8 of the Fund's 10 schemes.

Data Source/Evidence	Overview	Evidence Risk	Limitations
Site visits to selected schemes	TGE conduct site visits to selected schemes to hear feedback from residents and staff on their view of the scheme. For the last report, such visits were not possible due to Covid-19 but TGE have this year been able to visit two schemes – River Beal Court in Rochdale and Ashey Road in Ryde.	Medium	TGE can only visit a limited number of schemes each year (two this year). However, once at the scheme, the feedback gathered provides detailed insight direct from residents.
Resident interviews	Interviews conducted with residents from various schemes. These are either conducted in person while on site visits or remotely through video or audio calls.	Medium	TGE can only carry out interviews with residents from a limited number of schemes (four this year). Also, contingent on views of the residents we speak to being generally representative of the scheme's residents.
G/V gradings of partner RPs	TGE conduct a review of the Governance and Viability (G/V) gradings published by the RSH for each of FAH's six partner RPs.	None	None – the RSH is an independent regulatory body. These gradings should accurately reflect an independent appraisal of their standard of governance and financial viability.
CQC ratings of partner care providers	Where care is delivered to residents living in an FAH property, TGE conduct a review of the CQC rating published.	None	None – the CQC is an independent regulatory body. These ratings should accurately reflect an independent appraisal of the quality of care being delivered.

The findings and opinions conveyed in this report are based on information obtained from a variety of sources which The Good Economy believes to be reliable and accurate. However, the information reviewed should not be considered as exhaustive and The Good Economy, its principals and staff cannot and does not guarantee the accuracy, completeness and/or fairness of the information and opinions contained herein. This report shall not be construed as a financial promotion or as a recommendation, invitation or inducement to any person to engage in investment activity. This report has been prepared solely for the benefit of Funding Affordable Homes and no other person may rely upon this report. Accordingly, The Good Economy accepts no duty of care, responsibility or liability (whether in contract or tort (including negligence) or otherwise) to any person other than Funding Affordable Homes for any loss, costs, claims or expenses howsoever arising from any use or reliance on this report.

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