

# Civitas Social Housing PLC Impact Report

June 2018







This report has been prepared by The Good Economy Partnership, a specialist social advisory firm with expertise in impact measurement and management. The Good Economy carries out an independent review of the social performance of Civitas Social Housing PLC on a semi-annual basis. The report is based on analysis of quantitative data against social performance metrics, as well as in-depth stakeholder interviews. The Good Economy works with Civitas Housing Advisors to ensure their impact measurement, management and reporting practices are aligned with emerging best practice standards and to ensure transparency and accountability to all stakeholders. We will continue to develop and enhance Civitas' impact reporting. Financial performance and results are presented in Civitas Social Housing PLC's Annual Report 2018.



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IMPACT REPORT – HEADLINE RESULTS

 **£493.2  
MILLION  
INVESTED**


**IN 428  
PROPERTIES** 


 **MANAGED BY  
12 HOUSING  
ASSOCIATIONS**

**LOCATED ACROSS  
120 LOCAL AUTHORITIES**



**67% OF PROPERTIES  
IN THE 40%  
MOST DEPRIVED  
LOCAL AUTHORITIES**

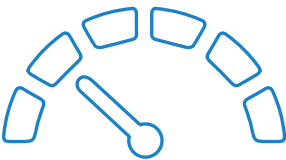
 **98% OF PROPERTIES  
PROVIDE BOTH  
HOUSING AND  
SUPPORT**

 **40% OF PROPERTIES  
CONVERTED TO  
SOCIAL HOUSING  
FOR FIRST TIME**

CIVITAS SOCIAL HOUSING PLC – IMPACT REPORT 2018

**PROVIDING A HOME AND SUPPORT  
FOR UP TO 2,758 PEOPLE**

The majority of whom have learning or physical disabilities and medium to high care needs


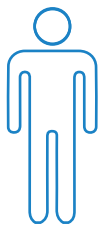


**AVERAGE AGE OF 36 YEARS**



**RESIDENTS ARE  
SUPPORTED  
THROUGH CARE  
AND SUPPORT  
PROVISION**

**FROM 71 CARE PROVIDERS**

 **26%**  **74%**

**GENDER SPLIT**

**AVERAGE 25 YEAR LEASES  
PROVIDE SECURITY TO TENANTS**



## Executive Summary

Civitas Social Housing PLC (“Civitas”) is delivering on its social objective of increasing the availability of high-quality social housing for vulnerable people. Since its launch in November 2016 as the first Real Estate Investment Trust (REIT) dedicated to social homes, Civitas has quickly established itself as a pioneering, large-scale investor in the development of Specialist Supported Housing (SSH) in England and Wales.

As of 1 June 2018, Civitas has achieved the following results:

- + £493.2 million invested in the purchase of 428 properties managed by 12 Housing Associations, located across 120 local authorities
- + Providing a home and support for up to 2,758 people, the majority of whom have learning or physical disabilities and medium to high care needs (mostly consisting of 24/7 care)
- + Residents are supported through care and support provision from 71 care providers

The headline findings are:

### 1 Clarity of Purpose

Civitas has further defined its social purpose and investment strategy over the last year and developed a clear focus and expertise in investing in SSH. This commitment to purpose is backed up by Civitas' commitment to measuring and reporting on its impact.

### 2 Positive Impact

There is strong independent evidence that SSH delivers both better quality of life for individuals as well as cost savings for local authorities compared to residential or in-patient care. This provides confidence that the type of social housing Civitas is investing in is likely to have a positive impact.

### 3 Shared Social Objectives

To ensure a focus on creating a positive social impact is integrated into the investment process, Civitas Housing Advisors (CHA), the investment advisor to Civitas, has developed a robust due diligence process which incorporates social impact, environmental and governance considerations. At the heart of the due diligence process is ensuring that all parties have shared social objectives, the properties are adapted to meet the care needs of the individuals concerned, and high-quality housing management and person-centred care services are in place.

### 4 Raising Standards

During 2017–18, CHA has actively sought to build partnerships and deepen its engagement with partner Housing Associations, care providers and other stakeholders, including the Housing Regulator, to raise management standards within the SSH sector, recognising that many SSH providers are small organisations. CHA has discussed and developed a Best Practice Protocol with all partner housing providers aimed at safeguarding their long-term financial strength and quality of social delivery.

### 5 Contributing to Tenants' Well-being

Evidence suggests that Civitas' investments are contributing to the overall well-being of residents by enabling them to live within a community with appropriate care and support. In some cases, the security and support of SSH can be life transforming. Stakeholders welcome the long-term approach of Civitas and the commitment to ensuring tenants have security of housing and care in line with their needs and aspirations.

### 6 Managing Impact Risks

Civitas recognises that there are impact risks when assigning these leases – that outcomes may be different from expectations. The main impact risk is that the quality of housing and care does not meet expected standards or is disrupted. The properties previously leased to First Priority Housing Association (FPHA) is a case in point. Civitas managed the risk of potential disruption from the reported issues of FPHA by ensuring there was no negative effect for their tenants with all individuals remaining in their homes and experiencing no disruption to their care provision.

### 7 Social Responsibility

Civitas has demonstrated a commitment to transparency and working with the Housing Regulator to ensure their investments deliver value for money and to raise the standards and level of social responsibility of private investment in social housing.

### 8 Safeguarding Specialist Supported Housing

Civitas has the potential to shape the system of private finance for social housing and encourage institutional standards that safeguard long-term investment in SSH and ensure it delivers value for money and fair returns whilst ensuring that the properties remain in the regulated social housing sector for the long term.

### 9 Contribution to Wider Initiatives

Through providing grant funding and by working with charities, Crisis and The Choir with No Name, Civitas are also using their resources and experience to contribute to wider initiatives working to tackle homelessness. Civitas' strategic approach to corporate giving is a positive attribute and will help build the ecosystem of organisations tackling the housing crisis in the UK.

### 10 Delivering Positive Social Returns

Civitas is delivering positive financial and social returns – financial returns are being delivered in line with the expectations of investors and positive social outcomes are being achieved for vulnerable people who need these homes and support.

# 1 / Introduction

## 1.1 About Civitas Social Housing PLC

Civitas Social Housing PLC (Civitas) is a real estate investment trust (REIT) that was created to raise private capital to invest in social homes across England and Wales. Its social purpose is to help tackle the chronic shortage of social housing in the UK, particularly Specialist Supported Housing (SSH) for vulnerable adults.

In November 2016, Civitas was admitted to the London Stock Exchange in a £350 million offering, making it the first social housing Real Estate Investment Trust (REIT). In November 2017, Civitas raised a further £302 million in a C-share offering followed by £92.5 million of debt such that assets under management (AUM) total £745 million at cost, as of 31 March 2018. Civitas aims to provide investors with sustainable financial returns whilst putting their capital to use for positive social benefit.

Civitas is focused on tackling the problem of the lack of appropriate housing and support for vulnerable adults who have special needs. This includes people with learning and physical disabilities, people with mental health problems, those suffering from drug and alcohol addiction and individuals at risk of homelessness. Many such people face difficulties finding a home that meets their needs and enables them to live independently. Civitas works with registered Housing Associations, care providers and local authority commissioners who are committed to providing high quality accommodation and care that is tailored to meet people's needs and aspirations over the long-term.

Civitas aims to provide investors with sustainable financial returns whilst putting their capital to use for positive social benefit.

## 1.2 Social Need

Research commissioned and recently published by Mencap, a leading UK charity for people with learning disabilities, evidences that demand for the type of SSH that Civitas funds is rising.

It estimates that projected demand for SSH will increase from a baseline of 22,000–30,000 SSH units (typically occupied by multiple people) in 2017–18 in England to 25,500–33,500 units by 2021–22 and to 29,000–37,000 units by 2027–28<sup>1</sup>. Factors driving this increase include:

- + The population of people with learning disabilities is growing due to higher survival rates at birth and increasing life expectancy.
- + Government policy, particularly the Transforming Care Agenda, which promotes moving people out of institutional settings to community-based housing alternatives that promote independent living.
- + The decline in informal support networks and at-home care, with more working mothers and increases in single-parent families.

SSH differs from conventional general needs housing in that it is developed directly in accordance with local authorities' or the health services' strategic priorities. There is no capital subsidy provided and the scheme offers a high level of support for clients, for whom the only acceptable alternative public or voluntary sector options are care homes or long-stay NHS beds. Most if not all individuals living in SSH will be eligible for and claim Housing Benefit. In the main, Housing Benefit claims within SSH are accepted by local authorities as falling within the 'exempt accommodation' category. As such, these rents fall outside of the benefit cap and Registered Providers can charge higher rents and services charges to cover the higher cost of provision and to ensure these schemes are financially viable to develop and maintain.

There is strong evidence that SSH delivers both good social outcomes for individuals and is a cost-effective way of providing housing to those with complex needs, with lower overall costs to local authorities compared to residential or institutional care. The Mencap and Housing LIN report found that a person living in SSH requires, on average, state funding of £1,569 per week for care and housing costs. This compares favourably to an average cost of £1,760 per week for a residential care placement, and £3,500 per week for an inpatient place<sup>2</sup>. According to this report, the rent element for an SSH property is reasonable when compared with the average rent for all non-older people supported housing, costing around £235 per week versus £180 per week.

Increased funding is required to meet growing demand for SSH. Civitas has an important role to play as a funder of SSH. It is committed to being a responsible investor ensuring it delivers high-quality social housing that provides value for money and has a positive impact on people's wellbeing over the long-term.

1. Mencap and Housing Learning and Improvement Network (LIN), 'Funding supported housing for all: Specialised Supported Housing for people with a learning disability', April 2018.

2. Ibid.

## 2/ Investment Strategy

Civitas' impact goal is to increase the provision of high-quality social housing that delivers positive social outcomes.

Specifically, its social objectives are:



### AVAILABILITY

To increase the availability of social housing across England and Wales, particularly for vulnerable people



### QUALITY

To improve the quality of social housing



### VALUE FOR MONEY

To offer value for money for the public purse

Civitas mobilises capital at large-scale from institutional investors with a long-term investment horizon and uses the funds raised to buy properties so as to increase the quality and supply of social housing. Currently, Civitas is focused on investing in Specialist Supported Housing (SSH).

This comprises three types of property:

- + **Traditional adapted properties** – these are homes within a local community specially adapted to meet the care needs of the individuals concerned;
- + **Purpose-built properties** – catering typically for higher acuity need within the community; and
- + **Repurposed or newly built properties** – that have been adapted to cater for specific care requirements (e.g. a conversion from an office or care home) or have been developed new.

Properties are purchased from Registered Providers, care providers, developers or private owners and are typically fully-tenanted and income-generating. Civitas owns the properties and leases them to Housing Associations. Revenue is generated from the rental income from long-term leases and occupancy agreements of typically 10 to 40 years.

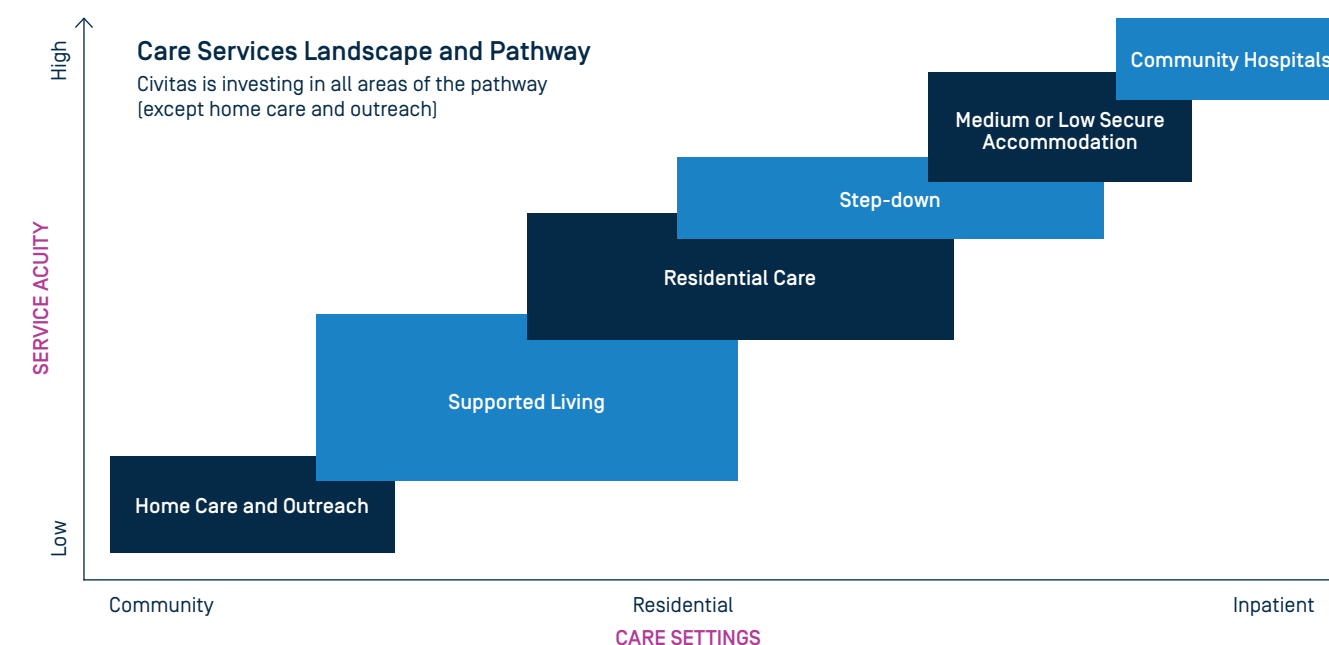
**Civitas' focus is on preserving and increasing the availability of supported housing within the regulated social housing sector and ensuring that this accommodation continues to be made available to the vulnerable individuals for whom it was intended.**

When purchasing from Registered Providers, Civitas helps to unlock capital held in existing social homes for new development. When purchases are made from private owners, Civitas bring the properties into the regulated social housing sector to be managed by Housing Associations and subsequently provided to social tenants on a long-term basis. Civitas works with Housing Associations who generally have less than 1000 units under management and specialise in managing properties for individuals with a care need. Hence, Civitas Housing Advisors provides support to Housing Associations to ensure they are managing properties to high standards and promote high quality tenant services.

Civitas currently focuses its investments in five categories of social housing:

- + SSH for people living with learning difficulties, autism and acquired brain injury
- + Mental health care facilities where people require monitoring and supervision in carrying out daily tasks
- + Accommodation for people able to step-down from the NHS and transition to more independent living
- + Accommodation for people with addictions
- + Accommodation for people who are homeless or at risk of homelessness

Civitas invests in properties which cater for individuals with a range of care needs – from a mild-level disability through to individuals with a profound disability. About 85% of people with a learning disability fall into the mild category and such individuals are generally able to live independently in everyday life. At the other end of the scale, individuals with a profound disability require round-the-clock care and support.



Civitas' focus is on preserving and increasing the availability of supported housing within the regulated social housing sector and ensuring that this accommodation continues to be made available to the vulnerable individuals for whom it was intended.

Civitas is also committed to supporting the work of charities in the homelessness and social housing sector through donations and active engagement. Civitas is exploring and developing innovative solutions to the housing crisis in strategic partnership with charities and other stakeholders.

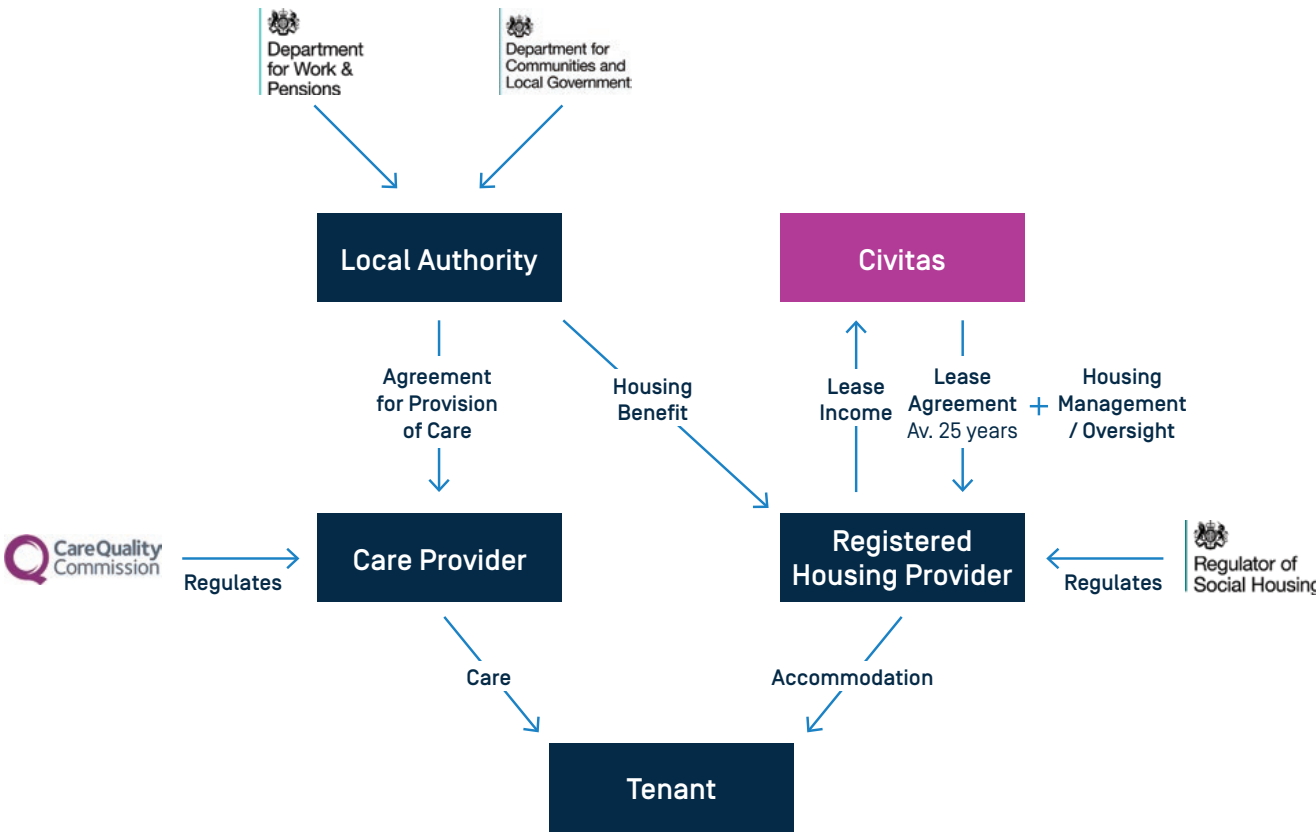
3/ Impact Assessment Methodology

Civitas is a responsible impact investor that aims to deliver positive social impact alongside a financial return. Civitas integrates social, environmental and governance considerations into all stages of the investment process. It is committed to measuring, managing and reporting its social performance and impact, ensuring transparency and accountability to all its stakeholders.

3.1 Stakeholders

Civitas works closely with a range of stakeholders demonstrating its continued social purpose in seeking to bring about positive change to the lives of the ultimate beneficiaries: the individuals who live in Civitas-owned properties. The diagram below represents Civitas' key stakeholders beyond its shareholders. Civitas considers its stakeholders and how best to engage with them on an ongoing basis.

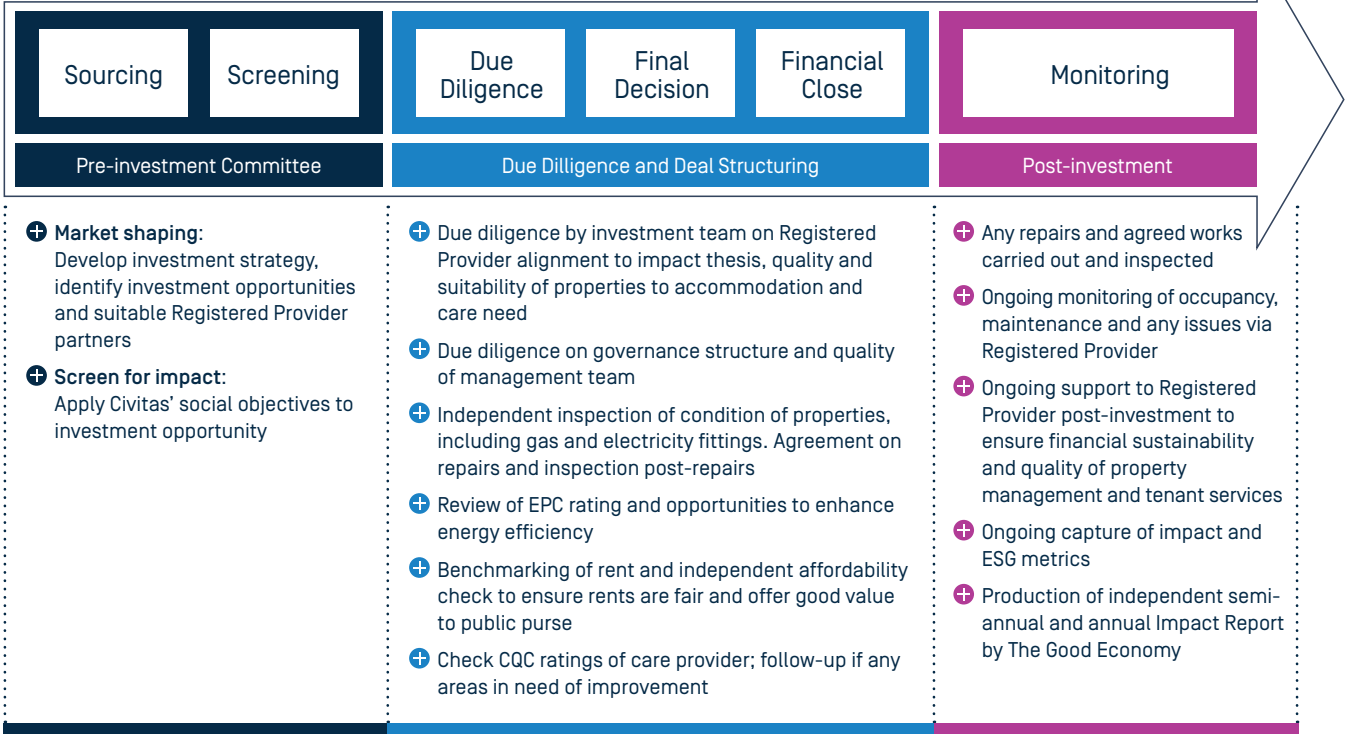
Stakeholder Map



3.2 Investment Process

Civitas Housing Advisors integrate social, environmental and governance considerations into all stages of the investment process using a rigorous due diligence process and portfolio monitoring approach (see diagram).

Achieving long-term impact through the investment process



3.3 Environmental, Social and Governance Considerations

The key material aspects that Civitas focuses on in order to achieve its social, environmental and governance objectives are:

Quality of housing

Civitas is committed to ensuring all properties are renovated to high-quality standards and adapted to meet the care needs of residents. It achieves this by commissioning independent inspections of all properties it is considering purchasing. These inspections check the overall condition of the property, suitability for the proposed care needs, as well as all areas of health and safety compliance, including gas and electricity fittings. Civitas arranges for payment of the costs of any improvements needed and ensures these are fully inspected post-completion. It enters into full repairing leases with the Registered Provider giving due consideration to how these are funded and structured.





Civitas also works closely with the Registered Providers to evaluate underlying long-term need for the services being provided under the leases and ensuring they meet local care need priorities. Although local authority commissioners are fully responsible for the quality of care of individual residents, Civitas recognizes its duty of care as a landlord. Civitas Housing Advisors (CHA) check the CQC ratings of all care providers and ensures they are rated Good or Outstanding. If any areas are identified as being in need of improvement, CHA follow-up and ensure agreed actions are being taken.

Civitas aims to deliver social housing that has lower costs than alternatives (often long-stay institutional care) but with high quality social care delivery.

Value for money

Civitas aims to deliver social housing that has lower costs than alternatives (often long-stay institutional care) but with high quality social care delivery. It benchmarks 100% of rents and also commissions an independent rent review for all properties to ensure rents are affordable and fair value.

Environmental standards

Civitas seeks to improve the energy efficiency of its properties wherever feasible. This includes basic home improvements to increase energy efficiency. Civitas is also currently reviewing the possibility of using solar technology at certain properties to increase clean energy usage and reduce running costs.

Governance

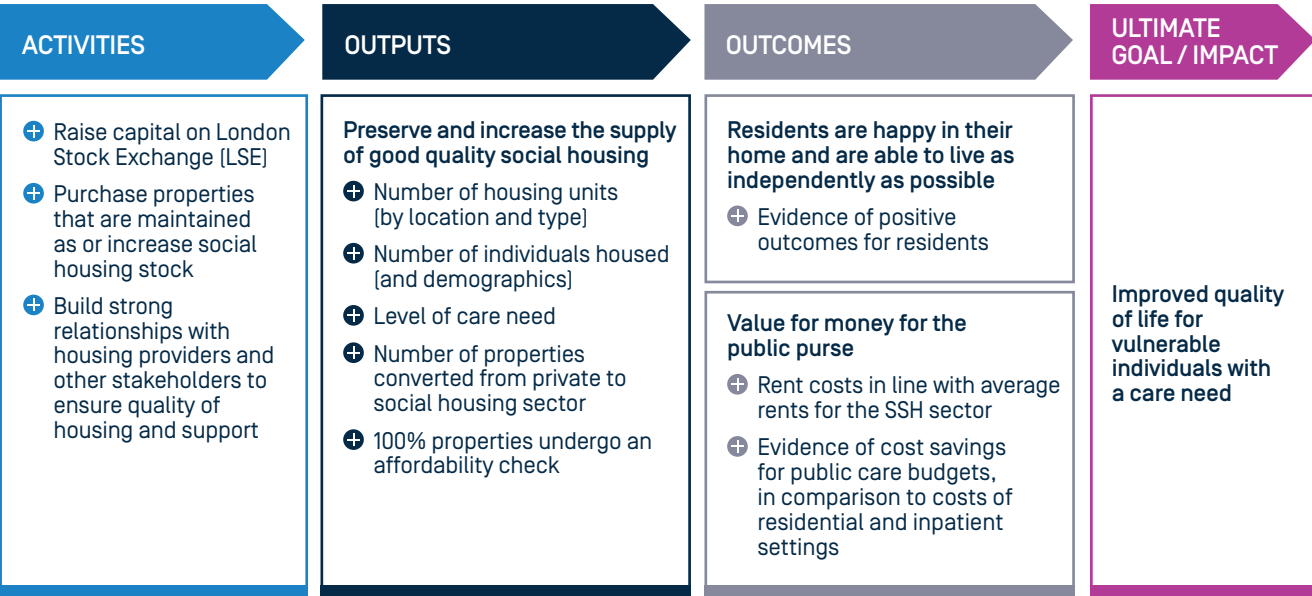
Civitas carries out a due diligence of the governance structure and management team of all potential partner Housing Associations. All Housing Associations have adopted a code of governance (mostly the National Housing Federation code). In addition, Civitas has developed a Best Practice Protocol in conjunction with its partner Housing Associations. This protocol is designed to safeguard the long-term financial strength and social delivery of Housing Associations and the supported housing they provide, whilst also bringing a measure of consistency to the sector as a whole. The protocol covers the following areas:

- + Property standards
- + Financial terms
- + Terms with care provider
- + Civitas' ongoing commitment to Registered Providers
- + Governance and compliance

Civitas communicates with partner Housing Associations on a regular basis as well as on a more formal basis each quarter to review performance and discuss operational and management matters.

3.4 Impact Measurement and Reporting

The Good Economy has developed a Theory of Change with Civitas in order to provide a framework for Civitas' impact measurement and reporting:



Civitas collects data against key performance indicators on a regular basis. The Good Economy analyses this performance data, carries out stakeholder interviews and works with Civitas to improve and evolve its impact measurement and management approach. Continual learning and insights from The Good Economy's impact assessment work creates a basis to help Civitas prove and improve its impact.

Systemic, market-level impact

In addition to achieving its core outcomes, Civitas also aims to have a systemic, market-level impact. Specifically, through its own policies and investment practices it aims to raise standards in the social housing investment market of both housing providers and investors to ensure there is appropriate long-term funding to support the development and continuation of SSH on a sustainable basis with appropriate regulatory oversight.



## 4 / Social Performance Results [to 1st June 2018]

Civitas is achieving its social objectives of increasing the availability of social housing, improving the quality of social housing and ensuring value for money for the public purse. As of 1 June 2018, Civitas has purchased a total of 428 properties providing accommodation for up to 2,758 residents, the majority of whom have medium to high care needs. Civitas is on target in terms of investing capital raised in line with expectations and has a strong pipeline.

### 4.1 Properties

#### Type of care facility

Civitas has a diversified portfolio of social housing which provides both accommodation and care to meet specific needs. Properties are typically fully tenanted and income-generating at purchase.

The properties Civitas has invested in represent a mix of repurposed, new build, traditional adapted and purpose built dwellings all of which are located within existing communities and used to serve a broad range of care needs [see Figure 1]. They include:

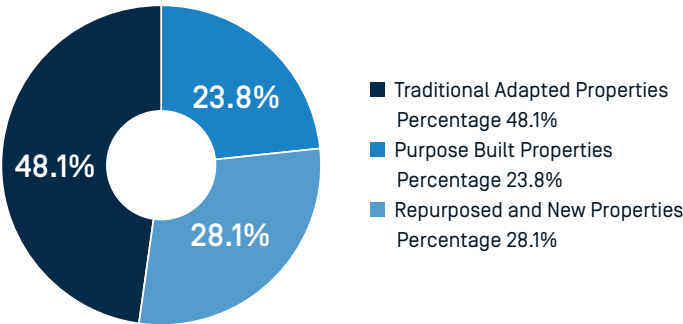
- + Purpose-built properties (23.8%) which typically provide accommodation for up to 20 individuals with higher care needs, often in need of 24 hour care.
- + Repurposed and new build properties (28.1%) which are located within community settings with accommodation ranging from 1 to approximately 20 tenants. They are available for people with a range of care needs.
- + Traditional adapted properties (48.1%) are existing properties that have already been adapted for Specialist Supported Housing (SSH). These are also located in community settings and typically provide accommodation for up to 10 tenants with a range of care needs.

In addition, Civitas invests in general needs social housing. Residents living in general needs properties are able to live independently and therefore do not have care needs which require a care package or support from a care provider.

All properties are assessed for repairs and upgrading needs with all works completed within agreed deadlines, so improving the quality of housing. Civitas is also acting as a catalyst bringing properties into the social housing sector for the first time. As of 1 June 2018, it had purchased 171 such properties (40 percent of its total portfolio), providing housing for up to 1,237 people.

Civitas is the property owner and landlord. It has long-term leases with 12 registered Housing Associations which are responsible for day-to-day housing management, repairs and maintenance and tenancy support services [see Annex 1]. The weighted average unexpired lease term (WAULT) is 24.1 years as of 31 March, 2018.

Figure 1: Property Type (by % of residents)



Civitas is acting as a catalyst bringing properties into the social housing sector for the first time. As of 1 June 2018, it had purchased 171 such properties (40 percent of its total portfolio), providing housing for up to 1,237 people.

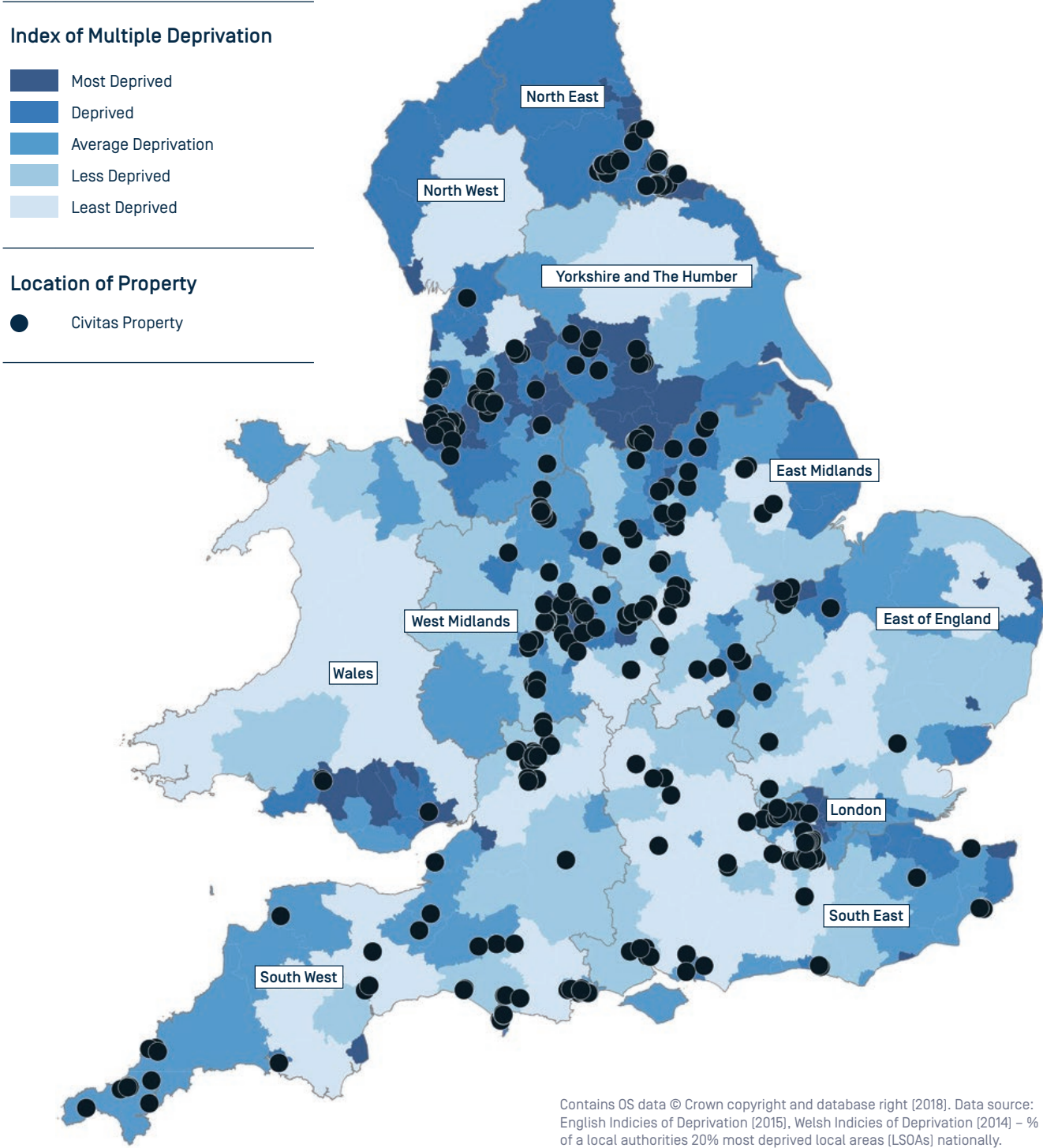




Location of properties

Civitas properties are spread across all regions of England and Wales with 67% of properties in the 40% most deprived local authorities.

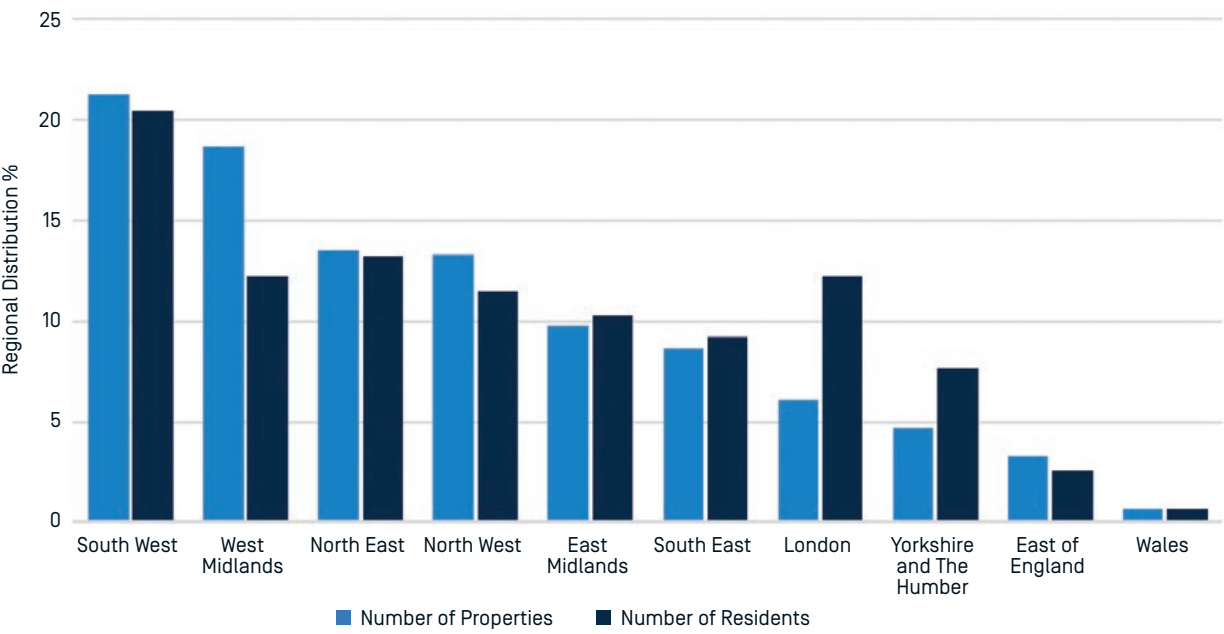
Figure 2: Location of Properties



Regional distribution of properties

In line with intended targeting Civitas have purchased properties across all regions of England and Wales with a total of 32 percent of properties in the North of England, 29 percent of properties in the Midlands and 21 percent in the South West. Civitas' focus is on investing in social housing where demand is high and helping local authorities deliver on strategic plans to increase the availability of SSH.

Figure 3: Regional Distribution of the number of properties and capacity



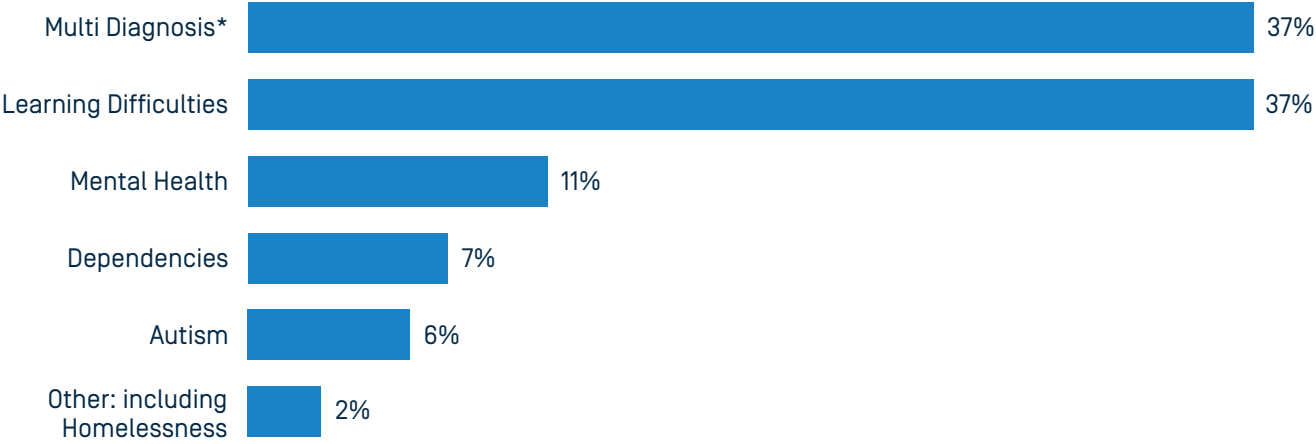
4.2 Tenants

Type of care need

As of 1 June 2018 Civitas has acquired properties for 2,758 tenants. The exact number of tenants at any time can fluctuate to a small degree depending on the exact mix of properties and tenants. For example, new properties being brought into the social housing sector for the first time may have planned voids whilst occupancy reaches capacity and tenants may move for clinical reasons so creating temporary voids. Civitas works with its Housing Association partners to seek to isolate them from the financial effects of any voids by way of the establishment of a Rental Protection Fund and, in addition, by seeking to ensure that they are able to recover void monies as planned from care providers.

The majority of Civitas' tenants have special care needs with the majority having complex mental health problems or learning disabilities (see Figure 4). The homes acquired and refurbished by Civitas offer the security, affordability and stability required for these individuals to live a more independent life, with the level and type of care provision tailored to suit individual needs.

Figure 4: Percentage of Residents by Type of Care Needs

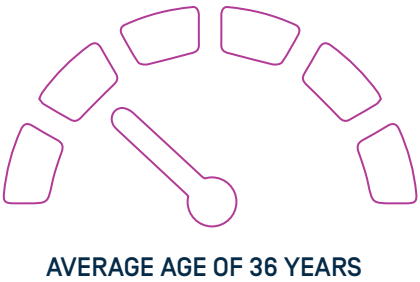
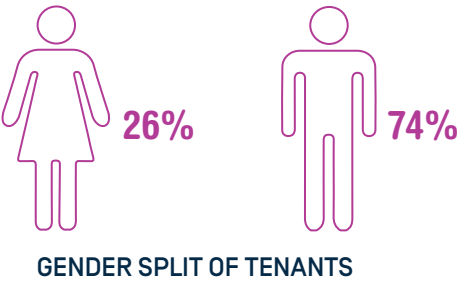


\*Multi Diagnosis includes residents who have been diagnosed with more than one care need and require a higher level of support e.g. a resident could suffer with mental health issues and have a physical disability also.

Tenant demographics

The majority of properties are self-contained apartments occupied by single adults. The typical age of residents is in the 25–60 years range, with an average age of 36 years (based on a sample of 15% of tenants). For this same sample, 74 percent of residents were male and 26 percent female. All tenants are eligible for housing benefit and care support given their vulnerability and care needs, and their economic circumstances.

Gender of Tenants\*



\*Based on a sample of 15% of tenants

All tenants are individually assessed and a package of support is created to meet their individual needs and aspirations.



Civitas is building strategic relations with a network of care providers specialised in learning disabilities, autism and mental health issues. It aims to support their growth plans to meet the high demand for supported housing.

Tenant support needs

Most individuals are experiencing long-term learning disabilities or complex mental health issues. Care services are provided by 71 qualified care providers, which are contracted directly by the local authority and regulated by the Care Quality Commission (see Annex 2).

All tenants are individually assessed and a package of support is created to meet their individual needs and aspirations. Through providing a mix of tailored, person-centred care and support, care providers aim to ensure all tenants are living a good life and have a sense of well-being.

Tenant outcomes

Expected and actual long-term outcomes differ from one individual to the next. In some cases, care providers aim to equip individuals with the confidence and skills to move from dependence to independent living. However, the majority of Civitas' tenants have medium to high care needs, often receiving more than 50 hours support a week and are expected to need long-term care. This is well illustrated by the stories of Vicky and Kathleen (see page 26).

Civitas is building strategic relations with a network of care providers specialised in learning disabilities, autism and mental health issues. It aims to support their growth plans to meet the high demand for supported housing. In some cases, Civitas' acquisition releases capital that can be reinvested by these providers in their services.

Civitas and The Good Economy will continue to build relations with care providers and gather more information on tenant personal histories and outcomes achieved. Subsequent reports will examine more fully the situation of a greater number of tenants.





## 4.3 Systemic Outcomes

### Value for money for the public purse

Civitas aims to ensure all the properties it invests in provide value for money for government. There is strong government and independent evidence that SSH has lower costs than alternatives, typically residential or in-patient NHS care.<sup>3</sup> In order to verify value for money, Civitas commissions independent experts, including SSH experts Support Solutions UK to carry out a rent review for all properties. This includes ensuring the rent levels are aligned with local authorities' expectations.

### Raising standards

During 2017–18, Civitas Housing Advisors has actively sought to build partnerships and deepen its engagement with partner Housing Associations, care providers and other stakeholders, including the Housing Regulator. Civitas is committed to raising management standards within the SSH sector, recognising that many SSH providers are small organisations.

The following specific actions were taken in FY17/18:

- ✚ Development of a Best Practice Protocol which has been shared and discussed with all Housing Association partners and other sector opinion formers. The Protocol sets out 10 Core Principles including conducting business with integrity, treating customers fairly and working with due skill, care and diligence.
- ✚ A workshop facilitated by Altair, a specialist housing consultancy, in March 2018 with all Housing Association partners to discuss the Housing Regulator's requirements for Registered Providers and standards of conduct expected by Civitas.
- ✚ Regular meetings and interactions with Housing Association partners and other stakeholders.

3. See, for example, Supported Accommodation Review: The scale, cost and scope of the supported housing sector, Department of Communities and Local Government and Department of Work and Pensions, November 2016; 'Building the Right Home', part of the Transforming Care Programme, NHS England, LGA & ADASS, December 2016.

Civitas is committed to raising management standards within the Specialist Supported Housing (SSH) sector, recognising that many SSH providers are small organisations.

## 4.4 Impact Risks

Civitas recognises that there are impact risks when assigning these leases – that outcomes may be different from expectations. The main impact risk for Civitas is that the quality of housing and support does not deliver expected outcomes for tenants and they suffer from poor quality or disruption of accommodation or care.

Civitas manages these risks through its rigorous due diligence process during which the quality of Housing Association and care provider provision is checked. However, organisations do run into problems as was the case with First Priority Housing Association (FPHA) in 2017. Civitas managed the risk of the reported issues of FPHA by ensuring there was no negative effect for their tenants with all individuals remaining in their homes and experiencing no disruption to their care provision.



## 5 / Stakeholder Perspectives and Impact: Case Studies

### 5.1 Housing Association Case Study – Harbour Light



**Property type**  
Traditional adapted property

**Initial investment date**  
August 2017

**Total potential number of Civitas residents**  
182



Location: Liverpool

#### About Harbour Light

Harbour Light is a not-for-profit Assisted Living Housing Association, based in Liverpool, that provides bespoke living accommodation for vulnerable adults with learning or physical disabilities. Harbour Light is commissioned by local authorities and clinical commissioning groups to provide accommodation, with the majority of tenants requiring 24/7 on-site care and support. Having been established in 2014 to initially take on a package of 110 tenancies, Harbour Light now manage 258 units of Specialist Supported Housing (SSH) in Liverpool, Sefton, Knowsley and the Wirral. Care services are provided by seven different care providers.

#### The value of Civitas' long-term lease agreement

In 2016, the local family that owned roughly 70% of Harbour Light's properties decided to sell. With Harbour Light's business model operating entirely according to long lease structures, it was essential that they found an investment partner who shared their socially conscious and long-term approach, particularly as this portfolio of properties represented such a large proportion of their accommodation. Civitas' approach, with each property subject to a 25-year lease, enabled Harbour Light to give assurance to both their local authority partners, and most importantly to their tenants, that the accommodation they provide would be both stable and secure for the long term. Civitas was therefore chosen as the ideal investment partner, and in August 2017, they finalized the purchase of a portfolio of 26 Harbour Light properties with 182 tenancies, for a total consideration of £17.8m.

“The primary driving factor for us when finding an investor was making sure they didn't take a short-term view of the investment and of what we're trying to do. Civitas was the ideal partner as they have a long-term view and understand the supported living sector. Mark Adams, Harbour Light CEO



#### Moving forward

Since receiving the investment, Harbour Light have welcomed the hands-on approach that Civitas takes with its housing partners. CEO Mark Adams described the added value of being able to share in a much broader knowledge base that has come about through attending seminars and having close contact with Civitas Housing Advisors and the other partner Housing Associations.

Harbour Light themselves are extremely engaged with their tenants, visiting every property at least once every two weeks and delivering intensive housing management services to provide help with benefit claims, rent payments and budgeting. There is a strong degree of values alignment between Civitas and Harbour Light, with both organisations committed to seeing long-term results, positive outcomes for residents and systemic improvements in the availability and quality of social housing.



5.2 Property Case Study – Beamish Court


<b>Property type</b> New build specialist supported housing	 <b>Location: Nottinghamshire</b>
<b>Investment date</b> October 2017	
<b>Total potential number of residents</b> 12	

About Beamish Court

Beamish Court apartments is a new supported living facility located in Nottinghamshire. It consists of 12 state-of-the-art, self-contained apartments which will have 24-hour care and support for individuals with learning disabilities.

Delivering additionality for the social housing sector

The project has been driven by Eden Futures, a well-established care provider, with nearly 25 years' experience providing care for people with disabilities. They have worked in the Nottinghamshire area for over 20 years and have good local knowledge of the high demand for this type of accommodation. Eden Futures provide another more specialist service in the same town and envisage that Beamish is a perfect fit for people to move into a less restrictive environment as they progress to become more independent.

Trinity Housing Association (THA) will provide the housing management services. THA was founded in 2006 to develop and manage supported living schemes and currently provides more than 800 tenancies across 10 different local authority areas. The two organisations already have experience of working together in the North West and the relationship works well.

“ Trinity are delighted to have partnered with Civitas and Eden on Beamish Court. We have found Civitas to be a key partner and stakeholder, with a positive outlook on the social housing sector. We look forward to working with them in providing quality housing and support for vulnerable people over the long-term.

Khurshid Ahmed, Chief Executive, Trinity House Association



Civitas did not fund the development of the scheme but is providing additionality by committing to buy the properties at completion so providing the assurance that the scheme will be maintained as SSH for the long-term. This has given the partners the financial reassurance to invest time in ensuring the design is of a high quality specification to meet care needs.

Meeting care needs by design

Eden Futures has worked closely with Minster Developments Ltd (the developer) to ensure the design specifications will meet the needs of the client group. This has included additions such as rise and fall kitchens, automatic doors, a concierge system, window restrictors, CCTV, and small items such as ensuring each tenant has their own post box. There are a mixture of baths and wetrooms as, according to Eden Futures staff, some people with conditions such as autism prefer baths to showers.

Eden Futures has also ensured that assistive technology was built into the scheme so as to allow people to live more independent and less restrictive lives, but enabling them to stay safe and have the knowledge there are support staff around 24/7.

The location is also excellent with a five minute walk to a major supermarket, ten minute walk to the main high street and good bus routes into the larger town of Newark. The street is a mixture of commercial and new residential properties and has excellent parking for residents, staff and visitors.

“ This is one of the best examples yet of one of Eden Futures' supported living services. It ticks all the boxes. We are pleased Civitas have secured this for the long term and look forward to exploring future opportunities to deliver similar housing schemes.

David Whittock, Director of Service Development, Eden Futures



5.3 Resident Case Studies – Vicky and Kathleen



**Property type** Specialist Supported Housing converted from a care home

**Investment date** May 2017

**Total potential number of residents** 14



Location: County Durham

About Clark House

Bought by Civitas in May 2017, Clark House provides specialist supported living accommodation in the form of self-contained flats for 14 people in County Durham. Originally built as a residential care setting for older people, the property has since been repurposed to provide independence to residents whilst retaining 24/7 care on site. The property is managed by Falcon Housing Association and the care services are provided by Essential Care and Support, part of the National Care Group. Currently, there are 14 residents, 13 women and one man, ranging from 20 to over 70 years old.

Resident stories – Vicky

As an individual who experiences learning difficulties and also suffers from a personality disorder, Vicky had real trouble sustaining family relations and a community placement in both childhood and in her early adult years. In 2012 she was placed in a secure unit within a hospital setting.

In June 2017, having spent five years in a secure unit, Vicky moved to Clark House. Her particular property is a separate building to the other apartments and allows 24/7 live-in care for individuals with a higher care need than the other residents. Vicky was therefore able to move into a setting which allows for more independence but still with 24 hour care. Vicky has now lived at Clark House for nearly a year. It has transformed her life. Working with support workers who have focused particularly on improving Vicky’s level of mindfulness through Dialectical Behaviour Therapy (DBT), she has been able to become far better at limiting the number of instances in which she displays challenging behaviour.



In this last year her support workers have supported her to reconnect with her family. Moreover, for her 30th birthday, Vicky was thrilled at the fact that she

was allowed to have candles on her cake; something that she had not experienced in years as they were considered a potentially high-risk object. Such a detail may seem relatively minor, but they can have a considerable impact on an individual’s happiness.

“A year after moving in to Clark House, Vicky’s quality of life has improved immeasurably. She is a shining example of the positive impact an appropriate care setting can have.

Eve Collis, Service Manager, Clark House

Vicky has now been discharged from her Community Treatment Order (CTO) and so no longer requires assessment from the forensic team on her mental health. She has even become keen to speak out on issues around housing and care, recently attending a conference run by People First and using her experiences to contribute to the debate on how care services can be improved for people like herself.

Resident stories – Kathleen

At one point in her life, Kathleen thought she would be stuck in institutional care forever. She was placed in a juvenile home when she was 13 years old and then went on to spend time in high-security prisons and secure units, as she suffers from complex mental health issues and learning disabilities.

Having spent so long in such environments, it was felt that Kathleen would never be able to live in the community. However, in October 2010, at the age of 55, Kathleen was assessed as being able to move to Clark House. The service manager at Clark House explained how “creating a close working partnership with all community teams and ward staff, as well as receiving specialist training, has enabled us to successfully provide an excellent level of support for Kathleen”. The support workers



worked closely with Kathleen, her social worker and psychologists, paying particular attention to positive risk-taking in order to build her confidence in situations in which she is unfamiliar.

After just two years, Kathleen was fully discharged by the Home Office, meaning she had been classed as safe and capable of living in a community.

Kathleen is now 62 years old and is extremely well settled and happy at Clark house. She still requires 57 hours of care per week but is now able go out independently if she wishes and even goes on holiday on her own. Moreover, Kathleen has rebuilt relations with her family with many of her siblings now regular visitors to Clark House.

“Moving to Clark House has proved life transforming for Kathleen. Her mental health has vastly improved and she is now living an independent life that wasn’t even considered possible for decades when in institutional care.

Eve Collis, Service Manager, Clark House

5.4 Crisis: Together We Will End Homelessness



Crisis is a national charity for homeless people that works to provide vital support so that people can rebuild their lives and are supported out of homelessness for good. As an organisation, they have over 50 years' experience working with homeless people and campaigning for permanent change.

Civitas supporting 'Renting Ready'

Civitas' partnership with Crisis is now into its second year, with Civitas funding continuing to pay for a Housing Trainer for Crisis' 'Renting Ready' training course. This course helps vulnerable people to build the skills and the knowledge they need to be able to live independently and to manage and maintain their tenancies successfully. The course is delivered across the 11 Crisis Skylight centres around Great Britain.







Civitas funds the external programme of Renting Ready whereby Crisis' dedicated Housing Trainer travels around the country to deliver the course to clients and staff of external organisations.

“Civitas' involvement in funding the external programme of Renting Ready has enabled Crisis to reach more vulnerable people in more places than we otherwise would have been able to do.

Chris Hancock, Head of Housing

Results and Impact

As of March 2018, the following results and outcomes have been achieved:

	<b>8 COURSES</b> delivered		<b>100%</b> of learners reported that they found Renting Ready useful
	<b>57 LEARNERS</b> received Renting Ready		<b>100%</b> of learners reported increased confidence in managing a tenancy because of Renting Ready
	<b>13 STAFF</b> trained		<b>100%</b> of learners improved their tenancy related knowledge as a result of Renting Ready

Crisis and Civitas in Strategic Partnership

Both Crisis and Civitas are committed to establishing a strategic and long-term partnership and seeing how they can do more to combine their relative knowledge and expertise to help tackle homelessness together.

During this year, Civitas has engaged with Crisis on their work to develop Housing First schemes at scale. There is overwhelming international evidence that Housing First ends homelessness. Resettling someone quickly into a long term home with access to the flexible support services that gives them choice and control has shown significant improvements in health and wellbeing, and most importantly leads to people sustaining tenancies.

Both parties are interested in developing a Housing First scheme where Civitas can play an active role acquiring properties for homeless people and acting as a supportive landlord.

“We are engaged in very constructive conversations with Civitas about how they might support a systemic approach to Housing First. In our second year of engagement, the willingness of Civitas to spend serious time and effort to explore new housing models continues to impress. The value of this type of strategic engagement cannot be underestimated.

Jon Sparkes, CEO, Crisis





5.5 The Choir with No Name: Choirs for People Affected by Homelessness



The Choir with No Name is an organisation that runs choirs for people who have experienced homelessness and other forms of marginalisation. Founded on the premise that singing makes you feel good, The Choir with No Name aims to be a positive force in the life of vulnerable individuals.

About The Choir with No Name

The Choir was founded in 2008 by Marie Benton, who wanted to fuse her work at the time for the homeless charity St Mungo's, with her passion for singing and her belief that being part of a choir could have a positive effect on vulnerable individuals. People who are homeless or otherwise on the margins of society are often struggling with loneliness or isolation. The most important aspect that the choir aims to bring to the lives of its members is to enable them to re-form positive relationships and re-discover a sense of community, especially where traditional support networks from family or friends may have broken down.

Now in its tenth year of operation, The Choir with No Name has grown to a point where it is now able to benefit people all over the country. From having just four choir members turn up for its first ever rehearsal in 2008, the organisation now runs choirs in Birmingham, Liverpool and a newly merged 'super-choir' in London, as well as putting in place plans to start another choir in Brighton in the coming year. Last year, nearly 800 vulnerable adults benefitted from their services, and the choirs reached a total audience of over 15,000 through their gigs.

Civitas' support

In November 2017, Civitas donated funding to support the choir's Big Christmas Singalong event in Brighton. The contribution came about as a result of Civitas responding to an appeal from Inside Housing for donations to support The Choir's flagship Christmas event. Civitas covered the entire appeal with their donation, with the money going towards covering the travel and food costs for the 170-strong choir.

Civitas has since developed a longer-term relationship with The Choir with No Name and is supporting their growth plans. Civitas has increased its funding this year and it anticipates that half will be used to cover the costs of the Christmas concert and the other half will go towards covering core operational costs. This secure source of funding is important as it enables the organisation to plan for the future. The Choir with No Name hopes to set up more choirs in order to provide a sense of community to a growing number of homeless people.

“We are thrilled to receive this generous donation from Civitas Social Housing as part of the Inside Housing Christmas Appeal. Our Christmas gig is by far the highlight of our year, with choir members and audience alike singing their hearts out and feeling part of something very special. We are extremely grateful to Civitas for helping us bring all of our choirs together at the Brighton Dome. Marie Benton, Founder and CEO



The Choir with No Name Impact

MEMBER SURVEY RESULTS 2017



91% of members have learnt at least one new skill apart from singing



43% of members feel the choir has helped them take up volunteering, employment or find/maintain more secure housing



90% of members report an increase in confidence



75% of members report an improvement in their mental health



91% of members feel that they've made friends at choir





6 / Conclusions and Forward Look

Civitas set out with a purpose of making a significant and positive contribution to the social housing sector. We have experienced at first hand how the Civitas Housing Advisors team are deeply committed to the long-term positive role Civitas and private capital can play in the sector. The Good Economy’s first full Impact Report demonstrates that Civitas is achieving its social objectives and delivering positive outcomes for vulnerable people with care needs.

Our main conclusions are:

- ✔ Civitas has further defined its social purpose and investment strategy over the last year with a strong and clear focus on investing in all sections of the care pathway and in particular, Specialist Supported Housing (SSH) for vulnerable people.

✔ The demand for such supported housing is rising in part due to a welcome move away from institutional care, hence, the social need for Civitas’ investment is compelling.

✔ Civitas is demonstrating its value added and catalytic role in the SSH sector. It has quickly developed a proven track record in investing in SSH and is already operating at significant scale with nearly half a billion pounds of property investments benefiting over 2,750 people.
- ✔ There is strong independent evidence that the social housing Civitas invests in delivers positive outcomes both in terms of better quality of life for individuals and cost savings for local authorities compared to residential or in-patient care. This, together with The Good Economy’s case study evidence, provides a high degree of confidence that Civitas’ property investments are having a positive social impact.

✔ We support the development of Civitas’ Best Practice Protocol and Civitas Housing Advisors’ (CHA) active engagement with Housing Association partners and care providers, as well as the Housing Regulator, sector experts and charities. There is the potential for Civitas to have a long-term systemic impact on improving the transparency and standards of how the interconnected social housing and finance markets work for the benefit of all stakeholders.

The Good Economy will work with Civitas to continue to improve the measurement and reporting of its social performance and impact to ensure transparency, accountability and learning. Appendix 3 provides a summary of results against key performance indicators. We look forward to working with Civitas to develop more integrated social and financial reporting over time.

Annex 1: List of Registered Providers

REGISTERED PROVIDER	OVERVIEW	REGIONS OF OPERATION
Blue Square Ltd	Registered Provider of supported housing who manage properties across England and Wales	National
Chrysalis Supported Housing Association Ltd	Provide specialist structured housing and support for individuals leaving in-patient or out-patient treatment for addiction to drugs and/or alcohol and other harmful addictions	South East, South West, Wales, West Midlands
Encircle Housing Ltd	A specialist provider of accommodation in the supported living sector for individuals with a range of complex care needs	National
Falcon Housing Association CIC	Nationwide provider of supported housing who aim to promote the independence of their tenants in the tasks of daily living	National
Harbour Light Assisted Living	Registered provider of social housing for people with disabilities in the North West of England	North West
Hilldale Housing Association Ltd	A small housing association whose purpose is to provide high-quality housing to people that require additional support for a range of needs in the North West of England	North West
IKE Supported Housing Ltd	Registered Provider of supported accommodation for adults with an autistic spectrum condition, learning and/or physical disabilities, sensory impairment and mental health needs	East Midlands, North East, West Midlands, Yorkshire and the Humber
Inclusion Housing CIC	Leading nationwide provider of supported accommodation for individuals with a range of physical and mental disabilities	National
New Walk CIC	A CIC who act as a provider of intensively managed supported accomodation for vulnerable people in Teesside	North East
Pivotal Housing Association	Housing association in South West England that provides accommodation for vulnerable adults appropriate to specific needs	South West
Trinity Housing Association Ltd	Provider of supported living accommodation to meet the needs of vulnerable adults and promote everyday independence	National
Westmoreland Supported Housing Ltd	Provider of supported housing for people with learning disabilities, physical disabilities and individuals on the autistic spectrum	National



Annex 2: List of Top 10 Care Providers

CARE PROVIDER	OVERVIEW	REGIONS OF OPERATION
Alternative Futures Group	Leading nationwide provider of care services for adults with complex care needs and young people in transition	North West
Care Management Group	Support provider for individuals with learning disabilities and particularly complex needs, aiming to enable people to live independent lifestyles	East of England, Greater London, South East, South West, Wales
Encompass Care	Care provider for individuals with learning disabilities and mental health needs in Dorset	South West
InMind	Care provider for individuals who have complex mental health needs, personality disorder and physical health needs	East Midlands, London, West Midlands, Yorkshire & the Humber
Lifeways	Leading nationwide provider of supported living and residential care services for individuals with diverse and often complex needs	National
National Care Group Ltd	Leading provider of care and support services to vulnerable adults with a wide range of disabilities and needs	National
Northern Healthcare Ltd	Provides mental health recovery services across the North of England including both residential units and community outreach	North East, North West
Pivotal Care	Provide care services which aim to enable vulnerable people with a care need to remain in their own homes	South West
Shelton Care Ltd	Care provider supporting individuals with varying needs to develop the skills they need to live as independently as possible	West Midlands
Transparent Care Ltd	Care service provider that aim to maximise individuals' wellbeing and promote their independence and choice	East of England, Greater London, South East, West Midlands

Annex 3: Core Social Performance Metrics

The Impact Management Project

In 2017, the Impact Management Project led a global consultation to establish an agreed way of describing impact expectations. The following five dimensions of impact, to understand our effects on people and planet, have been proposed. The dimensions were shaped by feedback from over 700 stakeholders and are intended to enable all market actors to use a shared language and a unifying framework to express their impact expectations.



What	What outcomes does the effect relate to, and how important are they to people (or the planet) experiencing it?
How Much	How much of the effect occurs in the time period?
Who	Who experiences the effect, and how underserved are they in relation to the outcome?
Contribution	How does the effect compare and contribute to what is likely to occur anyway?
Risk	Which risk factors are material, and how likely is the effect different from the expectation?

Visit [www.impactmanagementproject.com](http://www.impactmanagementproject.com) to find out more.

INDICATOR	Results as of			IMPACT MANAGEMENT PROJECT
	Sep 2017	Jun 2018	% Change	
PROPERTY METRICS				What
Value of capital deployed	£284m	£493m	74%	How much
Number of properties	282	428	52%	
Number of Local Authorities	83	120	45%	
Number of Registered Providers	10	12	20%	
Number of Care Providers	51	71	39%	
Weighted average unexpired lease term	24.3 years	24.1 years		
Number of properties converted to social housing sector for the first time	92	171	86%	Contribution
TENANCY METRICS				Who
Number of tenancies	1,820	2,758	52%	
Breakdown of residents by classification of care				
Multi diagnosis	44%	37%		
Learning difficulties	31%	37%		
Mental health	6%	11%		
Dependencies e.g.drug addiction	11%	7%		
Autism	7%	6%		
Other: including homelessness	2%	2%		
Average age*		36		
Gender breakdown*				
Male		74%		
Female		26%		

\* New indicator in 2018. Based on a sample of 15% of tenants.



## Notes





# THE GOOD ECONOMY

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