

The Value of a Social Tenancy: Updating and developing the model in 2024

Executive Summary and Main Report

May 2024



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Sonnet Advisory & Impact CIC

Sonnet Advisory & Impact CIC (“Sonnet”), formerly part of Bates Wells, is an impact focused consultancy which works with organisations to help them identify opportunities for social impact and develop pragmatic measurement frameworks for integrated reporting. We also specialise in conducting impact studies to evaluate, value and articulate social outcomes that organisations achieve through their work.

Our multi-disciplinary team helps organisations respond to today’s challenging environment by providing support with: strategic insight and development, governance, social investment, financial advisory, and major transactions – such as mergers and acquisitions.

Sonnet is a social enterprise, partially owned by Sheffield Hallam University, and is committed to using 65% of its profits to grant-fund pilot projects and other innovations that might otherwise be at too early a stage to obtain funding. It brings together a diverse and experienced team of: Strategic and operational consultants, Economists, Social Researchers, Accountants, and Corporate Financiers, all with a breadth of experience from across the third sector, local government, private sector – and the emergent fourth sector.



The Hyde Group

We provide some of the most affordable homes in London and the southeast and have done for almost 60 years. As a group led by a not-for-profit charity, we’re here for the good of our customers. We do this by maintaining and investing in the homes we provide and building genuinely affordable homes too. Making sure people have a safe, affordable, and comfortable home to be proud of is what drives us and underpins our vision of a great home for everyone.

Our homes and services support a huge range of people from all walks of life. We’re proud of the diversity of the communities we serve; we’re committed to playing a leading role in them and step in where others no longer are. We’re there for thousands of people who need some support, whether that’s to maintain their independence in retirement, or to find a safe space in the hardest of times, so they can thrive again.

We’re determined to build genuinely affordable homes to help more people to have a home they can be proud of. We’re working with our local authority partners, and like-minded investors, to find new ways to pay for affordable homes, because we can’t stand by and wait for others to fix the housing crisis.

Importantly, we’re changing, so we’re easier to deal with and are closer to the communities we serve, improving what matters to our customers.

Participating Housing Associations, “Participant HAs” (listed alphabetically)



A2Dominion

For over 70 years, A2Dominion has been building and maintaining quality homes in London and southern England. It has over 38,000 homes for 68,000 tenants, offering social or supported housing, private rental, or shared ownership.



The Guinness Partnership

The Guinness Partnership, (“Guinness”) was founded in 1890 to improve people’s lives and create possibilities for them. Guinness now provides quality homes and services – including care services – to almost 160,000 customers across the country. It operates in 125 local authority areas across England. Most Guinness homes are for rent at prices that are significantly lower than those charged in the private market, and on tenancy terms which offer far greater security.



Metropolitan Thames Valley Housing

Metropolitan Thames Valley Housing, (“MTVH”) provides affordable housing for people living in London, the south east, East Midlands and the east of England. It also offers a range of care and support services. Its specialist areas include older people and mental health and transitional services which provide intensive support to marginalised or vulnerable people. MTVH delivers training programmes, events, and activities for its residents, designed to boost employment opportunities and foster stronger communities. A member of the National Housing Federation (NHF), the G15 – which represents London’s largest housing associations – it influences policy for the benefit of its residents and the wider sector.



Platform Housing Group

The Platform Housing Group, (“Platform”) is one of the largest housing associations in the Midlands. It owns and manages over 48,000 homes, from Herefordshire in the west to Lincolnshire in the east, and from the Derbyshire Dales in the north to the Cotswolds in the south.



Sovereign Network Group

Sovereign Network Group, (“SNG”) was formed in October 2023 through the merger of Sovereign and Network Homes. Their purpose is to provide quality, affordable homes that are the foundation for a better life and thriving communities over many generations. SNG provides over 84,000 homes and invests in communities across the south of England, including London, as well as having the ambition to build over 2,500 homes a year over the next decade.

Corporate Sponsor

Vistry Group

Vistry Group

Vistry Group (“Vistry”), is the UK’s leading provider of affordable mixed tenure homes. Its purpose, as a responsible developer, is to work in partnership to deliver sustainable homes, communities and social value, leaving a lasting legacy of homes that people love. Operating across 26 regions, Vistry builds homes for those who need them right across the UK.

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Executive Summary

Social value

Throughout the report we talk about a range of social values in the context of economic value, preventative spending or additional value being brought to people and their communities by their housing situation being a social tenancy. As such, it should not be taken as referencing any specific or branded model for calculating social value as it is a term of widespread general use.

The Value of a Social Tenancy ("VoST") was published in 2018, with its valuation model updated annually. Based on in-depth research into the stories of social tenants at the Hyde Group, it compared three archetypal storylines for them, with the researched storylines for similar people not in social tenancies. It showed what aspects of social housing brought value, mapped the outcomes (changes) achieved once people became social tenants, and attached values to many of those outcomes from the perspectives of various stakeholders – public, private, and social.

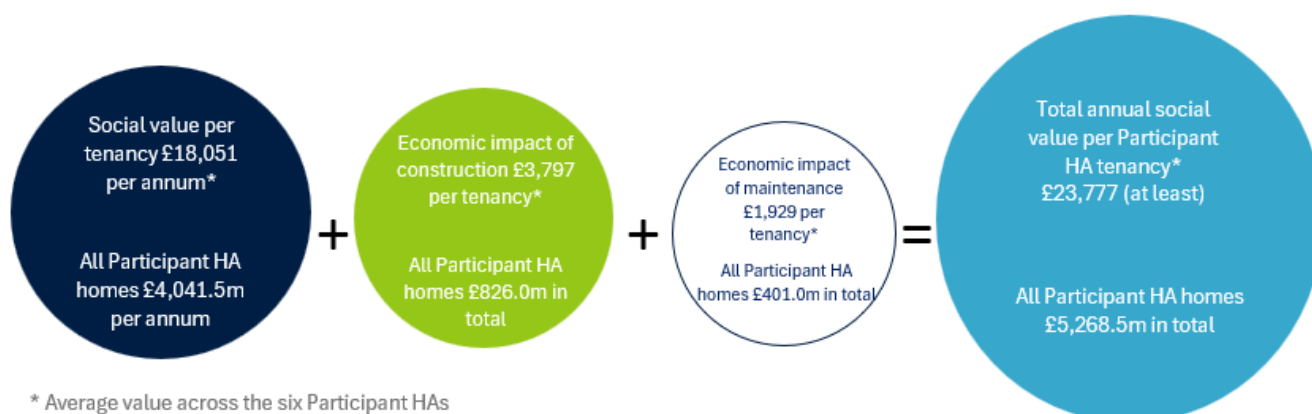
In 2024, this research has been renewed and expanded, to now include a group of six housing associations with over 220,000 tenancies. The research re-examines those storylines and brings them up-to-date, post-COVID, and in the face of the cost-of-living crisis, fuel poverty and much more besides. It considers how the ways of using the VoST model have been modified and improved by other housing associations since 2018, and how they can be further improved. It updates the financial proxies and assumptions in the VoST model, based on the new research, and produces revised figures for the values.

The new research shows that:

- Life has been tough for typical social tenants, but social housing has been a real safety net for many, not only in providing stability and support, but in giving them the opportunity to develop their own coping strategies, such as focusing on self-care and forming close relationships with neighbours.
- In contrast, literature and statistics have shown that those not living in social housing have found it particularly difficult, as they lack the benefits of living in a stable and affordable home, and don't benefit from the wider support that housing associations bring.
- Two significant new challenges have emerged since the 2018 study:
 - **In-work poverty:** whilst 'work should be a route out of poverty', uncertain employment, zero hours contracts and pay not keeping pace with inflation have countered that. All aspects of wellbeing have suffered.
 - **Digital exclusion:** for the least well-off, lack of access to digital communications where it is needed, and for some the ability to use it, is excluding people from access to support, public services, employment, money management, better priced goods and services, and much more. Social housing counters aspects of these problems, but much more needs to be done.
- A lack of social housing is likely to create skills shortages in key public and community service roles. Key services are at risk in some areas, because of a lack of key workers who are unable to afford to live where they work.
- More people are living in private rentals and temporary accommodation on a long term basis. This has huge negative impact on individual outcomes, including financial wellbeing, physical and mental health of both parents and their children, relationships and purpose, children's wellbeing, development and education, as well as Local Authority budgets.

- There is a real need for more supply for social housing to address these issues.

The profiles of social tenants have been updated to create three new archetypes: 'Thriving', 'Managing' and 'Struggling'. Their profiles have developed from the three from the 2018 study. With the changes in coping strategies and the benefit of stable housing, the 'Thriving' and 'Managing' groups have grown, whereas the 'Struggling' group are facing some very severe disadvantages. The value being delivered for each Social Tenancy has risen since the figures published for Hyde and MTVH, and others in 2022 (and 2018).



This is due to:

- the changed tenant stories, as a result of the new workshops and interviews
- the revision to the numbers of tenancies falling into each story
- the fall in outcomes for those not in social tenancies
- cost increases in temporary accommodation, problem debt, GP visits, etc.

This view does not reflect the benefit of improved digital inclusion as that would need more research.

Based on the updated VoST model and what can be extrapolated from sampling six housing associations, the estimated total value being brought by the social housing sector of 4.2 million social properties (2.5 million owned by housing associations)¹ is at least £77.7 billion a year (or at least £46.3 billion for those properties owned by housing associations). This sits alongside work commissioned jointly by Shelter and the NHF which estimates that building 90,000 social homes would lead to a projected net economic and social benefit of £51.2 billion over thirty years.²

¹ Department for Levelling Up, Housing and Communities (2024). [Social housing lettings in England, tenants: April 2022 to March 2023](#). (all social housing)
Department for Levelling Up, Housing and Communities (2023). [English Housing Survey 2021 to 2022: social rented sector](#). (housing association only)

² Centre for Economics and Business Research (2024). [The economic impact of building social housing: executive summary](#).

This report is intended to be read alongside the accompanying appendices (as referred to in the text). These appendices are available as a separate document.

1. Introduction

1.1. Context

The Value of a Social Tenancy (“VoST”) was co-created in 2018 by Sonnet and Hyde, and assured by PwC. At the time, there was an ever-rising demand and urgent need for the provision of more social housing. Fast forward to 2024 and the situation has worsened, with an even greater need for more social housing.

Analysis by Crisis in February 2024 revealed a net loss of 12,000 social homes in England during 2022/23, the most recent evidence of the ongoing social housing decline that has been taking place since the 1980s³.

The lack of social housing has forced people into unaffordable, sub-standard privately rented homes (in a market where private sector rents in the UK increased by 6.2% in the 12 months to January 2024, an all-time high since the collection of this data in 2016⁴), to move back to live with family or sofa-surf with friends, or become homeless. Statutory homelessness figures show a record high of 109,000 households who are homeless in temporary accommodation, including 142,490 children.⁵

Research by the National Housing Federation (NHF) predicts that nearly five million households in England will live in unaffordable homes by 2030 if the housing crisis is not addressed.⁶ In addition to this, the lasting impacts of COVID and both the cost-of-living and energy crises are clear amongst the most vulnerable in society.

Providing more social housing would be one of the most important solutions to tackle these mounting issues. VoST explores and demonstrates how social housing can bring economic value to society, and, through understanding the everyday life of social tenants and their stories, how affordable homes impact their wellbeing and change lives. It is a critical tool for key stakeholders to use in decision-making and justifying the case for more investment in the social housing agenda.

1.2. What is VoST?

VoST, a well-evidenced and respected story-based approach, calculates the savings to the State and the benefits to tenants and other stakeholders of social housing, when compared with alternative accommodation. (see VoST values broken down by stakeholder in section 6.1).

Tenants are segmented into a range of circumstances and compared to three researched alternatives – the counterfactual. All are evidence-based (see segmentation in section 5.1). VoST also calculates the economic value derived from building and maintaining homes, which is then compiled to give a total annual value of a social tenancy (see section 6).

³ Shelter (2024). [Social housing deficit](#).

⁴ Office for National Statistics (2024). [Index of Private Housing Rental Prices, UK: January 2024](#).

⁵ Shelter (2024). [‘Rough sleeping soars by 27% while number of homeless children in temporary accommodation hits another record high’](#).

⁶ National Housing Federation (2023). [‘Nearly five million households will live in unaffordable homes by 2030’](#).

VoST comprises

- **The valuation model, which calculates the financial impact figures** that are reported in section 6
- **Segmentation of a housing association’s portfolio** into the different storylines (‘Thriving’, ‘Managing’ and ‘Struggling’); further detail is available in section 5
- **Storylines and their foundation research**; further detail is available in section 3
- **The factors that drive the value**; see section 4.1
- **The underpinning research and datasets** for the storylines; see section 2 and Appendix C and D.

More detailed explanations can be found in the technical annex and Reporting Criteria for 2018, 2019 and beyond, available by request from Hyde.

1.3. Updating VoST for 2023/2024

To update VoST and reflect the impact of these factors in the social housing sector, Sonnet has worked with housing associations, corporate sponsors, and experts in housing (including academic and service delivery experts) across England and Scotland.

This has included at its core Hyde and five other Participant HAs. They are: A2Dominion, The Guinness Partnership (“Guinness”), Metropolitan Thames Valley Housing (“MTVH”), Platform Housing Group (“Platform”), and Sovereign Network Group (“SNG”) – further details are listed on page 3 and in the List of Contributors in Appendix K.

The six Participant HAs, covering a combined portfolio of 220,000 properties across England, have:

- Brought tenants and staff to share insights;
- Provided data about their social housing portfolios;
- Worked through the segmentation of those portfolios with Sonnet; and
- Reviewed and commented upon the emerging findings.

With their help Sonnet has:

- **Updated the VoST storylines** from the original research in 2017-2018, in order to reflect the changes to tenants’ lives post-COVID, and in light of the cost-of-living/energy crisis, as well as other changes in the operating environment.
- **Developed the original segmentation approach** to segment housing association portfolios **more simply and flexibly** into the VoST storylines. This segmentation is to be based on original VoST methodologies and the variations of those already established with current VoST users. However, it needs to be flexible to allow for a wide range of housing associations to access VoST, yet uniform enough that VoST figures are comparable and clear.
- **Revisited and updated the valuation models** to reflect any changes arising, and to draw out a new, updated view of the Value of a Social Tenancy.
- **Explained any changes to the Theory of Change and Outcomes Framework** when compared to the original from 2018.

1.4. Why is VoST so valuable?

VoST is valuable for the following reasons:

- **Its transparency: VoST is evidence based; for every input to VoST, source data is referenced and can be made available.** Methodology for VoST includes: datasets; models; a segmentation approach; foundation research; guidance notes; and a technical annex. Updates for 2023/2024 are provided in this report.
- **It embraces the viewpoints of multiple stakeholders:** VoST calculates a total value for all general needs⁷ tenancies in a Housing Association's portfolio (as well as an average value per tenancy). The total value can be broken down in three different ways:
 - **By stakeholder:** the impact on the following stakeholders can be calculated: the economy, the NHS, Police and Justice, Local Authorities, the DWP, Education, Banks and Creditors, and the Fire Service.
 - **By the Five Pillars of Wellbeing⁸** (Appendix B): financial, physical, mental, relational and purpose.
 - **The Treasury** (and other local authority agencies): impact for the Treasury can be calculated.
 - **Spending on construction and maintenance:** Note that the construction spend only relates to the part of the portfolio constructed during the year, but is averaged across all the tenancies in the portfolio.
- **Flexible:** can be used for both internal and external reporting, management and decision-making, and by funders, constructors, planners and housing providers.
- **Based on researched, evidenced and nuanced storylines:**
 - Focuses on the value of making a social tenancy available and operating it for a year.
 - Identifies what it is about social housing provision that brings value.
 - Can be built upon to provide views of more specialised aspects of social housing.

1.5. Expanding the VoST approach further

Benefit to housing associations of VoST on the HACT platform

The current update of VoST allows greater flexibility in its use amongst housing associations, to demonstrate collectively the value that social housing can generate as a sector. As a next step, Sonnet and Hyde have been working with HACT to make VoST more widely available to the whole sector through the HACT web-based platform.

This would result in a greater number of housing associations benefitting from: an understanding of the value they bring through social tenancies and the services provided, influencing others, and internal decision-making.

This value can be apportioned to individual stakeholders, e.g. the police and local government, which can then be used in discussion with these organisations, to articulate a housing association's value and impact. It would also build efficiencies into the VoST methodologies, by drawing from HACT or HACT inputs where possible, and sharing the cost of updating and maintenance.

⁷ General needs tenancies are tenancies at an affordable rent (the rent level to be no more than 80% of market rent) for those who are non-vulnerable and able to live independently without any special housing or support requirements.

⁸ The Five Pillars of Wellbeing was developed by Sonnet in the original VoST model that describes different aspects of wellbeing for an individual.

Sector-wide benefits of VoST on the HACT platform

By incorporating VoST onto the HACT platform, a sector-wide view of the value of social tenancies is possible; this will:

- Evidence the sector's vital role in providing affordable housing and in helping society's most vulnerable.
- Support engagement with central and local government, and other stakeholders, to gain long-term support for social housing.
- Create an opportunity to influence the political agenda, specifically regarding the need to build more affordable homes.

The housing sector is coming together to influence policy and public viewpoints around the value of social housing; making VoST available on the HACT Platform will support this influence and leadership.

Wider context - A note on the CEBR report and how this fits with VoST

During the work for this report, the CEBR report for Shelter and the NHF: "*The economic impact of building social housing*" (2024) was published⁹. It explores the case for, and calculates the benefit (£51.2bn) of, constructing 90,000 new social homes. The CEBR report draws on VoST methods and work in looking at some wider social gains, and indeed Sonnet and Hyde supported the research with briefings and data for the evaluation team at an early stage in their work. The report focuses particularly on the construction and maintenance of homes, including the jobs created to undertake that work, and models the gains that flow from that, in the short, medium and long term.

This is a different approach to VoST, with a different purpose, but the two are reconcilable; they answer two different but related questions:

- VoST** What is the (annual) value brought to tenants, communities and wider stakeholders, including the Exchequer, by maintaining and operating a social tenancy in a general social housing portfolio?
- CEBR** What is the present value of thirty years' worth of economic gains through building new social housing, assuming all or most is tenanted by employed people coming out of the private rented sector?

Further details are given in Appendix A.

⁹ [Centre for Economics and Business Research \(2024\). The economic impact of building social housing: executive summary.](#)

2. Methodology

2.1. Overview

VoST is based upon social tenants' true-life stories, as compared to a set of story-based, researched, counterfactuals. To update these stories, in February and March 2024, Participant HAs connected the project team with current social tenants, staff at housing associations, and their community partners, who have direct contact with social tenants in their respective roles.

VoST uses, as a general framework for describing and evaluating the storylines of tenants and counterfactuals, the Five Pillars of Wellbeing. Section 3 highlights how social tenants' lives were impacted by COVID, the cost-of-living/energy crises, and how being in social housing was able to minimise the impact of these events and even generate some positive outcomes. Two new themes—in-work poverty and digital exclusion—emerged from the findings and were explored further. It also discusses how these impacted the counterfactuals and how Participant HAs were able to respond to societal impacts and support social tenants. Section 4 outlines changes to the model's theory of change and the updated tenants' storylines.

2.2. Methodology

The 2018 story research involved a combination of literature reviews, action research-based workshops, semi-structured interviews, and targeted data collection¹⁰.

This has been added-to by the views, insights, research and evaluations of Hyde and other housing associations and specialist providers over the last seven years.

In addition to the original (2018) research workshops and interviews, the update for 2023/2024 has involved three workshops and 16 interviews that were conducted with a total of 34 participants from five housing associations. This included speaking to 16 current social tenants, 11 housing association staff and six community partners.

Also a steering group met and (amongst others) housing and welfare experts in Scotland were able to talk to researchers about the services offered by Link Group, welfare policy development and ongoing research (alongside Shelter) into the value of social housing in Scotland¹¹.

Figure 1 summarises the depth of research input since the beginning of VoST that underpins the findings in this update.

Appendix C provides an in-depth description of how the workshops and interviews were conducted, including an analysis of workshop and interview participants by age, location etc.

¹⁰ [The Hyde Group: The Value of a Social Tenancy: A socio-economic evaluation based on Hyde's housing portfolio.](#)

¹¹ [Social Value Social Housing HACT 2023.pdf \(ctfassets.net\)](#)

FIGURE 1 SUMMARY OF RESEARCH FLOW SINCE VoST 2018



3. Findings – Tenants’ stories updated for 2023/2024

3.1. The original VoST storylines and counterfactuals

The original VoST storylines and counterfactuals remain substantially valid. Social housing tenants do benefit in the range of ways (outlined in the original research), when compared to their lives without these tenancies. The research has identified various additional challenges and developments to these storylines, laid out below.

3.2. The effects of COVID and the cost-of-living and energy crises

Those not living in social housing have become increasingly vulnerable. While most people have been affected to some degree by COVID and the cost-of-living and energy crises, these people have been affected exponentially. Unlike those living in social housing, they do not benefit from the protection and stability offered by a social tenancy. On an everyday basis, they find themselves contending with hardship. If something goes wrong there is no safety net; if something breaks they have no money to fix it. The anxiety and worry affects everything they do; they work hard but the money they earn is not enough – in-work poverty is at an all-time high for those living in private rented accommodation¹².

An example was given during our research that neatly illustrates this point:

Social housing tenants benefit from the repairs service offered by Housing Associations, e.g. if a radiator breaks, they do not have to pay to fix this. They do not have to take on the risk of heating not working (unlike any other housing situation – including those who own their own homes).

As a result of the cost-of-living crisis, there is unprecedented pressure on public sector accommodation. Temporary accommodation occupancy is at an all-time high¹³ and is reaching the limit of how many can be housed in some areas. Indeed, a number of local authorities across England and Scotland have declared a housing emergency.

A report published by Shelter in December 2020 revealed the poor living conditions found in temporary accommodation during lockdown and highlighted the consequent detrimental impact to the physical and mental health of those living in these conditions. This included an adverse impact on children’s education, development and health.¹⁴ UCL researchers also found potential life-long adverse effects for children under the age of five who were living in temporary accommodation during the pandemic. The study also found barriers to families’ wellbeing that was exacerbated by digital poverty experienced in temporary accommodation.¹⁵

For those living in social housing, their social tenancy has become a real safety net, now more than ever. Participants in the interviews and workshops shared how COVID and the cost-of-living crisis had been difficult for them. However, they also shared how social housing had been positive for them, offering stability and protection

¹² [Joseph Rowntree Foundation \(2024\). UK Poverty 2024.](#) (Note : the overall poverty rate is higher for social renters [43%] than private renters [35%] after factoring housing costs. However, in the context of the VoST model, only low-income private renters are considered (the ‘counterfactuals’.) and these are at 51%

¹³ [Shelter \(2024\). ‘Rough sleeping soars by 27% while number of homeless children in temporary accommodation hits another record high’.](#)

¹⁴ [Shelter \(2020\). Homeless and Forgotten: Surviving lockdown in temporary accommodation.](#)

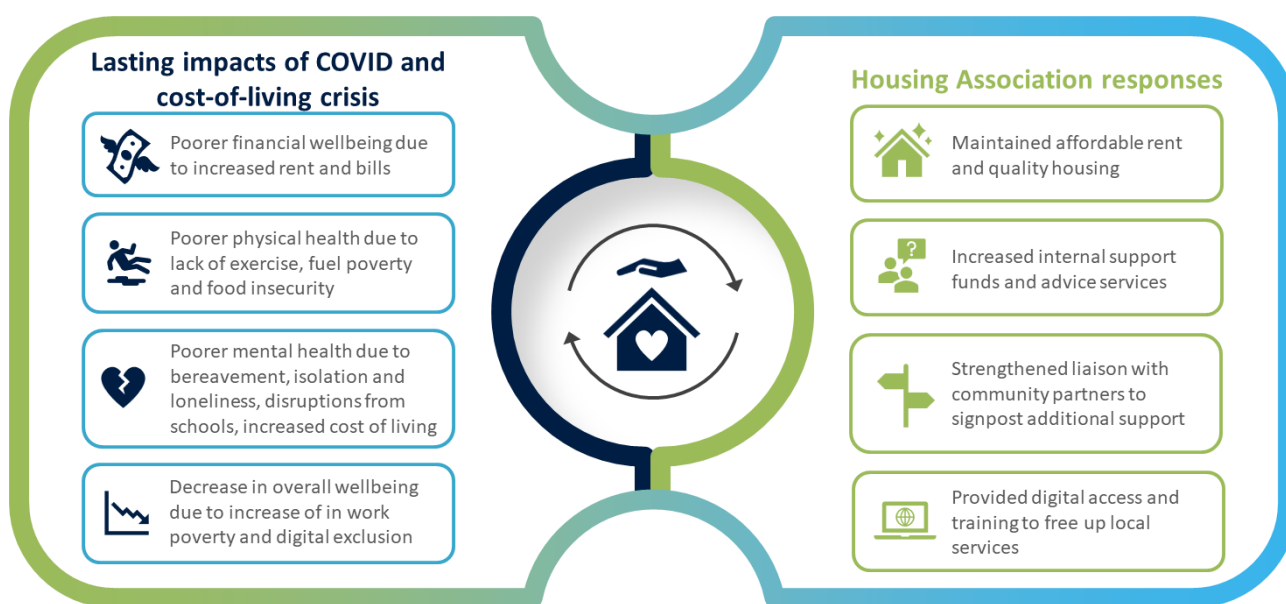
¹⁵ [Rosenthal DM, Schoenthaler A, Heys M, Ucci M, Hayward A, Teakle A, Lakhapaul M, Lewis C \(2023\). How Does Living in Temporary Accommodation and the COVID Pandemic Impact under 5s’ Healthcare Access and Health Outcomes? A Qualitative Study of Key Professionals in a Socially and Ethnically Diverse and Deprived Area of London.](#)

in the face of these adversities. With this support, they have developed coping strategies and resourcefulness. Generally, for those living in social housing, most outcomes in the original VoST model continued to remain valid. For example, tenants had learnt to prioritise their physical and mental wellbeing (sometimes changing jobs to achieve this) and forged stronger connections with their neighbours as a result of COVID lockdowns. This sense of community continues today (ad hoc guerilla gardening in the neighbourhood carpark was given as an example). Further detail relating to these research findings is available at Appendix D

3.3. Responses from housing associations

Support from housing associations was able to absorb and reduce some of the negative effects of COVID and the cost-of-living crisis, providing a safety net for their tenants. Besides providing affordable housing and bringing a stability not found in the counterfactuals, Participant HAs strengthened their services to respond to these lasting impacts. Figure 2 below summarises these responses:

FIGURE 2 SUMMARY OF HA RESPONSES TO IMPACTS OF COVID AND COST-OF-LIVING CRISIS



Increased support funds and advice services

All Participant HAs have increased their funding support to social tenants struggling with day-to-day expenses in the past few years. For example, SNG grew its community investment fund by £2.3million from 2020/23 to 2022/23¹⁶ and MTVH increased its Tenant Welfare Fund by 50% in 2022/23.¹⁷ These increases helped tenants who were experiencing food and fuel poverty by providing home energy vouchers, carpets, food vouchers, etc. Housing associations also provided more financial, health and jobs advice to tenants. Hyde launched its Universal Credit Helper in November 2021, a free online tool to help people when applying for UC for the first time.

¹⁶ Sovereign Network Group. Community Impact Report 2023.

¹⁷ Thames Valley Housing Association Ltd Annual Report 2022/23

Strengthened external liaison

Externally, Participant HAs strengthened their liaison with community partners to better signpost additional support services for tenants. These included mental health services, foodbanks, and youth support services. Participants in the workshops reported improved energy-saving and budgeting skills with the help of community services such as LEAP and Pocket Power. These were free services that tenants could access to help them switch to affordable providers for household bills, supporting them with increased financial savings. In 2022, Pocket Power reported totalling £274k savings for low-income households, working with ten housing associations and providers across England and Scotland.¹⁸

Improved digital access

In recent years, housing associations have improved their digital platforms by allowing residents to access more services online, such as making payments, reporting complaints or requesting repairs. This allowed housing associations to free-up more landline/telephone services for those who needed them, making it more efficient for all tenants to have access to their landlords. Recognising the barriers to digital exclusion, they also provided more digital equipment and training to minimise the digital divide amongst vulnerable social tenants, such as giving out free SIM cards with data and providing laptops. Community partners also told how they have strengthened their support to get social tenants online, by helping them to set up online benefits accounts, registering email addresses, and making online applications, etc. These have all enabled social tenants to be more connected to their community and improved their wellbeing.

3.4. Three major new challenges

Three specific themes were highlighted in the interviews and workshops that had a lasting impact across all pillars of wellbeing:

In-work poverty “One in eight workers now live in poverty”. “Work should be a route out of poverty”¹⁹.

There’s a rising trend of in-work poverty amongst low-income households in both social and private rented accommodation. Indeed, housing association staff observed that a larger number of their customers, especially single occupier households or younger families with more children, were suffering from high levels of poverty, even though they were employed. A report published by IPPR found that single parents, single earner couple families and large families were most affected by in-work poverty.²⁰

This compromises people because poverty affects life chances and outcomes²¹:

- Working-age adults living in poverty are more likely to suffer from poor health. Evidence suggests that low income is associated with potential symptoms of anxiety, such as lack of sleep, lack of energy and feelings of depression.

¹⁸ [Pocket Power. 2022 Social Impact Report.](#)

¹⁹ [Joseph Rowntree – what has driven the rise of in work poverty](#)

²⁰ [McNeil C and Parkes H \(2021\) ‘No longer managing’ The rise of working poverty and fixing Britain’s broken social settlement, IPPR.](#)

²¹ [Joseph Rowntree – low income families are struggling to afford essentials](#)

- For children, parental income can cause a gap in educational attainment across all stages of education. COVID generally widened the attainment gap between the most and least disadvantaged pupils in the UK. This is likely to have been driven by the digital divide, differences in environment for home learning, and falling household incomes.
- For all households, poverty causes increased anxiety and worry that pervades everything – jobs, household chores, access to (nutritional) food, the ability to pay the rent, adults going without food, children going to school hungry, the home not being adequately heated, and a reduction in the number of showers able to be taken.

Social housing helps because it offers an affordable rent and no repair liabilities, thereby leaving social housing tenants with a higher level of disposable income. Work therefore becomes a route out of poverty and this, in turn, helps the economy at all levels.

Digital wellbeing The impact of digital wellbeing on generating positive outcomes across the five pillars of wellbeing is pivotal. Housing association support in this area is a key driver in VoST 2023/2024, in terms of holding steady the outcomes seen by those living in social housing.

This is a key area of community engagement for housing associations. In the steering group it was considered that there are two features to digital wellbeing:

- **Access to digital assets:** what does this mean in reality, how immediate does ‘access’ need to be? An example was given from steering group participants of needing to go to a library to access the internet to obtain quotes for insurance. Doing this required multiple trips and often resulted in a promotional offer being missed - the user was therefore penalised due to a lack of ‘immediate’ access to the internet.
- **Ability to use digital assets:** what does this look like? This is key to achieving improved outcomes. Examples were given from steering group participants of how the offer of coaching on how to use the internet actually increased engagement rates for participants in a financial budgeting program.

Lack of digital wellbeing compromises people: “Although [nationwide] digital exclusion has reduced overall, the divide itself has worsened, with the most vulnerable lagging further behind”.²² Digital exclusion means the inability to access:

- Healthcare apps to make appointments
- Banking (it can sometimes be very difficult to get to a bank branch; an example was given of this taking two hours by train)
- Insurance (car, home, holiday etc)
- Shift work or zero hours contract work, or to search for jobs
- Earnings benefits – increased earnings of between 3-10% can be obtained through acquiring digital skills²³
- Support networks of family and friends
- Support groups for specific needs, or wider community groups (e.g. Facebook neighbourhood news)
- Benefits and other social services
- Advice, including e.g. Citizens Advice – so restricting their access to support and guidance

²² [Centre for Economics and Business Research \(2022\). The economic impact of digital inclusion in the UK.](#)

²³ [Office for National Statistics \(2019\). Exploring the UK’s digital divide.](#)

- Online shopping (found to be 13% cheaper than in-store)²⁴.

Social housing helps because housing associations provide invaluable support to promote digital inclusion including:

- Providing digital assets (e.g. laptops and data SIM cards) so that children are able to do schoolwork (noting that families with multiple children struggle to share one laptop between everyone).
- Providing internet access grants – internet data costs are a barrier to access for many (steering group examples were given that even social tariffs are often seen as unaffordable).
- Offering online safety and security support.
- Offering coaching and training so that tenants are digitally included.

The skills and resources gap in areas around key employment, if not supported well by social housing: A number of participants in this research note that the increasingly high housing costs in the private rented sector **compromised people**, such as NHS staff, teachers, social service workers etc, as they are no longer able to afford to live where they work and, consequently, are forced out of the area. This problem is risking a skills gap developing in certain areas.²⁵

How does social housing help? This idea was explored further with Principal Research Fellow at Sheffield Hallam University, Jonathan Webb²⁶. He noted that the undersupply of social housing has contributed to an increasing number of households renting in the private renting sector. For many lower income households, the private rented sector is far less affordable than social housing and may not be suitable to their needs.

In Webb's research²⁷, he recommended that the government widen access to social housing through the provision of a 'living rent' model, which links rent to tenants' income, and for social housing providers to consider prioritising critical workers (e.g. health and social care workers, education and childcare staff, key public service workers, etc.) for the allocation of new homes under this model. At the same time, Webb also emphasised the need to increase social housing supply across the board, to ensure there is adequate supply of social homes, and that additional supply of any intermediate or living rent housing does not have a detrimental impact on the resources needed to supply other types of social housing.

²⁴ [Office for National Statistics \(2019\). Exploring the UK's digital divide.](#)

²⁵ [The Guardian \(2024\). 'Affordable housebuilding in London is set to collapse by 75%. That's a problem wherever you live'.](#)

²⁶ [Dr Jonathan Webb MSc BA](#)

²⁷ [Webb J and Murphy L \(2020\) Renting beyond their means: The role of living rent in addressing housing affordability, IPPR.](#)

4. Updates to Theory of Change

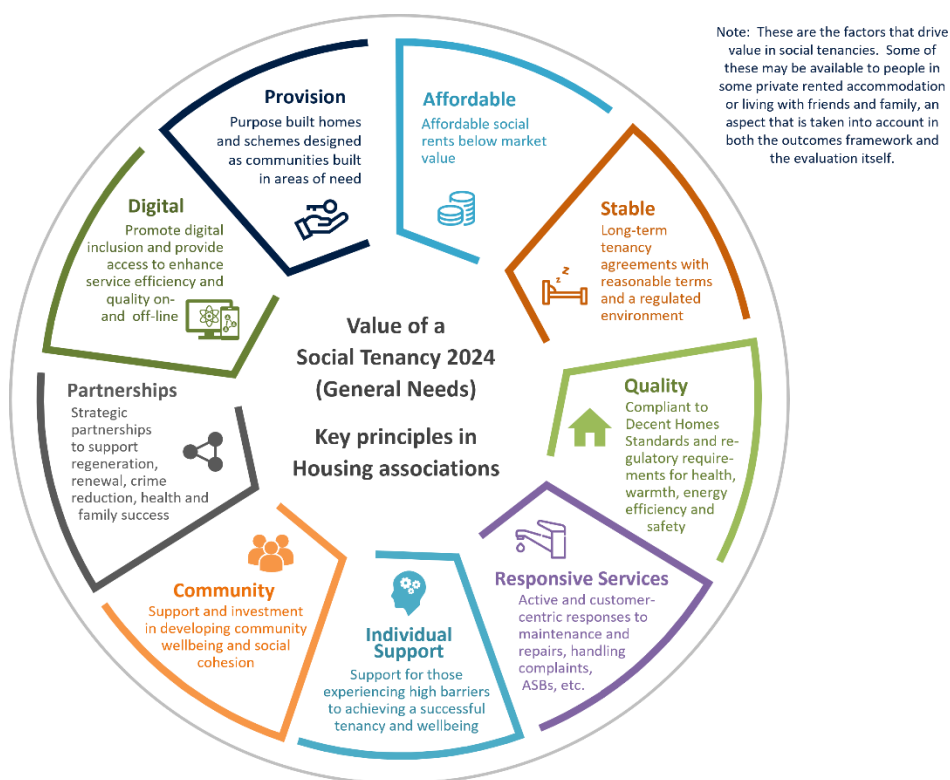
4.1. The updated theory of change

The Theory of Change (ToC) adopts the original framework from the 2018 model and expands on the key principles of the social housing delivery model applicable to the Participant HAs and most housing associations within the sector.

There are two elements to the ToC: (1) the key principles in housing associations and, (2) the outcomes framework. Full-scale images are shown in Appendix E (Original 2018) and Appendix F (as updated, 2024). Upon reviewing the service model of the Participant HAs, the new key principles in housing associations saw the following changes:

- Expanding from eight core areas in the original model tailored to Hyde’s service (see original model in Appendix E) to nine core areas.
- From ‘sustainable’ to ‘stable’, to reflect a more accurate description of stability in social housing for its tenants.
- From ‘decent homes’ to ‘quality’, to reflect compliance with not just the Decent Home Standard, but also other regulatory requirements. Participant HAs are also dedicated to reaching above compliance standard in order to provide good quality homes for their tenants.
- Inclusion of ‘digital’ in the model as an important component of social housing.

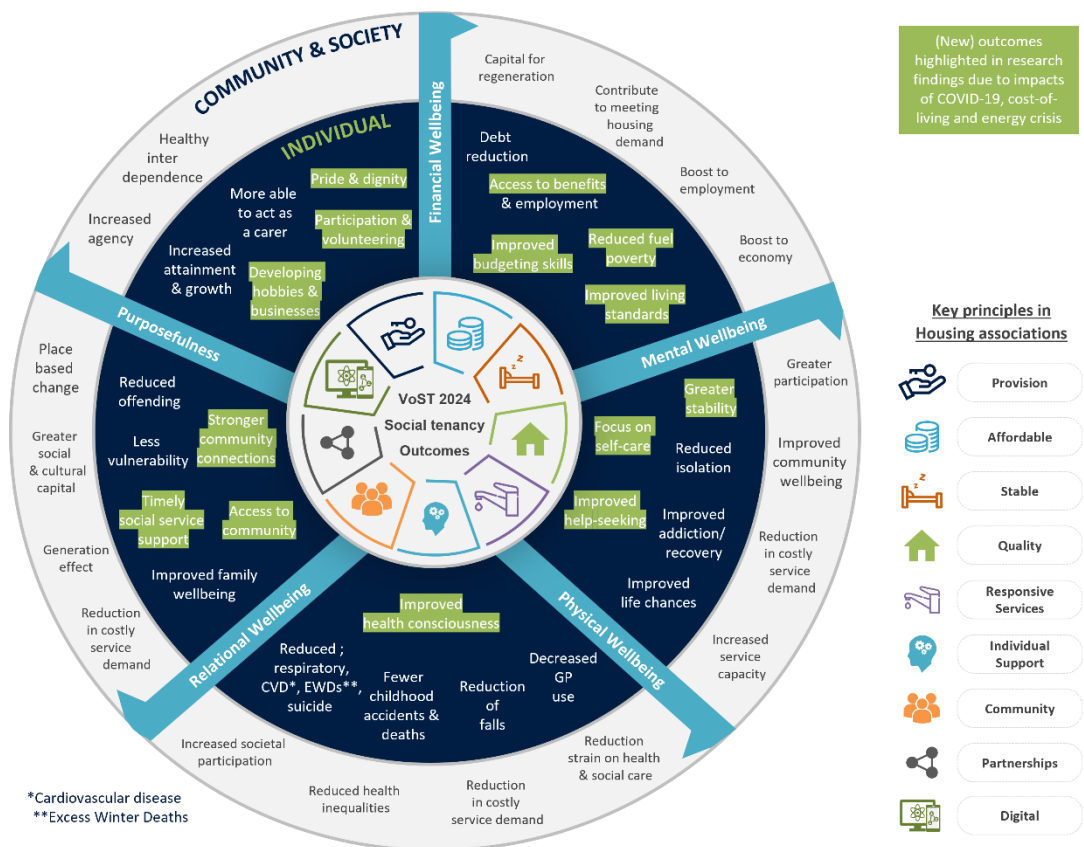
FIGURE 3 VALUE OF SOCIAL TENANCY 2024 THEORY OF CHANGE – KEY PRINCIPLES IN HOUSING ASSOCIATIONS



The outcomes framework (Figure 4) shows how the key principles in housing associations (the inner circle) can lead to individual (the middle ring), community and societal outcomes (the outer ring) under each pillar of wellbeing

(the light blue arrows around the circles). Findings from interviews and workshops found that most outcomes in the original framework continue to arise, improving the wellbeing of social tenants' lives (see original outcomes framework in Appendix E). Outcomes in green are new or existing indicators highlighted by participants in the current update as key positive outcomes of social housing, in the face of recent societal changes. It is worth noting that, while the outcomes are shown under one specific pillar of wellbeing in the framework, most outcomes could appear within multiple pillars and are directly or indirectly associated with them.

FIGURE 4 VALUE OF SOCIAL TENANCY 2024 THEORY OF CHANGE – OUTCOMES FRAMEWORK OF A SOCIAL TENANCY



5. Updated segmentation for 2023/2024

Before 2023/2024, VoST was underpinned by three social tenancy profiles: ‘Comfortable’, ‘Squeezed’ and ‘Struggle’. This segmentation represented the reality that not every tenant living in social housing was thriving, and was a consolidation of Hyde’s most recent customer segmentation data.

Following feedback from tenants, these profiles have been renamed so that, generally speaking, comfortable is now ‘Thriving’, squeezed is now ‘Managing’ and ‘struggle’ remains as ‘Struggling’. The boundaries for these profiles have also shifted as a result of the lasting effects of COVID and the cost-of-living crisis.

Each storyline describes what a tenant’s life would look like based on the five pillars of wellbeing. They form an important foundation of the customer segmentation in the VoST model and split a housing association’s tenant profile into three categories, which in turn attracts different values within the model, based on their different storylines and outcomes.

Thriving

● Financial 4.5
● Physical 3.5
● Mental 4.0
● Relational 4.5
● Purpose 4.0

Social tenants who are generating the greatest value and are comparable in many respects to national averages across the five pillars of wellbeing. Some may be doing better financially than peers in other housing situations. Social tenants in this category were able to absorb the increased cost-of-living without huge impact to their savings. Wellbeing factors may include stable employment and children stable in school. They may have chronic health conditions but are seeking help and striving to improve them. They would have clear aspirations, hobbies or interests, and would be contributing back to their community.

Managing

● Financial 2.5
● Physical 4.0
● Mental 3.0
● Relational 3.5
● Purpose 3.0

Social tenants who may be worse off than average financially. They are likely to be in unstable employment or unemployed. They are managing to keep their lives together but it has an impact on ability to pay rent consistently, afford food and eat well, parent well, and keep on top of money. Financially, they may be juggling bills and likely to be in arrears at periods throughout the year. Their children are more likely to struggle at school and attain well. Poor mental / physical health is starting to have an impact on daily living.

Struggling

● Financial 1.5
● Physical 2.0
● Mental 2.5
● Relational 2.0
● Purpose 1.5

Social tenants who have one or more of the wellbeing elements impacting on life significantly. They may have severe physical or mental health difficulties which impact upon daily living, and which are poorly managed. Finances may be in extreme difficulties. Children may be struggling at school and at home. They would likely be receiving multiple support from the housing association. They may be at risk of eviction, risk of crime is high (victim or perpetrator), and have a high use of emergency services.

The five bars represent the five pillars of wellbeing of a social tenant’s life. The blue bar represents the range of wellbeing of a typical tenant in that category under each pillar, recognising for example, that people in the ‘Thriving’ profile may have a different health status or various levels of wellbeing. The red arrow indicates the approximate mean values – the average position. From this, we can determine into which VoST segmentation archetype they fall. For example, a ‘Managing’ social tenant may have good physical health but be struggling in other pillars of wellbeing, while another ‘Thriving’ social tenant may have poorer physical health because of a mobility issue, but could be doing well financially.



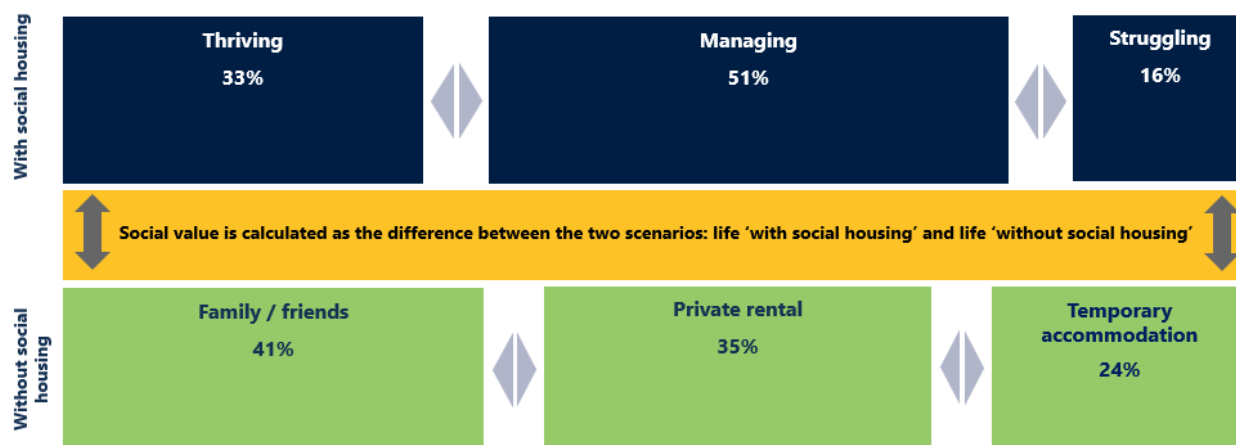
These are archetypes and so represent a ‘typical tenant’ based on research findings; they represent a blend of cases and instances that have been described in both workshops and interviews, and indeed the earlier research. Each of the three profiles could include a single person, a family, or a couple, or indeed other mixtures of tenant households. Further detail is available in Appendix G.

5.1. VoST segmentation for 2023/2024 : data and figures for Participant HAs

The segmentation of each housing association’s portfolio of general needs tenancies is important, because it forms the link between the tenancies and the standardised, researched tenant storylines on which the values of outcomes are based.

Error! Reference source not found.5, shows the updated, average customer segmentation across the six Participant HAs for 2023/2024. CORE²⁸ data has also been updated for 2023/2024 for each of the counterfactual scenarios: Temporary Accommodation, Family and Friends, and (low end) Private Rental. Details on the approach to segmentation can be found in Appendix G.

FIGURE 5 AVERAGE SEGMENTATION ACROSS SIX PARTICIPANT HAs AND UPDATED COUNTERFACTUAL SPLIT



A change in the boundaries for ‘thriving, managing and struggling’

Based on discussions with tenants, staff and experts in housing (steering groups and academics from Sheffield Hallam University), as well as a desktop analysis, the boundaries of ‘Thriving’, ‘Managing’ and ‘Struggling’ have been adapted from previous years. The boundaries for ‘Managing’ have extended to include those at the bottom end of ‘Thriving’ and those at the top end of ‘Struggling’.

- Tenants in ‘Thriving’ generally continue to thrive – although there are bumps in the road, COVID has taught them how to prioritise their physical and mental health and, whilst the cost-of-living crisis has made life more difficult, they can largely afford to continue their lifestyles without change. These tenants remain in line with the national average.
- However, the tenants at the bottom end of ‘Thriving’ are more likely to be finding it harder to manage than previously (due to the cost-of-living, the effects of COVID etc.)

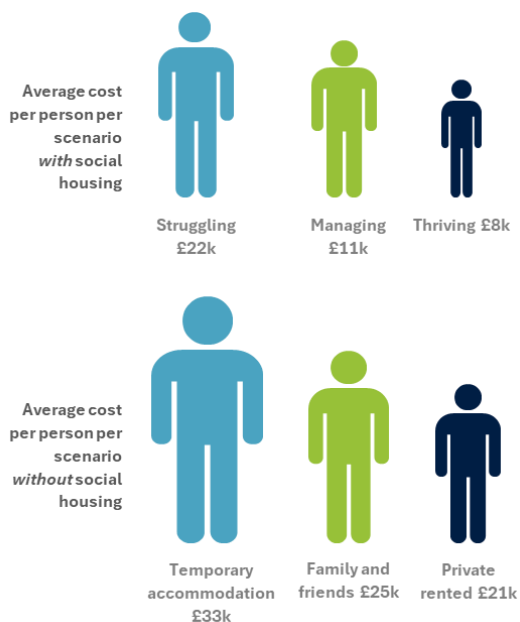
²⁸ Department for Levelling Up, Housing and Communities (2024). Social housing lettings in England, tenants: April 2022 to March 2023

- Likewise, at the top end of 'Struggling', tenants are benefitting from support that housing association foundations have been able to offer throughout COVID; this support continues today, e.g. in relation to helping tenants access digital services.

Figure 6 shows the average cost per person with and without social housing. VoST calculates the cost of people in each housing scenario and then to determine the social value, it calculates the difference in cost between those in social housing and those not in social housing. Costs are proxies for outcomes that people might experience in each housing situation and include costs to the economy (e.g. likelihood of being unemployed - and so loss of GVA), nhs (e.g. likelihood of drug and alcohol issue through living in vulnerable situation), police (e.g. likelihood of police call outs), education (e.g. likelihood of being NEET)...(further detail of cost headings by stakeholder is listed in figure 8, below).

In general, those living in social housing are less 'costly' than those living without social housing; **tenants who are 'Thriving' generate the most social value.**

FIGURE 6 - AVERAGE COST PER PERSON WITH AND WITHOUT SOCIAL HOUSING



5.2. Recommendations for future segmentation

A consistent approach to segmentation is important because it means increased certainty over VoST figures; this means figures will be consistent year-on-year and therefore comparable. This will allow an individual housing association to compare year-on-year, and enable the sector to benchmark and compare.

This consistency will allow for housing associations to better understand their tenants. Discussions with Participant HAs have demonstrated the added value of the segmentation work because, through offering a deeper understanding of their tenants, some housing associations felt that this would enable them to:

- Track neighbourhoods over time in order to identify where to target resources;
- Identify tenants who are borderline struggling/managing, or managing/thriving. Through moving a tenant from 'Managing' to 'Thriving', a lot of value is generated (because those in 'Thriving' are the lowest 'cost')

(see Appendix G) and help identify what these tenants need. A more detailed segmentation would provide this information.

- Talk with partner organisations, local authorities etc. A more detailed segmentation analysis would allow for VoST to be broken down, e.g. by area, so that value can be articulated specifically.

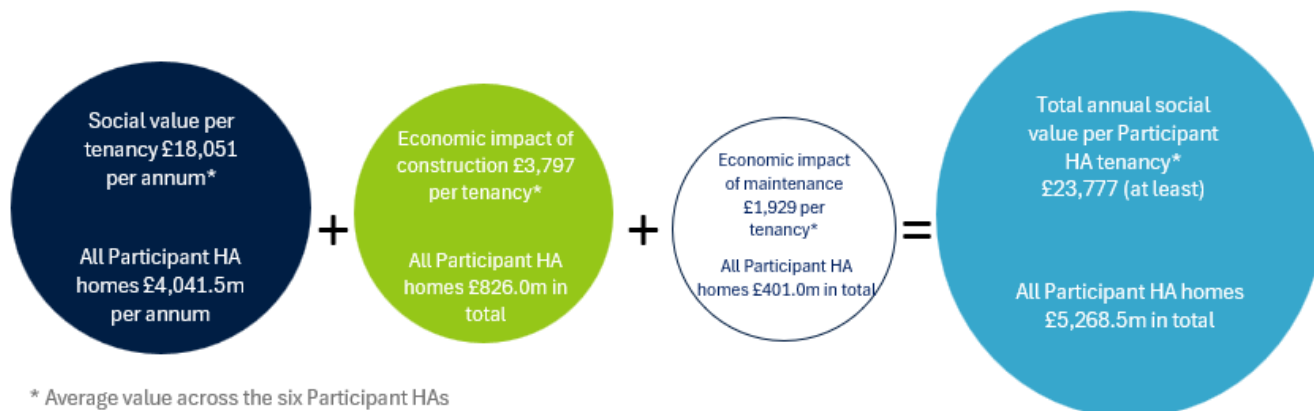
Further detail relating to the proposed segmentation for future years is available in Appendix G.

6. The Value of a Social Tenancy 2023/24

6.1. The value of a social tenancy 2023/2024 – combined total across the six Participant HAs

Social value is generated from a combination of better outcomes for individuals, avoided cost, the economic value created, and the more efficient use of resources. Figure 7 shows the minimum social value of a tenancy (average value per tenancy) across the six Participant HAs for 2023/24, as well as the value of their spending on construction and maintenance (all using methodologies consistent with those used in earlier years). This gives a total annual social value per tenancy (average) as well as a total figure for all Participant HA tenancies:

FIGURE 7 SOCIAL VALUE PER TENANCY AND SOCIAL VALUE HEADLINE FIGURES



Total social value per tenancy, and across the Participant HA’s 221,398 general needs tenancies: Across the six Participant HAs, the **total** social value in 2023/2024 was *at least* **£5.27 billion for all 221,398 tenancies**. This is an average of *at least* **£23,777 per tenancy**. This includes social value generated per tenancy plus the economic impact resulting from spending on construction and maintenance.

These figures are given after discounting for deadweight of 5% (reflecting the possibility that the benefits of social tenancies might have arisen without the social tenancy being provided), and alternative attribution of 40% (reflecting the likelihood that other factors, individuals, and agencies have contributed to realising those benefits, even if the social tenancy was the catalyst).

Breaking this total down:



Social value per tenancy (average) (excluding construction and maintenance impact): Across the six Participant HAs, the social value in 2023/24 was *at least* **£4,041.5m** (across the total portfolio of 221,398 general needs tenancies), or an average of *at least* **£18,051 per tenancy**.

Economic impact
of construction
£3,797 per
tenancy*

All Participant HA
homes £826.0m in
total

Economic impact of construction: The annual total construction impact in 2023/2024 across the six Participant HAs was *at least* **£826.0m** (for all 221,398 tenancies), being an average of *at least* **£3,797** per tenancy.

Note that the construction spend only relates to the part of the portfolio constructed during the year, but it has been averaged across all the tenancies in the portfolio (221,398 general needs tenancies).

Economic impact
of maintenance
£1,929 per
tenancy*

All Participant HA
homes £401.0m in
total

Economic impact of maintenance: The annual total maintenance impact in 2023/2024 across the six Participant HAs was *at least* **£401.0m** (for all 221,398 tenancies), being an average of *at least* **£1,929** per tenancy.

Note that the construction and maintenance impact figures may be slightly lower, as this data was not available for all six Participant HAs.

The make-up of the value of a social tenancy – value to stakeholders

Social value per
tenancy £18,051
per annum*

All Participant HA
homes £4,041.5m
per annum

Looking at the social value only (excluding the impact of construction and maintenance), the social value of *at least* £18,051 per tenancy, or *at least* £4,041.5m for all Participant HA homes (221,398 tenancies), is made up of social values achieved from the perspective of specific stakeholders. This total social value of £4,041.5m is broken down by key stakeholder in ***Error! Reference source not found.***⁸ below:

FIGURE 8 – TOTAL SOCIAL VALUE OF A SOCIAL TENANCY BY KEY STAKEHOLDER

Economy	£1,796.1m	<ul style="list-style-type: none"> • 76,555 more adults were enabled to be in work through the stability of social housing situations, generating £1667.9m; • Social tenancies reduce presenteeism, valued at £22.2m; and • Social tenancies halve absenteeism to 10 days a year, valued at £106.0m.
NHS	£1,026.5m	<p>People living in social housing have improved physical and mental wellbeing, resulting in:</p> <ul style="list-style-type: none"> • Fewer drug and alcohol issues; £48.2m and £88.1m, respectively; • Fewer falls for the elderly; £10.5m; • Reduced incidence of childhood asthma (£2.4m) due to damp living conditions; and • Fewer GP and A&E visits; £47.9m and £829.4m, respectively.
Police and Justice	£497.4m	<p>People living in social housing are less likely to be involved in, or be victims of crime. This:</p> <ul style="list-style-type: none"> • Reduces the number of police callouts not resulting in an arrest, saving £56.2m; and • Results in 63,889 fewer incidents, saving £441.2m.
Local Authority	£425.2m	<p>Local authority savings are the result of:</p> <ul style="list-style-type: none"> • Moving 52,164 residents out of temporary accommodation, saving £364.0m; • Helping the elderly stay independent for longer, delaying a move into residential care, saving £50.7m; and • Children living in social housing being less likely to be on the Child Protection Register, saving £10.5m.
DWP	£129.5m	<p>People living in social housing are more likely to be employed, reducing Universal Credit claims.</p>
Education	£137.6m	<p>Children living in social housing are more likely to attend school and have improved earning potential.</p>
Banks and creditors	£14.8m	<p>People living in social housing are less likely to have problems with debt (compared to those living in the counterfactual).</p>
Fire service	£14.4m	<p>Secure, safe and high quality social housing (along with housing association support) reduces the risk of domestic fires.</p>

6.2. Updates to VoST

The VoST model has been updated in three ways:

- Costs and national averages updated
- The lasting effects of COVID and the cost-of-living crisis have been included
- Digital wellbeing outcomes have been included.

Costs and national averages in VoST updated

All costs used in VoST have been updated for inflation. Costs taken from the Manchester Unit Cost Database²⁹ (“MUCD”) have been updated to take the most recent cost available (and are therefore updated through the MUCD

²⁹ Greater Manchester Combined Authority (2022). Unit Cost Database.

inflation rates specific to that cost setting). All other costs have been updated using the 2023/2024 values available in the GDP deflators at market prices³⁰; this is in line with best practice (as per The Green Book and Magenta Book)³¹.

All national averages have been reviewed to determine whether an update is required; this is done by taking the latest available research and matching it with anecdotal evidence from workshops and interviews. Where an update is required, the likely assumptions for that cost area are then adjusted for each profile in both the factual and counterfactual scenarios. Again, this is done in line with available research and evidence from workshop participants. In this way, assumptions are also assessed to determine whether a change needs to be made in light of the cost-of-living crisis, or the lasting effects of COVID.

These changes are detailed in Appendix H – note that this is not an exhaustive list of all changes made to VoST costs and national averages for 2023/2024, rather those of particular significance.

Updating the VoST model for the lasting effects of COVID and the overall cost-of-living crisis

With regard to updating VoST for the lasting effects of COVID and the overall cost-of-living crisis, detailed findings are available in section 3.2 and appendix D. In summary, for the purposes of the VoST calculations, workshops and interview participants discussed that, generally, for every outcome that was negatively affected in their lives because of COVID, there was often (but not always) a corresponding positive. For example, tenants spoke of how their mental health deteriorated during COVID, but how they had learnt to prioritise this since COVID, and were doing better than before. They also spoke of how they felt a stronger connection to their neighbours since COVID. The protective factors of social housing have been able to hold tenants steady in the face of real adversity. Further research is required to understand the true impact of COVID and the cost-of-living crisis on the counterfactual; this is an emerging area of research.

Detailed changes to assumptions resulting from COVID and the overall cost-of-living crisis are listed in Appendix H. In terms of the VoST calculations, a very brief summary is listed below – this is not an exhaustive list. **Percentage changes are listed as compared to VoST 2021/2022** (the most recent VoST):

- **Increased cost of temporary accommodation (+4.4%):** - driven by rising costs and the housing emergency, there is an increased demand for temporary accommodation; “the number of homeless children in TA [has] hit [a] record high”.³² Indeed, as workshop participants stated when asked where they would be if there were no social housing, “there are no friends’ sofas to sleep on [anymore]”. This all contributes to the increase in cost.
- **Problem debt: increased amount of average debt (+24.7%):** The amount of unsecured debt has increased considerably as per Step Change’s report: “A ‘cost-of-living increase’ is the second most common reason for debt (first is ‘lack of control over finances’), up by nine percentage points year-on-year to 15% in 2022”³³. However, workshop participants considered that it wasn’t that more people were going into debt but that those in debt were going further into debt. It was felt that rather than going into debt, people were ‘more desperate’, and so relying more on food banks and local community organisations (e.g. church welfare groups). This is in

³⁰ HM Treasury (March 2024). [GDP deflators at market prices, and money GDP March 2024 \(Quarterly National Accounts\)](#).

³¹ HM Treasury (2023). [The Green Book \(2022\)](#).

³² Shelter (2024). [‘Rough sleeping soars by 27% while number of homeless children in temporary accommodation hits another record high’](#).

³³ StepChange. [Personal Debt in the UK January to December 2021](#).

line with the latest data available from the ONS. As such, the likelihood assumption of being in debt has not been changed in VoST; however, the amount of debt has been updated.

- **GP visits (+16.7%):** NHS data from January 2024 shows an increase in GP visits; it lists 12,000 additional GP visits due to COVID vaccinations³⁴, but this was not the only reason for the increase. Tenants in workshops who said that they attend the GP slightly more since COVID, due to prioritising their health, or for the COVID vaccine. The likelihood assumptions of attending the GP have been increased slightly (by 1 GP visit a year) in the ‘with social housing’ scenario to reflect this.
- **Young people not in education, employment or training (NEET) (+7.1%):** No evidence to inform this percentage increase was gained from workshops and interviews and there is limited research available; however, it is likely that the rise is “driven by an uptick in youth unemployment”³⁵ although unemployment rates have actually dropped overall. The profiles were adjusted slightly to reflect this increase.
- **Per capita Gross Value Added (GVA) (+7.2%):** Increased as expected, (as always for VoST, this figure is 80% of the average GVA for England). Currently the GVA figure employed is for England in general, however, as HA’s develop their segmentation, this can be adjusted to include GVA figures specific to each region in which the HA operates.

In general, the counterfactual has been prudently adjusted, e.g. a slightly higher risk of being NEET (see evidence above). With further research it is highly likely that the outcomes for those not living in social housing will drop even further.

Updating VoST for digital wellbeing outcomes

An emerging theme which has not been incorporated into the VoST calculations for 2023/2024, but which deserves particular note, is “digital wellbeing” (further detail is available in section 3.4). It has not been included in VoST as the effects of digital wellbeing (or lack thereof) are not yet fully understood and researched.

Indeed “what is digital wellbeing?” is an area for discussion. It extends from digital exclusion right through to digital overuse, e.g. mental health difficulties as a result of social media influence or physical health difficulties (such as weight gain) from too much screen time and reduced exercise. This is to be researched further as part of Phase 2 of this project.

In light of the above, it is not possible to determine either a new cost proxy for digital wellbeing in and of itself or, indeed, how existing proxies need to be amended to reflect changes in digital wellbeing across ‘Thriving’, ‘Managing’ and ‘Struggling’, as well as the counterfactual scenario (e.g. it is not clear how digital wellbeing affects mental health and whether there is an increased need for NHS funded mental health services through reduced digital wellbeing or indeed, if these services would be available even if there were an increased need).

However, the impact of digital wellbeing on generating positive outcomes across the five pillars of wellbeing is pivotal. *Housing association support in this area is a key driver in VoST 2023/2024 in terms of holding steady the outcomes that are seen across ‘Thriving’, ‘Managing’ and ‘Struggling’ when compared to previous year VoST assumptions.* This is particularly the case regarding the outcomes in ‘Managing’ and ‘Struggling’, where housing associations provide invaluable support in relation to digital inclusion. Further details relating to digital wellbeing can be found in section 3.4.

³⁴ [NHS England \(2024\). Appointments in General Practice, January 2024.](#)

³⁵ [Resolution Foundation \(2023\). ‘Concerning rise in NEETs driven by uptick in youth unemployment’.](#)

7. Opportunities: VoST and HACT UK Social Value Bank

When updating the VoST model for 2023/2024, the proxies used in the HACT UK Social Value Bank were reviewed to determine whether any would be appropriate for use in the VoST model. Although the HACT proxies are in line with VoST, the VoST model has not currently been updated to include any proxies from the HACT UK Social Value Bank. This is something that Sonnet will continue to work with HACT to explore. The two approaches are thematically similar, but the proxies in the two models look at slightly different elements and so further information is required to determine the extent of overlap:

- The HACT UK Social Value Bank looks at a more compound cost (impact): direct wellbeing outcome plus wellbeing top up plus exchequer including health, whereas VoST looks at individual cost lines. There is a risk of double counting if the HACT UK Social Value Bank calculations were to be used without going right through to the source data for each individual cost line.
- VoST calculates the impact of an individual tenancy, whereas the HACT UK Social Value Bank calculates the impact across a whole neighbourhood; the underpinning data for these calculations should overlap with VoST.

Therefore, the HACT UK Social Value Bank and VoST are different but complementary. Further detail regarding the overlaps and differences is available in Appendix I.

8. Conclusion

The current housing crisis calls for more resources to be invested into building more social housing. The updated findings in this research provide evidence for this. This evaluation spanned 221,398 general needs tenancies across six housing associations. The Value of a Social Tenancy across that group has increased this year as a result of:

- Reframing the stories around the new information gathered, adjusting the numbers falling into each storyline banding, but also some of the probabilities and assumptions that underpin the financial modelling;
- The refocusing of the segmentation process; and
- Uplifts in many of the underpinning costs and income effects.

On the working and operationalising of the VoST model, this project has been able to:

- Update the financial proxies and assumptions to reflect the new research and updated costs;
- Simplify and revise the segmentation approach – how the tenants in housing association portfolios are split between the three new storylines: ‘Thriving, Managing, and Struggling’.

The 2024 VoST value per social tenancy stands at least £18,051 per annum, per tenancy from the social effects, with a further average of £3,797 per annum of build cost benefits per tenancy (£826m in total), and £1,929 per annum per tenancy of maintenance spend (£401m total).

Based on this, and what can be extrapolated from sampling six housing associations, the estimated total value being brought by the social housing sector of 4.2 million social properties (2.5 million owned by housing associations)³⁶ is at least £77.7 billion a year (or at least £46.3 billion for those properties owned by housing associations).

This sits alongside the joint campaign by Shelter and the NHF that calls for the building of 90,000 social homes per year with a projected benefit of £32.6 billion in the first year with the economic impact of construction.³⁷

In revisiting of the stories of tenants and the effects brought through their social tenancies, it was clear that the eight principles of a social housing that create value (Figure 4) have been joined by Digital Access and Inclusion.

In this, housing associations are not only improving access for tenants to information and support, but are also working with them to help them to use that access: neither lack of internet access, nor the skills to use it should stand in the way. Of the original eight:

- The sustainability of the tenancy has been reframed as being stable – reflecting the previous focus on the tenant being able to stay for five or more years, rather than the (economic and environmental) sustainability.
- Decent Homes has become Quality homes to emphasise that it anticipates something better than merely meeting the Government’s ‘Decent Homes’ standard.

The outcomes achieved have also expanded, with tenants supported to:

- Improve self-care in health and mental health arenas;

³⁶ [Department for Levelling Up, Housing and Communities \(2024\). Social housing lettings in England, tenants: April 2022 to March 2023.](#) (all social housing)
[Department for Levelling Up, Housing and Communities \(2023\). English Housing Survey 2021 to 2022: social rented sector.](#) (housing association only)

³⁷ [Centre for Economics and Business Research \(2024\). The economic impact of building social housing: executive summary.](#)

- Moderate fuel poverty;
- Gain improved access to benefits, wider public services and better living standards;
- Develop stronger community access and connections; and
- Widen social engagement, hobbies and skills, pride and dignity.

In terms of additional findings from the 2024 research, two specific additional challenges were identified that did not show in the 2017-18 work:

1. In-Work Poverty

With rises in fuel prices and the cost of food and other staples, there is a growing group that, despite being in work, cannot afford to sustain themselves. This is worsened by wages not keeping up with rising prices, and the uncertainty of zero-hours or other call-off type employment contracts that bring income uncertainty. This is a problem that is helped by the stability of tenancies but is still an enormous challenge for many.

2. Digital Exclusion

Increasingly, ordering and paying for goods and services, contacting people in the community and further afield, accessing health and other public services and information, are available online and hard to access without digital access and skills. Without digital access, money management and banking are also problematic, if possible at all, and this difficulty then impacts upon the cost-of-living and access to income.

Segmentation

The change in segmentation approach because of the different segmentation data available from Participant HAs compared to prior years (being mainly arrears data and so a bigger emphasis on this) is a big driver for the increase in social value seen to those Participant HAs who have calculated VoST in prior years (generally, with more tenants in 'thriving' than prior years). Other drivers for change in value include change in costs (inflation and new proxies), and updates to the CORE data (split of Temporary Accommodation, Private Rental and Family and Friends). The changes in segmentation are also reflected in the stories being told by tenants:

- More who were 'Struggling' are now 'Managing', both through increased support by the housing associations, as well as the growth in their own coping strategies over the last four years after all that has been thrown at them.
- Some of those who were 'Thriving' have been moved to the 'Managing' group as the challenges of COVID, the cost-of-living crisis and employment uncertainties have challenged them.
- Those who are 'Thriving' continue (and increasingly) benefit from the protective factors of a social tenancy to provide a foundation from which to build their best lives.

In terms of other demographic trends noted, the most evident was of an increase in single parent families amongst the group.

This shows that support for these families, and the stability that social housing brings, are more needed than ever.

Next steps

The plan is to evolve this work into a Phase 2 that enable the updated VoST model to be launched on the HACT platform. From the experience of working with 6 HAs for Phase 1 it has been possible to apply and use the new segmentation with different approaches to the data from different housing associations, and for each, nevertheless, to come out with meaningful figures and analysis.

The key steps to making VoST easily usable on the HACT platform are:

1. Refining the inputs to the model so they can be used on the platform, based on the refined segmentation approaches and options, and the other key data inputs identified.
2. Reviewing how the financial proxies used in the VoST model overlap with proxies used in the HACT UK Social Value Bank, developing the initial review undertaken in 2023, and refining the VoST model if and as necessary to optimise that overlap.
3. Developing how it works best on the platform, with input from housing associations and other interested parties as to the questions they want it to answer and how they need it to do that.

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