

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

## Appendices

May 2024



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### **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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## Appendix A: Detailed note on CEBR report

### 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 National Housing Federation[EL1]: “*The economic impact of building social housing*” (2024), was published<sup>1</sup>. It explores the case for, and calculates the benefit (£51.2bn) of, constructing 90,000 new social housing units. It evaluates this through a net present value calculation by assuming capital spend in year one and net inflows from the Exchequer and local economy gains, (as well as gains to others), from years 2 to 30. These are then discounted to present value (at an undisclosed rate). It uses (2021/22) CORE data for assessing the counterfactual – where tenant households were before they became tenants in the new social housing - and draws mostly from the private rented sector. It assumes that all tenants have at least one adult in the household in work, and looks at the gain to local communities who have people in work who spend their earnings and generate tax revenue for the Government. It draws on VoST methods and figurework in looking at some wider social gains, and indeed Sonnet and Hyde supported the research, providing briefings and data for the evaluation team at an early stage in their work. It focuses particularly on the construction and maintenance of the properties, including the jobs created to do that, and assumes that – as now – the bulk of funding comes from housing associations’ cross subsidy and borrowing, and s.106 contributions through the planning system, with direct government grant making up only a third of the cost. It models the gains that flow from that, in the short, medium and long terms. Whilst it assumes that most tenants come from the private rented sector, it does not consider what happens to the properties they are leaving.

CEBR also explores the stabilising effect on the wider economy of the construction of fully supported social housing. This is a point that this report’s authors support, but one which is not explored in the VoST work.

This is a different approach to VoST, with a different purpose, but the two are reconcilable. VoST focuses on a developing and operating portfolio made available on social tenancies, as well as the annual gains associated with this. Because it is based on detailed storylines for typical tenants, it brings in more in the way of social gains from the tenancy and operation, which could helpfully enhance the view in the CEBR figures. On the other hand, it only brings in the capital spend in the year to maintain and develop the portfolio, rather than the full build and maintenance cost of every property, and takes only the spend net of the Government capital grant, as against CEBR, which takes the gross build cost. At their heart they answer two different, but related, questions:

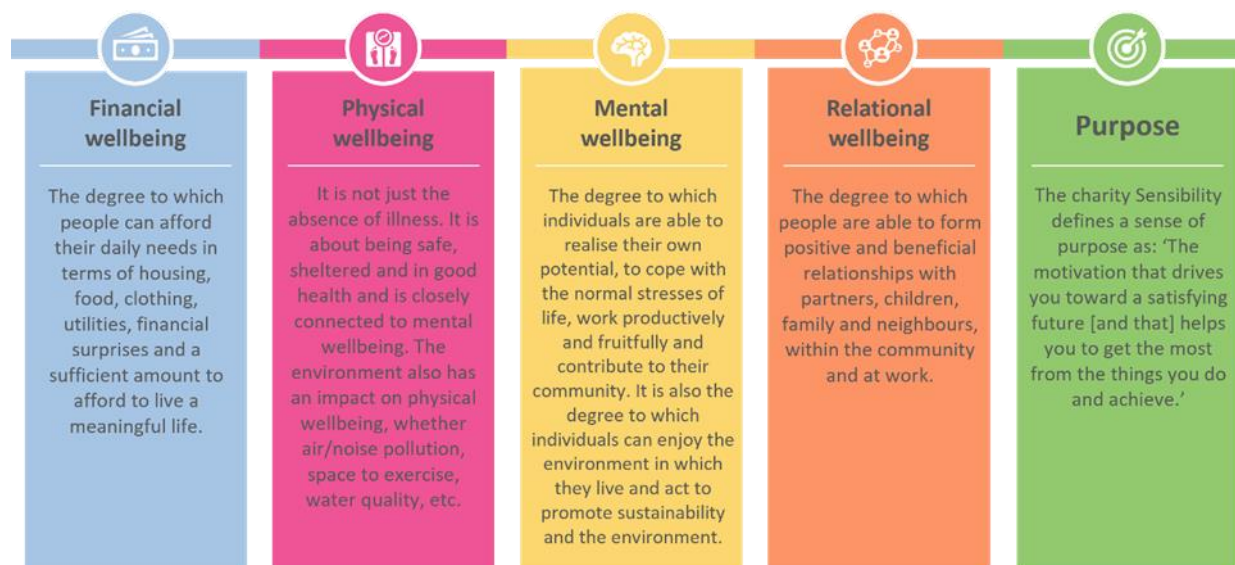
- |             |  |
|-------------|--|
| <b>VoST</b> | What is the (annual) value brought to tenants, communities and wider stakeholders, including the Exchequer, by maintaining and operating a social tenancy in a general social housing portfolio?                     |
| <b>CEBR</b> | What is the present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

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<sup>1</sup> [Centre for Economics and Business Research \(2024\). The economic impact of building social housing: executive summary.](#)

## Appendix B: The Five Pillars of Wellbeing

The diagram below provides definitions for each of the five pillars of wellbeing





## Appendix C: Workshop and Interview Participants

<b>Residents</b>	<ul style="list-style-type: none"> <li>• 2 workshops (13 participants from 3 HAs)</li> <li>• 3 interviews (from 1 HA)</li> <li>• Total participation: 16 (incl. 1 shared ownership leaseholder)</li> </ul>
<b>Staff and Community Partners</b>	<ul style="list-style-type: none"> <li>• 1 workshop (4 participants from 1 HA)</li> <li>• 6 HA staff interviews (from 3 HAs, including an interview with Link Group)</li> <li>• 4 community partner interviews (from 1 HA)</li> <li>• Total participation: 15</li> </ul>
<b>Steering group and review meetings</b>	<ul style="list-style-type: none"> <li>• 1 steering group meeting with representatives from six HAs, NHF and HACT</li> <li>• Weekly review meetings with Hyde, HACT and project team</li> <li>• Review meetings with Participant HAs</li> </ul>

### The 2024 workshops and interviews focused on three questions to understand the value of living in social housing.

1. What is life like living in social housing?
2. What would life be like without social housing?
3. What are the lasting impacts of COVID and the cost-of-living/energy crises in both housing scenarios?

### Workshop and interview questions

Follow-up questions regarding the specific impact on a social tenant's life across Sonnet's Five Pillars of Wellbeing (Financial, Physical, Mental, Relational wellbeing and Purpose) were explored in order to better understand both the positive and negative changes to the social outcomes in the original model. *(further details relating to the five pillars of wellbeing are available at Appendix B)*

**Desktop analysis** was carried out to validate and expand on findings from workshops and interviews. Recent reports and publications, national statistics, digital databases, as well as impact statements and annual reports from housing associations, were also reviewed.

A **steering group meeting** was held with members from participating housing associations and other project partners, to sense check the findings of interviews and workshops, alongside a plethora of review meetings with Hyde and the other Participant HAs (including Link Group, to gain insights from a Scottish perspective), the NHF, Homes England, and HACT. The project team also interviewed a member of the Centre for Regional Economic Social Research (CRESR) at Sheffield Hallam University, to triangulate the findings against CRESR's insights and explore the knowledge gap that had been discovered in the emerging themes.

### Profiles of workshop and interview participants : Social tenants, housing association staff and community partners

According to the 'English Housing Survey 2021 to 2022: social rented sector', the overall profile of the participants reflected the national profile of tenants living in the social rented sector.<sup>2</sup> Housing and welfare experts in Scotland

<sup>2</sup> Department for Levelling Up, Housing & Communities. English Housing Survey 2021 to 2022: social rented sector.

<b>Age</b>	From 30 – 70 years
<b>Household composition</b>	<b>Over 60% are single household</b> , the rest a mix of couples with no children, single with an older child, or living with other family members
<b>Employment</b>	<b>~40% working</b> (full time, part time or self-employed). The remaining are <b>retired</b> and/or <b>volunteering</b>
<b>Vulnerabilities</b>	Most suffer(ed) from <b>at least one</b> condition including mobility issue, visual impairment, cardiovascular disease, domestic abuse, teenage pregnancy, mental health challenges
<b>Time in social housing</b>	Ranging from <b>2 years to over 50 years</b> , with many staying in social housing for most of their lives, <b>five stayed for over 30 years</b> .
<b>Location</b>	Different regions across England
<b>Happiness</b>	All scored themselves <b>at least 6</b> , with <b>25% scoring 9 or 10</b> .

<b>Staff</b>	<ul style="list-style-type: none"> <li>• Administering grants and hardship funds residents</li> <li>• Coordinators on monitoring data and social value</li> <li>• Frontline managers and officers overseeing various properties (both general needs, supported housing and shared ownership), providing support for residents on day to day and responding to incidents</li> </ul>
<b>Community Partners</b>	<ul style="list-style-type: none"> <li>• Community pastor at a Christian organization</li> <li>• Staff at a community charity organizing youth activities</li> <li>• Primary school teacher</li> <li>• Table tennis club coordinator</li> </ul>

were able to talk to us about the services offered by Link Group, welfare policy development and, amongst other things, ongoing research (alongside Shelter) into the value of social housing in Scotland<sup>3</sup>.

<sup>3</sup> [Social Value Social Housing HACT 2023.pdf \(ctfassets.net\)](https://www.ctfassets.net)



## Appendix D: Updating tenants storylines...the lasting impacts of COVID, and the cost-of-living and energy crises .

Information in the table below comes from workshop and interview participants, unless stated otherwise.

LASTING IMPACTS OF COVID AND THE COST-OF-LIVING AND ENERGY CRISES MAPPED AGAINST THE PROTECTIVE FACTORS OF SOCIAL HOUSING

Lasting impacts of COVID and the cost-of-living and energy crises (negative outcomes)	Protective factors of social housing (positive outcomes)
<b>Pillar one: financial wellbeing</b>	
<ul style="list-style-type: none"> <li>■ <b>Increased rent and bills</b> <ul style="list-style-type: none"> <li>● The Marmot review recognises: “Increased levels of stress and poor mental health associated with financial insecurity”.<sup>4</sup></li> <li>● Number of low income households in arrears is high (47%, up one third from 2021)<sup>5</sup></li> </ul> </li> <li>■ <b>Loss of employment</b> <ul style="list-style-type: none"> <li>● This includes the cost of housing for public service workers (NHS staff, teachers, social service workers etc. are no longer able to afford to live where they work and so are forced out of the area) causing a skills gap to develop in certain areas.<sup>6</sup></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● <b>Affordability and stability</b> <ul style="list-style-type: none"> <li>● <b>Affordability:</b> rent increase capped at 7% for social tenancies in 2023/2024.<sup>7</sup> Whereas private rent increased by 10% (Q3 of 2023).<sup>8</sup></li> <li>● <b>Stability</b> demonstrated in length of tenancy – over 48% of social renters in their residence for 10 years plus (2022 data).<sup>9</sup></li> <li>● <b>Stability:</b> Number of no-fault evictions has gone up by 49% in private rental from 2022 to 2023, putting these people at risk of homelessness.<sup>10</sup></li> </ul> </li> <li>● <b>Improved living standards (compared to other housing situations)</b></li> </ul>
<b>Digital wellbeing and financial wellbeing</b>	
<p>Those who had access to digital assets and were digitally able could look for jobs, check shift work, work from home (or more flexibly).</p>	
<b>Pillar two: physical wellbeing</b>	
<ul style="list-style-type: none"> <li>■ <b>Lack of exercise</b> <ul style="list-style-type: none"> <li>● Bespoke exercise classes for the elderly and those with a physical disability were unavailable during COVID lockdowns; the lasting effect of this is yet to be seen.</li> </ul> </li> <li>■ <b>Access to (nutritional) food</b></li> </ul>	<ul style="list-style-type: none"> <li>● <b>Improved health-consciousness</b> <ul style="list-style-type: none"> <li>● This includes the ability to prioritise physical health and a perception of an improved ability to ask for help (which has not been tested further/in research).</li> </ul> </li> <li>● <b>Reduced risk/impact of fuel source breaking</b></li> </ul>

<sup>4</sup> Marmot M., Allen J., Boyce T., Goldblatt P., Morrison J. (2020) Health equity in England: The Marmot Review 10 years on. London: Institute of Health Equity. p.105

<sup>5</sup> Joseph Rowntree Foundation (2024). UK Poverty 2024.

<sup>6</sup> The Guardian (2024). ‘Affordable housebuilding in London is set to collapse by 75%. That’s a problem wherever you live’.

<sup>7</sup> Regulator of Social Housing. Policy statement on rents for social housing

<sup>8</sup> Rightmove Rental Trends Tracker Q4 2023.

<sup>9</sup> English housing survey 2021 to 2022: Department for Levelling Up, Housing and Communities

<sup>10</sup> Shelter. ‘More than 26,000 no-fault bailiff evictions since government pledge to scrap Section 21’.

- The increased cost of food resulted in an increased number of people accessing food banks, as well as the *perceived* detrimental impact of eating processed food on physical health (as opposed to being able to eat more expensive fresh food).
  - ▶ 12% of universal credit recipients forced to use foodbank in Dec 23/Jan 24<sup>11</sup>
  - ▶ Research on the food types available at food banks is not available, and it is therefore unfair to draw definitive conclusions from this for the VoST model.
  - ▶ Although not relating to food banks specifically, The Marmot review does recognise the negative effect of processed foods: “areas with a high density of fast food outlets will have increased risk of obesity, diabetes and cardiovascular disease. Higher levels of alcohol addiction and alcohol related harm, and an increased risk of depression, trauma, heart disease and stroke”.<sup>12</sup>
- **Fuel poverty**
  - As a result of increased prices, those using pay as you go cards for heating are paying the highest tariffs and are often amongst the poorest in society.
  - Those not living in social housing do not benefit from housing association repair services – if their boiler breaks, either a replacement is unaffordable, or they receive an often unreliable solution from a private landlord.
- 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 the heating not working (unlike any other housing situation – including those who own their own homes).

**Digital wellbeing and physical health**

- Those who had access to digital assets and were digitally able could access online exercise classes. The added accessibility of online exercise classes was discussed, particularly the ability to join online at times that suited tenants’ lifestyles, and join classes that met their needs.
- Many NHS appointments need to be booked online.

**Pillar three: mental wellbeing**

- **Depression from bereavement**
- **Isolation and loneliness**
  - especially for the elderly and vulnerable individuals who had to shelter during COVID, the effects are ongoing today.
- **Disruption from not attending school (caused by COVID and the need to home-school)**
  - Including the need for a table and a quiet place to be able to access school work during lockdowns
- **Stability**
  - An increased appreciation for having a house located near green space with comments such as, “I enjoy seeing the trees and living next to the canal”, being given by a tenant when asked about the thing they like most about their home.
  - Increased appreciation for the stability and sanctuary offered by a social tenancy and the ability to use it as a foundation from which to build independence.

<sup>11</sup> [The Trussell Trust. ‘Over half of people receiving Universal Credit unable to afford enough food’.](#)

<sup>12</sup> [Marmot M., Allen J., Boyce T., Goldblatt P., Morrison J. \(2020\) Health equity in England: The Marmot Review 10 years on. London: Institute of Health Equity.](#) page 105

<p>(something that is not always possible in overcrowded housing situations).</p> <ul style="list-style-type: none"> <li>• Including access to a laptop to be able to access education; this is hard to fund for many parents living in poverty, (especially those with multi-child families). Housing associations recognised the need for digital inclusion and offered laptops to those in need.</li> </ul> <p>■ <b>Stress and anxiety from the increased cost of living</b></p> <ul style="list-style-type: none"> <li>• Although not specifically referred to by workshop and interview participants, The Marmot Review notes the following effects linked to social isolation: “increased likelihood of poor mental health, including depression, cognitive impairment and dementia”.<sup>13</sup></li> </ul>	<ul style="list-style-type: none"> <li>• For many, lockdown meant having time to focus on their homes, which has had a positive effect on their mental health. They spoke of a sense of pride, gaining confidence and dignity because of their homes: “it’s bliss”, “it’s my palace”, “I feel safe [in my home]”. Some shared that their home had enabled them to find safety as a result of domestic abuse during COVID.</li> </ul> <p>• <b>Focus on self-care</b></p> <ul style="list-style-type: none"> <li>• This includes the ability to prioritise mental health (examples were given of changing jobs to hours/location that were more suitable, taking up meditation...)</li> <li>• A perception of an <b>improved ability to ask for help</b> (which has not been tested further/in research)</li> </ul>
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**Digital wellbeing and mental health**

■ Those who had access to digital assets and were digitally able found a wider support network, connecting with friends and family via Skype, or joining support groups specific to their needs; neighbourhood WhatsApp groups to offer help as and when needed were recommended.

**Pillar four: relational wellbeing**

<p>■ <b>Isolation and loneliness</b></p> <ul style="list-style-type: none"> <li>• especially for the elderly and vulnerable individuals who had to shelter during COVID, the effects are ongoing today.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Stronger community connections</b> An increased sense of community from lockdown (examples were given of getting to know immediate neighbours, starting gardening clubs in neighbourhood car parks, bringing chairs into communal halls to have a chat etc.)</li> <li>• <b>Increased access to community</b></li> </ul>
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**Digital wellbeing and relational wellbeing**

As above for mental health – use of the internet to form and maintain support networks; a wider spread of support networks and the ability to contact them for *ad hoc* support. The ability to join online groups relating to specific needs.

**Pillar five: purpose**

<p>■ <b>Loss of employment</b></p> <p>■ <b>In-work poverty</b></p> <ul style="list-style-type: none"> <li>• Particularly for those living in private rented accommodation</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Developing hobbies and businesses</b> <ul style="list-style-type: none"> <li>• Participants spoke of changing their lives since COVID, to finding jobs with hours/locations that suited their lifestyles, noting that they could do this because of the stability offered by their social tenancy.</li> <li>• Many spoke of <i>ad hoc</i> community groups that they had started during COVID which are still running today (e.g. guerrilla gardening groups).</li> </ul> </li> <li>• <b>Pride and dignity</b> <ul style="list-style-type: none"> <li>• As above (for mental wellbeing), given the hardship of COVID lockdowns, an increased</li> </ul> </li> </ul>
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<sup>13</sup> Marmot M., Allen J., Boyce T., Goldblatt P., Morrison J. (2020) Health equity in England: The Marmot Review 10 years on. London: Institute of Health Equity. p.105





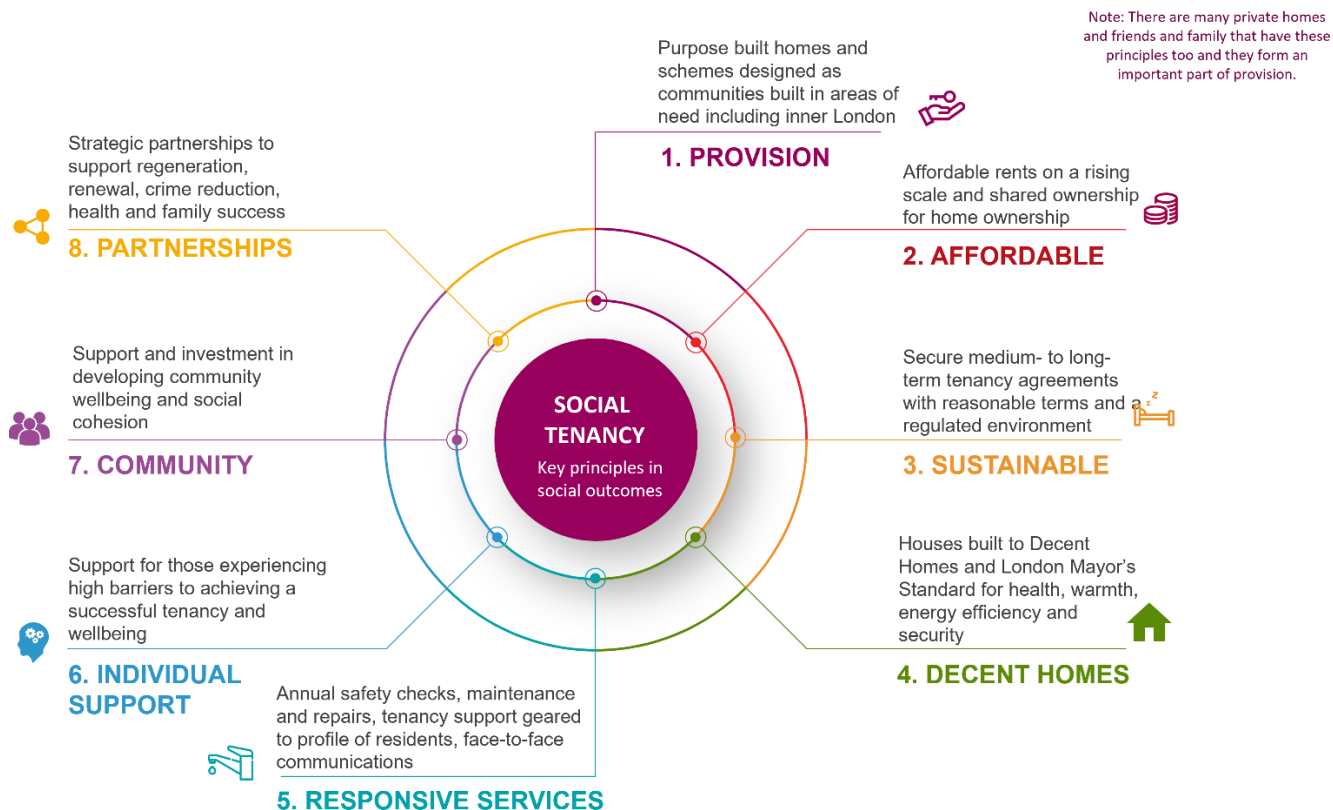
appreciation for the stability and sanctuary offered by a social tenancy and the ability to use it as a foundation from which to build independence.

#### **Digital wellbeing and purpose**

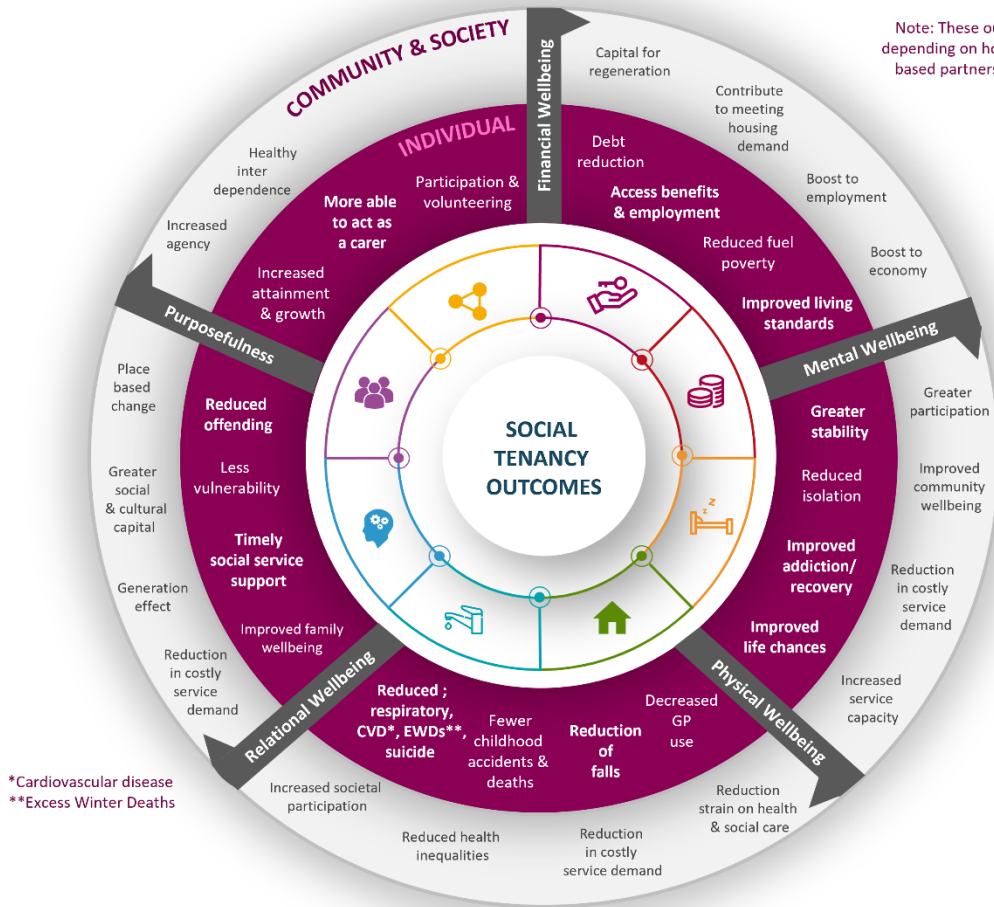
As above, for financial wellbeing – the ability to access job searches/shift work/work readiness, as a result of digital skills ...likewise for community groups and hobbies.

# Appendix E: Original Theory of Change in VoST 2018

## Key principles in Hyde



## Outcomes framework of a social tenancy



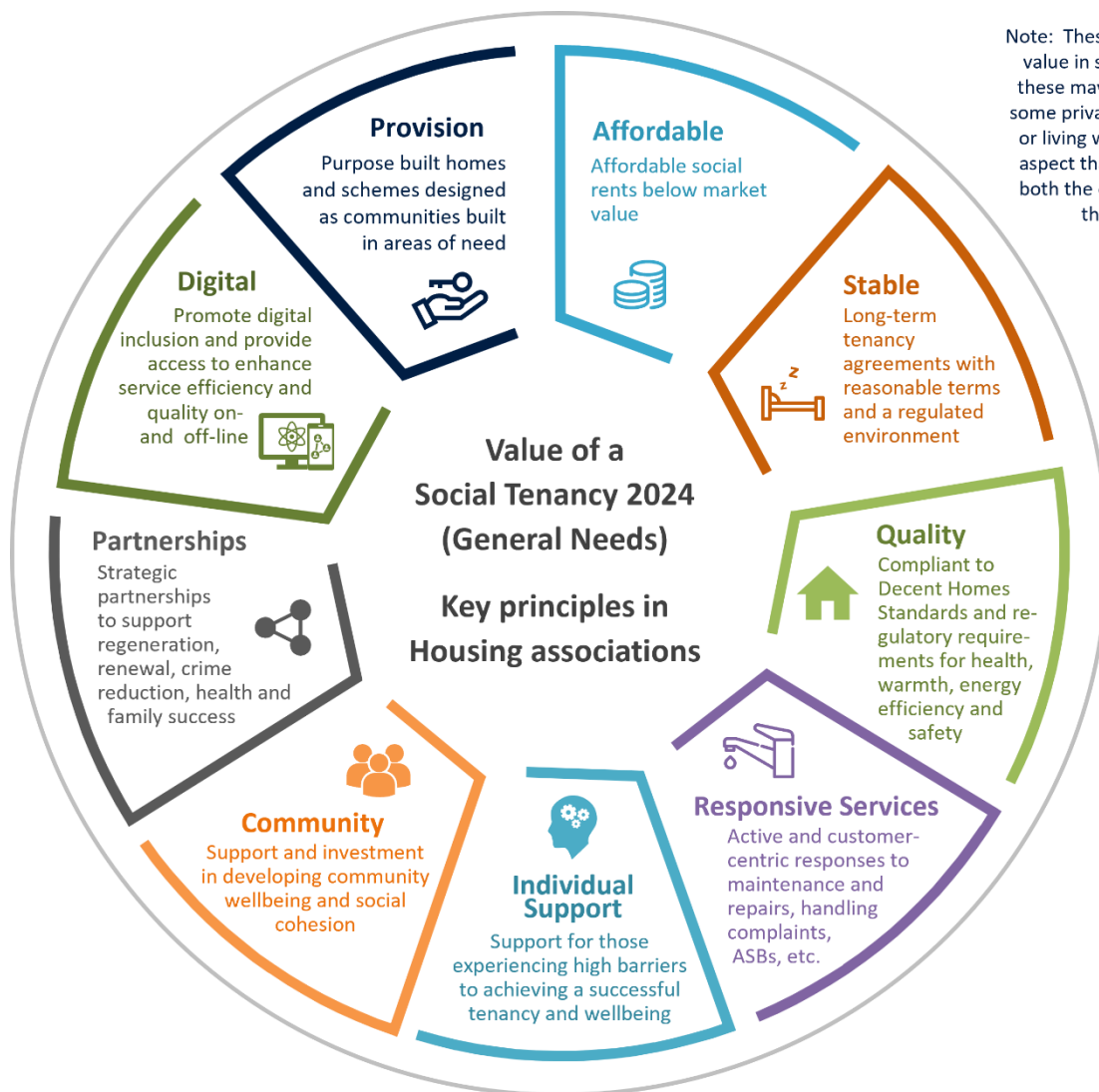
Note: These outcomes have potential to be lesser or greater depending on how outcome focussed orgs are, level of outcome based partnership working, and balance of people with high support needs in communities.

\*Cardiovascular disease  
\*\*Excess Winter Deaths

-  Provision
-  Affordable
-  Sustainable
-  Decent
-  Responsive services
-  Individual support
-  Community
-  Partnerships

## Appendix F: VoST 2024 Theory of Change

### Key principles in housing associations



Note: These are the factors that drive value in social tenancies. Some of these may be available to people in some private rented accommodation or living with friends and family, an aspect that is taken into account in both the outcomes framework and the evaluation itself.

# Outcomes framework of a social tenancy



(New) outcomes highlighted in research findings due to impacts of COVID-19, cost-of-living and energy crisis

- Key principles in Housing associations**
- Provision
  - Affordable
  - Stable
  - Quality
  - Responsive Services
  - Individual Support
  - Community
  - Partnerships
  - Digital

\*Cardiovascular disease  
\*\*Excess Winter Deaths



## Appendix G: Segmentation: Detailed Description of 'Thriving', 'Managing', 'Struggling'

### Thriving

'Thriving' describes social tenants who are generating the greatest value. They are comparable in many respects to national averages across the five pillars of wellbeing. They may have low overall income levels and be recipients of benefits. However, due to the nature of an assured tenancy, some may be doing better financially than peers in other housing situations. Social tenants in this category were also able to absorb the increased cost-of-living without huge impact to their savings. Wellbeing factors may include stable employment and children who are stable in school. They may have chronic health conditions, but be seeking help, striving to improve or be well-managed. They would have clear aspirations, hobbies or interests, and would be contributing back to their community, supporting social tenants in the other profiles to improve their wellbeing.

**Thriving**




*A semi-retired single elderly person who is working part-time in the neighbourhood. She has a heart condition but has been going to the gym daily and getting regularly checked by her GP via digital booking and telephone appointments. She lives close to her children and has good relationships with her neighbours. She is also actively involved in community work.*

### Managing

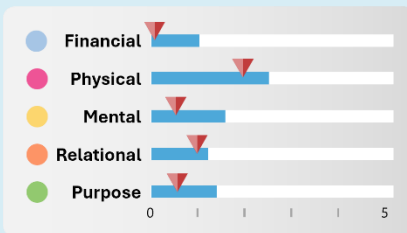
'Managing' describes social tenants who may be financially worse off than the average person. They are likely to be employed but in unstable employment, unemployed for periods or on zero hour contracts. They have low levels of income and are in low paid work. They are managing to keep their lives together despite this but it has an impact on their ability to pay rent consistently, afford food and eat well, support their children in the way they would like, 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 not attain well. Poor mental/physical health is starting to have an impact on daily living.

**Managing**



*A working couple who are in multiple jobs with three children in school. They have very few savings and are only eating soup and bread for dinner. One of their children is self-harming due to depression. The parents are supporting their children but are very stressed. They are just managing to pay the bills but are not able to afford to eat out or have quality time with their family as they are working most days.*

### Struggling



*A single young mother with a young child who has just left an abusive relationship and recently moved into social housing. She is currently unemployed with few savings. They are accessing food banks and getting hardship funds from the Housing Association. She has few connections in the local area as she has only recently moved there. She is finding part time work online using the computers in the council's library.*

### Struggling

'Struggling' describes social tenants who have difficulties in one or more of the wellbeing elements that have a significant impact on life. They may have severe physical or mental health difficulties which impact upon daily living, and which are poorly managed. They may have extreme difficulties with their finances – including uncontrolled problems with debt and a real struggle to pay for food, rent and bills. Their children may be struggling at school and at home with repeated school absences and low educational achievement and attainment. They would likely be receiving multiple support from the housing

association. Children's services are likely to be engaged with the families in this profile. They may be at risk of eviction, the risk of being involved in crime will be high (either as a victim or a perpetrator), and they will have a greater use of the emergency services.

### Developing a Consistent Approach to Segmentation

Hyde and Participant HAs have also explored how a segmentation approach can be developed to segment housing association portfolios into the VoST storylines for the coming years. This segmentation 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. To achieve this, a number of levels of segmentation are proposed (with increasing data points and, therefore, increasing certainty with which a housing association will be reporting as it moves through the levels).

The diagram below details this proposed approach to segmentation for future years. The letters in brackets represent which of the five pillars each data point relates to ((F) Financial, (P) Physical, (M) Mental, (R) Relational, (Pu) Purpose). Level I is the entry point and the minimum data that housing associations would need to provide; it would be based on arrears only (this is suitable given that arrears offers an indication of wellbeing in each of the five pillars) and then move through the levels. Increasing data points will provide increased certainty over the segmentation and VoST figures.

This will, in turn, 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 to identify where to put 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 **Error! Reference source not found.** section 5.1). More detailed segmentation would identify what these tenants need.

- 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 to partner organisations etc.

### A short note on ACORN data:


Across all Participant HAs, ACORN<sup>14</sup> data is no longer used, due to the data points available on ACORN changing and no longer matching VoST requirements. Housing associations also considered ACORN unreliable as it is data from an external source that assesses the probability a household will fall into certain categories, e.g. life satisfaction/feeling isolated versus belonging to your community etc. Housing associations noted that they had rarely found the postcode data to match the tenants living in the properties.

The segmentation approach going forward is likely to work as follows (see diagram below):

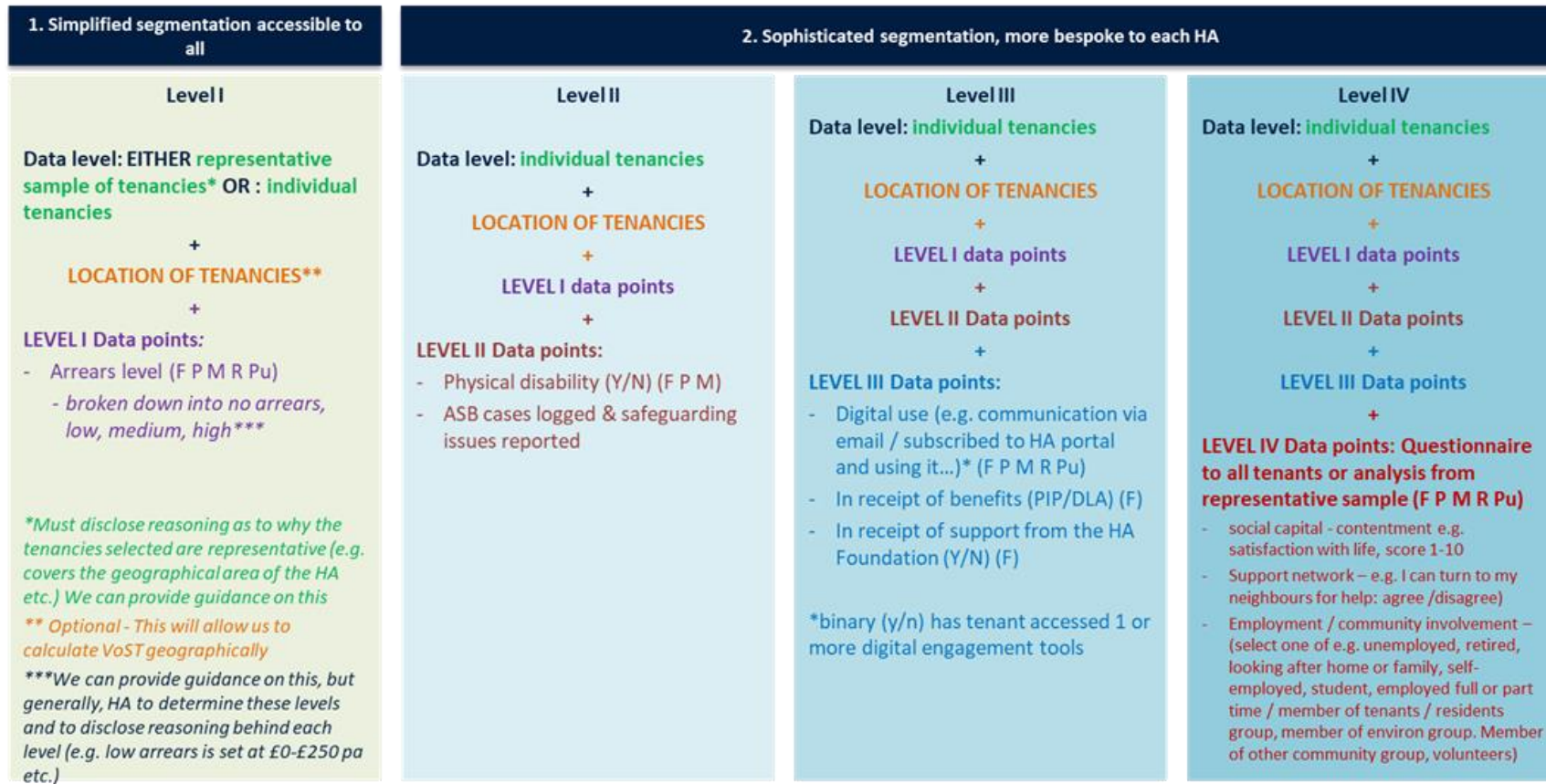
- Depending on the degree of accuracy and focus a HA requires it can segment based on one of four approaches
- If an HA wants to answer questions for internal planning, for area regeneration, for focused discussions about specific tenant groups or interventions it may want more accurate and nuanced segmentation
- For broad general reporting an HA may need to be accurate, but less exacting in its segmentation.

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<sup>14</sup> ACORN, CACI Ltd



## PROPOSED SEGMENTATION APPROACH



The diagram details this proposed approach to segmentation for future years. The letters in brackets represent which of the five pillars each data point relates to ((F) Financial, (P) Physical, (M) Mental, (R) Relational, (Pu) Purpose). Level I is the entry point and the minimum data that housing associations would need to provide; it would be based on arrears only (this is suitable given that arrears offers an indication of wellbeing in each of the five pillars) and then move through the levels. Increasing data points will provide increased certainty over the segmentation and VoST figures.

As this is the exploratory phase of understanding how housing associations will be able to use VoST on the HACT platform, a variety of approaches to segmentation were employed to arrive at the portfolio splits for 2023/2024. In conversations with each Participant HA, a data request list was produced with data points that span the five pillars of wellbeing, as listed below and in Appendix B). These data points were:

- Financial wellbeing: housing association payment profile (arrears) and for those HAs who were able to provide the data, if a tenant is receipt of benefits.
- Physical wellbeing: Has a health condition/disability which compromises daily living (arrears data also applies)
- Mental wellbeing: Mental health condition identified<sup>15</sup> (arrears data also applies)
- Relational wellbeing: ASB cases
- Purpose: Arrears (see above, financial wellbeing).

It should be noted that, for some existing VoST users, there has been a shift in segmentation - this is due to a consolidation and simplification of the methodology.

Two housing associations were able to provide data across all of these data points for the purpose of this report. One housing association provided data on an individual tenancy basis; data was then scored so that each tenancy could be allocated to 'Thriving', 'Managing' or 'Struggling'. The other housing association was able to provide data at neighbourhood level, so that neighbourhoods could be scored and allocated to the three profiles. The limitation of this approach was that fewer than expected neighbourhoods were allocated to 'Thriving' because of the weighting of the scoring; this meant that, if one tenancy in a neighbourhood was 'Struggling', it was harder for a neighbourhood as a whole to score 'Thriving'. When looking at the segmentation for both these housing associations, it could be seen that arrears data was the most important data point and that it influenced wellbeing in each of the five pillars, for example:

- Physical wellbeing: in workshops, tenants noted that, "it is expensive to have a physical disability".
- Purpose: it is not unreasonable to assume that tenants with low arrears are employed.
- Mental wellbeing: "I need to keep working [in employment] for my mental health".
- Relational wellbeing: it is not unreasonable to assume that tenants with low arrears are better able to form positive relationships with family, neighbours, community etc. as this can be prioritised over financial needs.

Using data provided by housing associations in relation to percentages of tenancies in arrears, and comparing this to data available in the public domain, in relation to arrears as a percentage of rental income (published in each housing association's annual reports), a multiplier was calculated which was then applied to the arrears data for the four remaining housing associations. From this, the number of tenancies in arrears was calculated and these

<sup>15</sup> Note that HAs considered this data to not be 100% reliable as it is based on the tenant self-reporting, rather than data each HA routinely collects.



were apportioned into, 'Thriving', 'Managing' and 'Struggling' according to the tenancy split. This was based on arrears alone with the housing association providing an individual tenancy segmentation analysis.

## Appendix H: Updates to VoST costs and national averages

Cost / national average	Current 2023/2024	Previous 2021/2022	% change	Note	Source
<b>Financial wellbeing</b>					
<b>Weighted average income subject to UC deductions</b>	£5,611	£5,693	-1.4%	Slightly reduced compared to previous due to increase in single parent families in Participant HAS' portfolios, affecting this weighted average.	MUCD <sup>16</sup>
<b>Amount Local Authority pays per week for Temporary Accommodation ("TA")</b>	£218	£208	+4.4%	Updated for inflation as per MUCD : Average of hostel, B&B, Private Rental Sector, Local Authority and Housing Association  Rising costs and the housing emergency have meant there is an increased demand for TA; "the number of homeless children in TA [has] hit [a] record high". <sup>17</sup>  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.	MUCD <sup>18</sup>
<b>Average debt</b>	£13,941	£11,176	+24.7%		Step Change <sup>19</sup>

<sup>16</sup> Greater Manchester Combined Authority (2022). Unit Cost Database. Cost codes used: H04.1 - 4.4.

<sup>17</sup> Shelter (2024). 'Rough sleeping soars by 27% while number of homeless children in temporary accommodation hits another record high'.

<sup>18</sup> Greater Manchester Combined Authority (2022). Unit Cost Database. Cost codes used: H03.0.2, 3.0.4, 3.0.5

<sup>19</sup> StepChange. Personal Debt in the UK January to December 2021.

Cost / national average	Current 2023/2024	Previous 2021/2022	% change	Note	Source
<b>National average - % of population experiencing problem debt (ONS statistics)</b>	5.0%	5.0%	No change	<p>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".</p> <p>However, workshop participants considered that it wasn't that more people were going into debt, rather 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 line with the latest data available from ONS.</p> <p>As such, the likelihood assumption of being in debt has not changed in VoST, but the amount of debt has been updated.</p>	ONS <sup>20</sup>
<b>Physical wellbeing</b>					
<b>National average of GP visits (England)</b>	7	6	+16.7%	<p>NHS data from January 2024 shows an increase in GP visits; it lists 12,000 additional GP visits due to COVID vaccinations. This was anecdotally supported by evidence from tenants in workshops (that they attend the GP slightly more since COVID).</p> <p>The likelihood assumptions of attending the GP have been slightly increased (by 1 GP visit pa) in the 'with social housing' scenario to reflect this.</p> <p>It should be noted that workshop and interview participants stressed that, since COVID they have learnt to prioritise their physical health with many quoting regular exercise as the reason their lives have changed post COVID. Therefore, physical wellbeing has not decreased since COVID. Some participants with a physical disability did note that, the longer term effects on their physical health of not being able to attend their exercise classes during COVID, have not yet been seen.</p>	NHS <sup>21</sup>

<sup>20</sup> Office for National Statistics (2022). Household debt: wealth in Great Britain.

<sup>21</sup> NHS England (2024). Appointments in General Practice, January 2024.

Cost / national average	Current 2023/2024	Previous 2021/2022	% change	Note	Source
<b>Cost of asthma pa</b>	£1,609	£915	+75.8%	This increase is due to a more accurate cost for asthma now included in MUCD (with the previous cost used now removed).	MUCD <sup>22</sup>
<b>Cost of A&amp;E visit (adults and children)</b>	£1,133	£798	+42.0%	Cost of elderly A&E visits has also experienced approximately the same % increase. Cost increase due to updated cost in MUCD (inflation rates), and The updated (and more accurate cost) for the inpatient stay assumption used in this cost has been obtained from the PSSRU.	MUCD <sup>23</sup> PSSRU <sup>24</sup>
<b>Mental wellbeing</b>					
<b>National average % of people suffering from mental health issues</b>	25%	25%	No change	The most recent research states that 1 in 4 people are suffering from a mental health issue (the same as previously). Anecdotal evidence from workshops and interviews suggests that during (and since) COVID, people have got better at prioritising their mental health – e.g. meditating/changing jobs so that the hours are less stressful. Discussions with community organisations also noted that the threshold to receive NHS funded mental health support is so high that most do not qualify. As such, no change has been made to these assumptions. However, this is an area that would benefit from a review of academic research to triangulate these findings.	MIND <sup>25</sup>
<b>Education</b>					

<sup>22</sup> [Greater Manchester Combined Authority \(2022\). Unit Cost Database](#). Cost codes used: HE20.4

<sup>23</sup> Ambulance and A&E costs - [Greater Manchester Combined Authority \(2022\). Unit Cost Database](#). Cost codes used: HE1.0, HE2.0

<sup>24</sup> Jones, K. Weatherly H., Birch, S., Castelli, A., Chalkley, M., Dargan, A., Forder, J., Gao, M., Hinde, S., Markham, S. Ogunleye, D. Premij, S., Roland, D. [Unit Costs of Health and Social Care 2022 \(PSSRU\)](#). Cost of an inpatient stay p.40

<sup>25</sup> [Mind. Mental health facts and statistics.](#)

Cost / national average	Current 2023/2024	Previous 2021/2022	% change	Note	Source
<b>National average – NEET</b>	12.0%	11.02%	+7.1%	It is likely that this “rise in NEETs is driven by an uptick in youth unemployment”, <sup>26</sup> although unemployment rates overall across the population have actually dropped (see below).  The profiles were adjusted very slightly to reflect this increase, but it does not make a material change to the model.	ONS <sup>27</sup>
<b>Family</b>					
<b>Cost of residential care (LA own provision)</b>	£74,984	£64,116	+17.0%	Updated cost has been obtained from the PSSRU which has been adjusted for inflation.	PSSRU <sup>28</sup>
<b>Employment</b>					
<b>Average per capita Gross Value Added (GVA) in UK</b>	£26,542	£24,768	+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.	ONS <sup>29</sup>

<sup>26</sup> Resolution Foundation (2023). ‘Concerning rise in NEETs driven by uptick in youth unemployment’.

<sup>27</sup> Office for National Statistics (2024). [Young people not in education, employment or training \(NEET\)](#).

<sup>28</sup> Jones, K, Weatherly H., Birch, S., Castelli, A., Chalkley, M., Dargan, A., Forder, J., Gao, M., Hinde, S., Markham, S. Ogunleye, D. Premij, S., Roland, D. [Unit Costs of Health and Social Care 2022 \(PSSRU\)](#), p.12 establishment cost per permanent resident week (includes A to E)

<sup>29</sup>Office for National Statistics (2023). [Regional gross value added \(balanced\) per head and income components](#).

Cost / national average	Current 2023/2024	Previous 2021/2022	% change	Note	Source
<b>Average unemployment rates</b>	3.8%	3.8%	No change	<p>“The UK unemployment rate (3.8%) decreased in the last quarter, returning to the same rate as a year ago (December 2022)”<sup>30</sup>. Therefore, no change has been made to the assumptions in both the factual and counterfactual scenarios, especially given that the assumptions for all profiles are very prudent, estimating roughly five times the national average unemployment for thriving. This is prudent given the anecdotal socio-economic information from workshops and interviews that, generally, those who are in ‘Thriving’ continue to thrive, with their social tenancy acting as a strong foundation to remain in meaningful employment. These figures also take into account that those in social housing are more likely to be on zero hours contracts/in part time work.<sup>31</sup></p> <p>An area that needs to be explored further is “in-work poverty” as, although unemployment rates have not changed, in-work poverty has increased;<sup>32</sup> the effects of this need to be understood so that this can be included in the VoST model. A greater understanding of household income as part of the segmentation would provide a strong basis for updating VoST in this way.</p>	ONS

<sup>30</sup> [Office for National Statistics \(2024\). Employment in the UK; February 2024.](#)

<sup>31</sup> [Joseph Rowntree Foundation \(2024\). UK Poverty 2024.](#)

<sup>32</sup> [McNeil C and Parkes H \(2021\) ‘No longer managing’ The rise of working poverty and fixing Britain’s broken social settlement, IPPR. p.13&14](#)





## Appendix I: Recommendations

There are a number of recommendations for the future development of the VoST model that arise from this research; these will be elaborated upon in Phase 2.

- A further exploration of the lasting impacts of COVID and the cost-of-living crisis on the economic values for VoST. Research areas include:•
  - Digital wellbeing and its impacts on housing
  - In-work poverty and its impact on social tenants, specifically data on employment at household level as it presents the biggest value in the model.
  - The impact on single parent households as a significant emerging tenant profile and the effectiveness of strengthened domestic violence support by housing associations.
  - Capturing more of the youth voice as a key stakeholder in social housing in order to understand the future of social housing and promote upward mobility of young people as one of the solutions to the housing crisis.
- Widen the use of VoST for strategic decision-making:
  - Making it accessible to all housing associations on the HACT platform
  - Utilising the customer segmentation approach to better understand the tenant profile for designing targeted engagement campaigns to improve service delivery.
  - Developing data protection and processing guidance for Participant HAs to ensure policies and procedures are in place to facilitate the use of VoST.

## Appendix J: List of Contributors

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