

THE
GOOD
ECONOMY

RESIDENTIAL SECURE INCOME PLC IMPACT REPORT 2021

NOVEMBER 2021



This report has been commissioned by Residential Secure Income plc ("ReSI") and has been prepared by The Good Economy Partnership Limited ("The Good Economy"), a leading impact advisory firm, specialising in impact measurement and management.

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CONTENTS

HEADLINE RESULTS	4
EXECUTIVE SUMMARY	6
1 INTRODUCTION	9
About Residential Secure Income Plc	9
About this Impact Report	9
Context	11
Stakeholder Models	12
2 IMPACT ASSESSMENT FRAMEWORK	15
Theory of Change	15
Impact Objectives and Performance Metrics	16
3 PERFORMANCE AGAINST IMPACT OBJECTIVES	17
Providing Homes to Meet a Social Need	17
Providing Affordability and Value for Money	22
Building Quality Partnerships	24
Increasing Supply of Social and Affordable Housing	27
Improving Energy Efficiency of Homes and Reducing Energy Usage	29
4 CONTRIBUTION TO OUTCOMES	31
Shared Ownership	32
Retirement Rentals	33
Local Authority Temporary Accommodation	35
Alignment with Sustainable Development Goals	37
5 CONCLUSIONS AND RECOMMENDATIONS	39
6 APPENDIX	40
Appendix 1: Data Sources	40
Appendix 2: ReSI Impact Data	42
Appendix 3: ReSI Housing – SRS Disclosure	44

HEADLINE RESULTS

▶ PORTFOLIO SUMMARY

**£341
MILLION** >
INVESTED



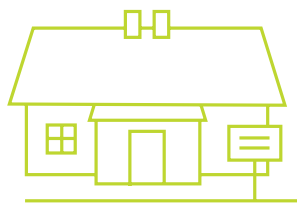
> IN **3,005**
PROPERTIES

498
SHARED
OWNERSHIP
UNITS



PROVIDING
AFFORDABLE
HOMES >

2,218
RETIREMENT
RENTAL UNITS



PROVIDING
SPECIALIST
ACCOMMODATION
FOR OVER-55s >

289
LOCAL AUTHORITY
TEMPORARY
ACCOMMODATION UNITS



PROVIDING HOMES
FOR PEOPLE AT RISK
OF HOMELESSNESS >

AS OF 30 SEPTEMBER 2021



► IMPACT SUMMARY

SHARED OWNERSHIP



70% in areas of high demand where the house price-to-earnings ratio is higher than average



Strong and growing partnerships with housing associations



Rents are provided at a discount to market rate

RETIREMENT RENTALS¹



76% of residents would recommend retirement rentals to a friend



Approximately 22% of residents in receipt of Housing Benefit



90% of residents say that their retirement living situation is as stable or more stable than their previous living arrangements

LOCAL AUTHORITY TEMPORARY ACCOMMODATION



Is in an area of high need for this type of accommodation



Is in a local authority area with among the highest homelessness rates nationally



Savings of up to £607k per year for the local authority

1. Data based on a survey of 281 respondents (approximately 11% of retirement rental residents).

EXECUTIVE SUMMARY

▶ ABOUT RESIDENTIAL SECURE INCOME PLC

Residential Secure Income plc (ReSI) is a real estate investment trust that aims to deliver secure, inflation-linked returns by investing in residential properties that help address the affordable housing crisis in the UK.

ReSI invests in three housing types:

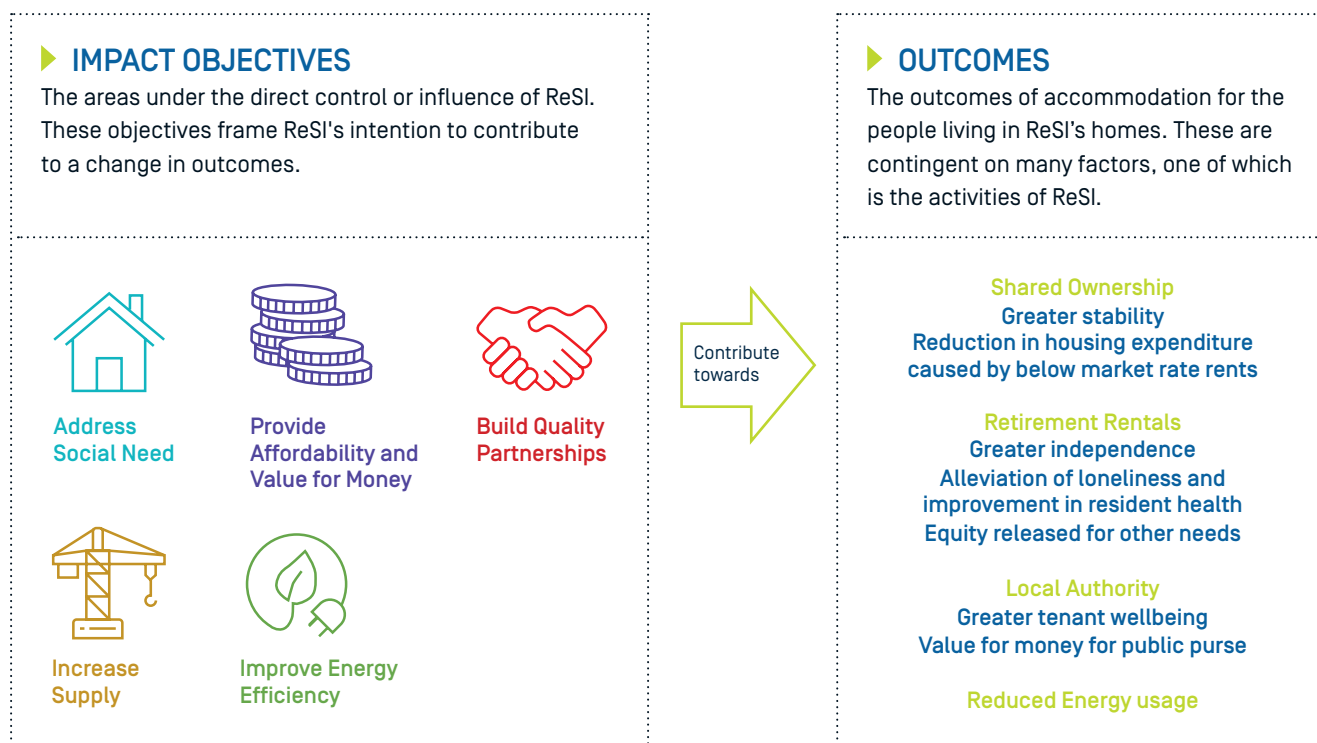
- 1 Shared Ownership
- 2 Retirement rentals
- 3 Local authority temporary accommodation.

As of 30 September 2021, ReSI has acquired 3,005 properties across the UK with a total value of £341m.

▶ IMPACT ASSESSMENT

This report is the second annual Impact Report produced for ReSI by The Good Economy (TGE), an independent advisory firm specialising in impact measurement and management. The report covers the 12-month period to 30 September 2021.

The report provides TGE's assessment of ReSI's performance against its stated impact objectives, as well as the target outcomes to which it aims to contribute.



Wildings Croft – Shared Ownership



► RESULTS – IMPACT OBJECTIVES

- The affordability of ReSI's Shared Ownership homes has improved quite significantly since 2020 (from being affordable to 42% of local households to 65%). Moreover, its innovative 'Shared Ownership Plus', which allows residents to buy as little as 1% extra of their homes each year and is to be adopted in government's new Shared Ownership model, contributes further to the goal of making home ownership more affordable for people who would otherwise struggle to buy on the open market – as of September 30 2021, uptake has been two residents, with nine further enquiries.
- Over the last 12 months ReSI has generated additionality through the acquisitions of Shared Ownership units. Of ReSI's spend in the past year, 46% was committed to acquiring new build homes.
- ReSI's relations with its partners (housing associations, local authorities, property managers and agents) appear to be an increasing strength. Its partnerships with key housing associations and local authority bodies are improving, according to the partners. At the same time, its decision to manage retirement rental homes itself (retaining front-line staff from a former partner) also offers potential benefits in terms of improved quality of services.

▶ RESULTS – OUTCOMES

- ReSI's Shared Ownership homes are contributing to positive outcomes. 90% of respondents to a recent resident survey view their home as having improved their living situation.
- Retirement rentals are helping to alleviate loneliness in their over-55 residents. Around four in five respondents to a resident survey report (a cohort which places great emphasis on community in retirement) having made new friends since moving in.
- Although not a long-term solution, temporary accommodation for people and families at risk of homelessness is boosting residents' wellbeing and independent living skills – as per residents interviewed by TGE.

▶ CONCLUSION

STRENGTHS

- ReSI's diversified portfolio continues to provide much-needed housing to a broad range of people. There is evidence of this leading to multiple positive outcomes, including improved wellbeing, security of tenure and value for money for public budgets.
- By acquiring Shared Ownership homes from not-for-profit housing associations, ReSI is providing its housing association partners with additional capital which is required to be invested into upgrading or developing social housing units.
- ReSI's partnership with Metropolitan Thames Valley Housing (MTVH), which manages 46% of its Shared Ownership homes, has performed strongly over the last 12 months. TGE have heard evidence of flexible working throughout the pandemic and an increasingly close working relationship between ReSI and MTVH.
- Early evidence suggests that ReSI's decision to manage the retirement rental units in-house could improve services for residents. This has given ReSI greater control over the management of its property portfolio.
- Over the past 12 months ReSI has made progress in improving the environmental performance of its homes. The Fund committed to upgrade the EPC rating of all properties within its control to a C by 2025. This exceeds the government's target of all properties reaching an EPC rating C by 2035.

RECOMMENDATIONS TO MAXIMISE IMPACT

- ReSI's contribution to increasing the supply of social and affordable housing has improved over the last year, however the majority of the overall portfolio was gained through acquisitions of already tenanted stock. TGE recognise that these types of acquisitions are in accordance with the Fund's mandate, but recommend that the Fund continues to focus on Shared Ownership, where it has the most additionality.
- In line with the Fund's strategy, Shared Ownership and retirement rental properties do not provide housing for those in the most acute housing need. Shared Ownership provides housing options for underserved lower-middle and median earners, whilst retirement rental properties deliver homes at open market rent to a broad range of residents, some of whom are low earners (22% of residents are on Housing Benefit). ReSI could increase its impact by providing more housing which serves those at the lower end of the income scale.

1 INTRODUCTION

▶ ABOUT RESIDENTIAL SECURE INCOME PLC

Residential Secure Income plc (ReSI or the Fund) is a real estate investment trust (REIT) that aims to deliver secure, inflation-linked returns by investing in residential properties that help address the affordable housing crisis in the UK.

In July 2017, ReSI was launched on the premium segment of the Main Market of the London Stock Exchange, raising £180 million in its IPO. As of 30 September 2021, ReSI has acquired £341m worth of properties, of which, £95 million has been invested in Shared Ownership properties (498 units), £215 million in retirement rental properties (2,218 units), and £31 million in local authority temporary accommodation (289 units). ReSI now owns a total of 3,005 homes across the UK.

ReSI is managed by Gresham House plc, a specialist alternative asset management business, following an acquisition of the REIT from Risk Capital Management Ltd and its wholly owned subsidiary TradeRisks Ltd.

ReSI invests in three housing types:

- 1 Shared Ownership:** ReSI acquires Shared Ownership homes from developers and housing associations. These homes provide an affordable route to home ownership for people who would otherwise struggle to buy on the open market. It is a part-buy, part-rent model with subsidised rents and low deposit requirements.
- 2 Retirement Rentals:** ReSI acquires homes which provide rented accommodation for retired residents who do not require significant on-site care. This tenure provides many benefits for people over 55. It allows them to maintain their independence, frees up equity from the sale of previous homes, fosters a sense of community by offering shared spaces and communal activities among residents, and offers fit for purpose attributes such as walk-in showers and hotlines for emergency aid in every room.
- 3 Local Authority Temporary Accommodation:** ReSI acquires temporary accommodation and leases it to a local authority. The local authority uses these homes to house individuals and families who would otherwise be homeless.

▶ ABOUT THIS IMPACT REPORT

This is the second Impact Report produced by The Good Economy (TGE) for ReSI. It covers the 12-month period to 30 September 2021.

TGE is an impact advisory firm specialising in social impact measurement and management. TGE has worked with ReSI to define and articulate the fund's impact objectives and to identify the target outcomes to which it aims to contribute. This report contains TGE's independent assessment of ReSI's performance according to its stated impact objectives and target outcomes.

TGE uses a mix of quantitative and qualitative data to inform this assessment. This includes analysis of ReSI's portfolio data, as well as interviews with ReSI staff and interviews and feedback gathered from partners and stakeholders, including local authorities, housing managers and residents.

Interviews with a broad range of stakeholders provide insight into the homes' ultimate impact.



This report also forms ReSI Housing's disclosure under the Sustainability Reporting Standard for Social Housing (SRS). ReSI Housing is a Registered Provider delivering Shared Ownership homes, thereby its SRS disclosure is solely concerning the Shared Ownership properties discussed in the wider report. SRS is a sector-standard approach to ESG reporting for the social housing sector. It aims to provide a framework for housing providers to report ESG performance in a transparent, consistent and comparable way. It comprises 12 ESG themes and 48 individual criteria.

**EXAMPLE
SRS THEME**

ReSI Housing's full SRS disclosure can be found in Appendix 3. In addition, relevant SRS themes have been mapped to ReSI's impact objectives within the Impact Performance section of this report (Chapter 3), for all housing types. These themes appear in the following format within the report (see green box on the left of the page).

Having a safe, decent, affordable home is a key determinant of people's health and wellbeing.

► CONTEXT

Having a safe, decent, affordable home is a key determinant of people's health and wellbeing. However, the UK is experiencing a housing crisis that affects more than eight million people, equivalent to one in seven of the population.² This includes millions of people living in sub-standard, over-crowded or unsuitable homes, while more than 1.1 million households are on local authority housing waiting lists.

In addition, there are increasing levels of homelessness – including both people sleeping rough and those stuck in temporary accommodation. The pandemic brought this problem into sharp focus. Meanwhile, home ownership has become increasingly unattainable for many, particularly lower-income and even middle-income households, as the pace of house price growth has significantly outstripped increases in earnings.

Shared Ownership

Shared Ownership offers homes on a part-buy, part-rent basis, with rent on unsold equity set below market rates. This helps to reduce the financial barriers to home ownership, while providing lifetime security to residents. ReSI have calculated that in the UK an additional 4.7 million people would be able to access the housing ladder via Shared Ownership compared to outright purchase.³

Retirement rentals

The UK has an ageing population, with the number of over-65s expected to increase 41% by 2040 to 18 million. As there are currently only 78,000 later living homes with 7,000 new units delivered each year, only 0.6% of over-65s in the UK are housed in later living communities – compared with 5–6% in the US and Australia.⁴ Specialist retirement accommodation, where elderly people can live among their peers, can reduce social isolation and the impact of loneliness – which is associated with poorer physical and mental health in older people.⁵ In-house caretakers and emergency alarms also enable retirees who do not require high levels of care to live independently for longer in retirement properties, which reduces the need for care homes and other more intensive care facilities.

Temporary accommodation

Local housing authorities in England have a duty to secure accommodation for unintentionally homeless households in priority need under Part 7 of the Housing Act 1996. Temporary accommodation is provided while applications are assessed or until more suitable, long-term housing becomes available.

More than 236,000 people in England live in temporary accommodation arranged by local councils.⁶ Between Q1 2020 and Q1 2021, the number of households assessed as being threatened with homelessness fell by 19.4%.⁷ However, the easing of restrictions on COVID-related private rented sector evictions and the end of the 'Everyone In' campaign have raised concerns that the number of homeless people in the UK – roughly 0.4 million – will now rise again.

2. [National Housing Federation \(NHF\), How many people need a social rented home?, September 2019.](#)

3. [Gresham House ReSI plc Annual Report 2020](#)

4. [Scottish Housing News, L&G and NatWest form £500m JV to build over 5,000 retirement homes, Aug 2021.](#)

5. [Care Connect – Age UK, Testing Promising Approaches to Reducing Loneliness, 2016.](#)

6. [Shelter, This is England: A picture of homelessness in 2019, Dec 2019.](#)

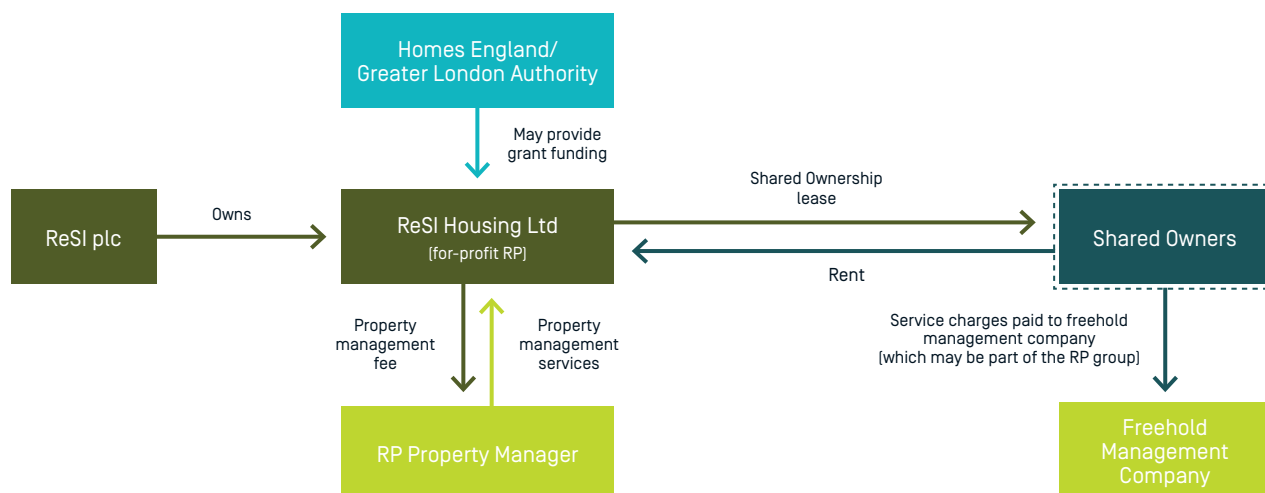
7. [MHCLG, Statutory Homelessness, January to March \(Q1\) 2021: England.](#)

► **STAKEHOLDER MODELS**

ReSI forms partnerships with a range of organisations when investing capital into the housing sector. The specifics of its partnership model vary between the three property types that the Fund invests in.

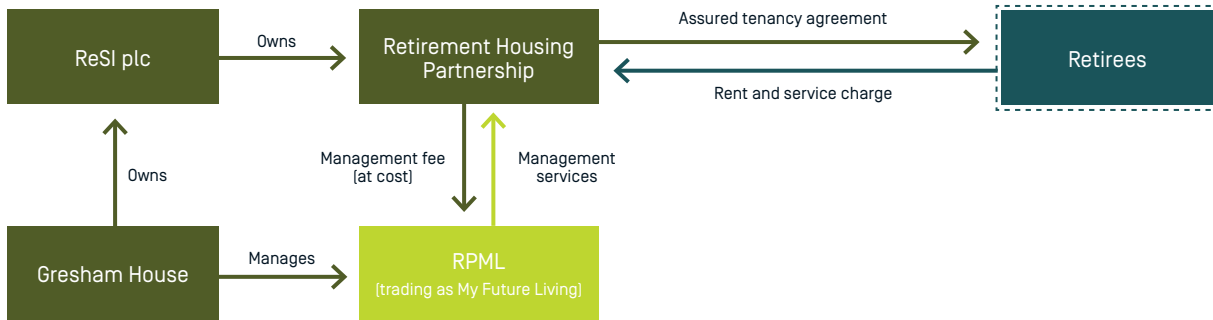
Shared Ownership

ReSI's subsidiary, ReSI Housing Limited, is registered as a for-profit Registered Provider of Social Housing (RP). As an RP, ReSI Housing can acquire affordable housing subject to Section 106 planning restrictions and housing funded through government grants. Through this subsidiary, ReSI purchases a combination of new build Shared Ownership, and existing stock from other RPs. From the perspective of the RP, the sale of Shared Ownership properties provides a means of raising capital to invest in the development of more affordable homes.



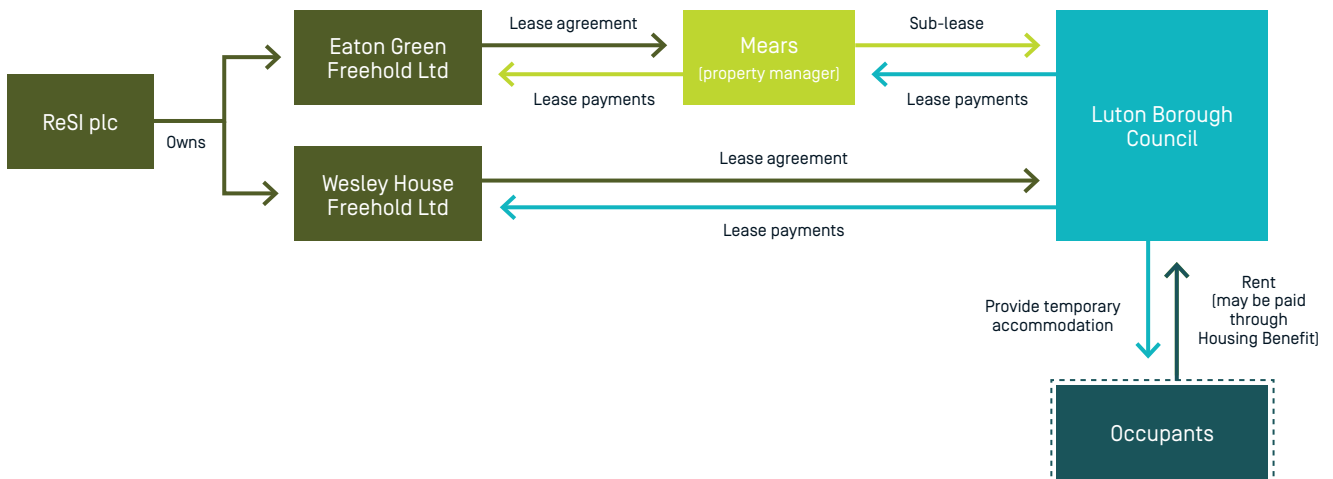
Retirement rentals

Via a property holding company, ReSI owns a nationwide portfolio of retirement properties managed by an in-house team that trades as 'My Future Living'. The leases for these properties are directly between the PropCo and the residents.

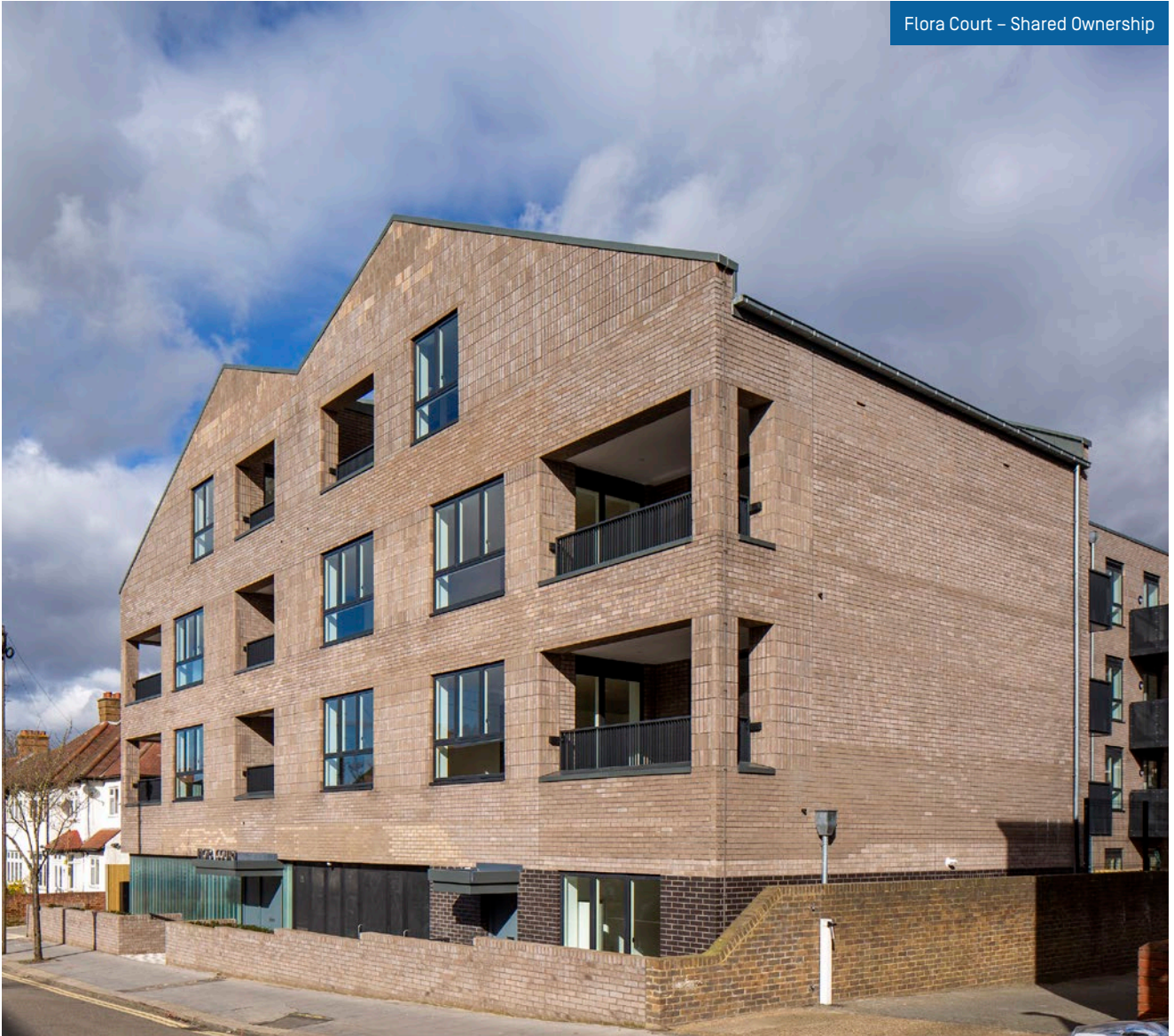


Local authority temporary accommodation

ReSI's subsidiary property company holds the freehold for two developments in Luton. It leases directly to Luton Borough Council for Wesley House, and leases to Mears, which then sub-leases on to Luton Borough Council, for Eaton Green Court. Residents are tenants of the local authority.



Flora Court – Shared Ownership



By raising capital to invest into new and existing social and affordable housing, ReSI makes accommodation available to those who may otherwise be excluded by open market mechanisms.

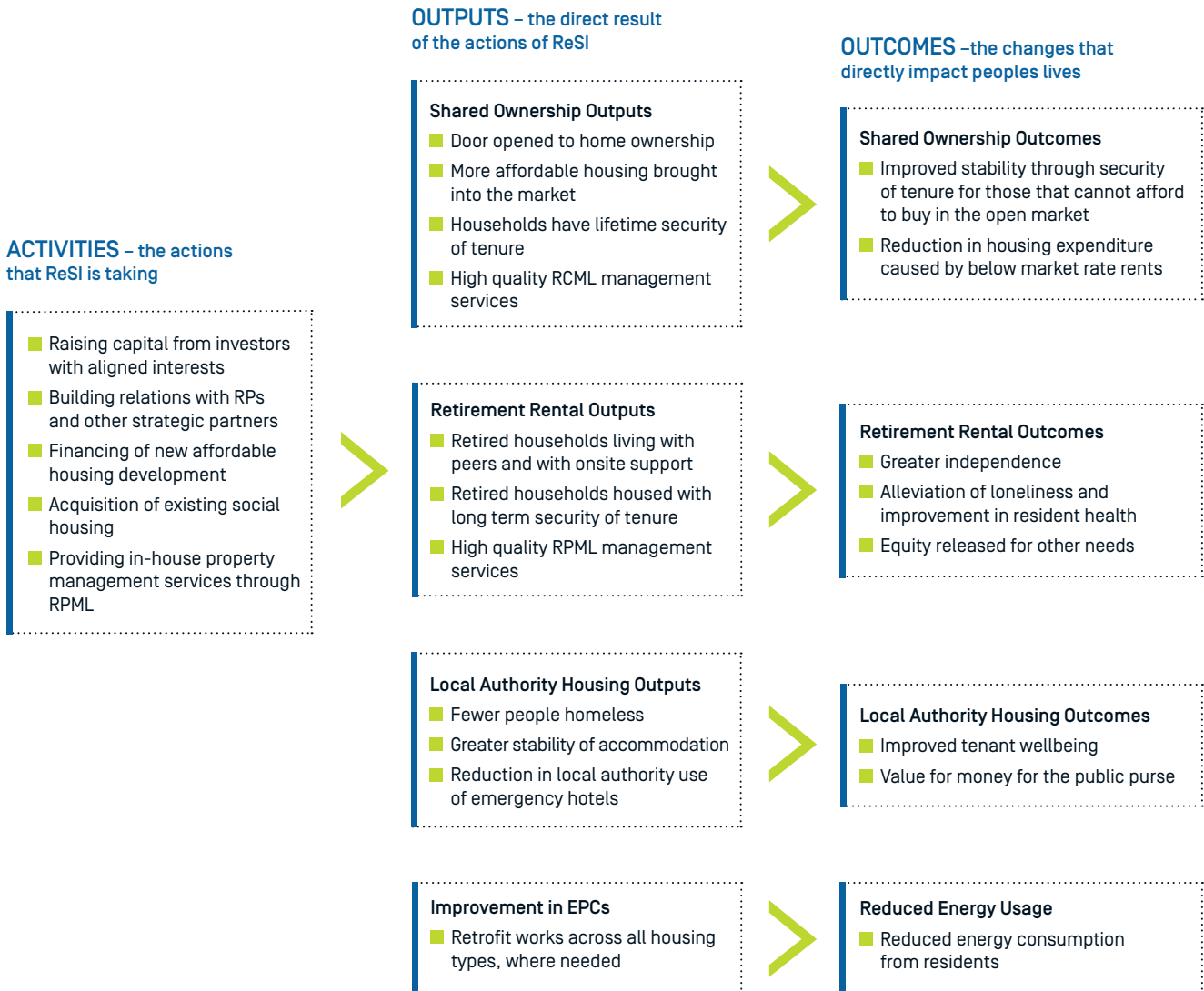
2 IMPACT ASSESSMENT FRAMEWORK

ReSI’s impact goal is to increase the provision of affordable housing by providing long-term capital to developers, housing associations and local authorities. This enables the delivery of high quality, safe and energy-efficient homes while ensuring long-term stability of tenure.

► THEORY OF CHANGE

The Theory of Change (ToC) describes how ReSI’s activities contribute to outcomes. By raising capital to invest in new and existing social and affordable housing, ReSI makes homes available to people who might otherwise be excluded by open market mechanisms.

A ToC highlights the key steps that must take place for positive outcomes to be experienced.



► IMPACT OBJECTIVES AND PERFORMANCE METRICS

Impact Objectives are ReSI’s specific aims. These are the areas within its direct sphere of influence that frame how the Fund attempts to contribute to positive impact creation.

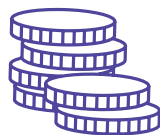
The table below outlines these objectives. TGE has collected and analysed relevant data in these areas to understand the extent to which ReSI is contributing to positive impact.



Address Social Need

Target developments which will address social need:

- 1. Shared Ownership:** making home ownership accessible in areas that are highly unaffordable.
- 2. Retirement Rental:** providing specialist accommodation to allow independent living.
- 3. Local Authority Temporary Accommodation:** providing homes for people on housing waiting lists.



Provide Affordability and Value for Money

Ensure developments are affordable within market context:

- 1. Shared Ownership:** addressing barriers to home ownership for low- and middle-income households.
- 2. Retirement Rental:** providing affordable rental homes for over-55s.
- 3. Local Authority Temporary Accommodation:** providing Value for Money for welfare and public care budgets.



Build Quality Partnerships

Ensure partners deliver quality services and outcomes for residents:

- 1. Shared Ownership:** providing quality homes and management.
- 2. Retirement Rental:** supporting residents with on-site assistance.
- 3. Local Authority Temporary Accommodation:** supporting tenants into long-term accommodation.



Increase Supply

Drive delivery of affordable housing that would otherwise not be delivered:

- 1. Shared Ownership:** bringing more homes into the affordable housing sector.
- 2. Retirement Rental:** offering homes to meet the needs of the demographic.
- 3. Local Authority Temporary Accommodation:** responding to demand for temporary housing.




Improve Energy Efficiency

Across all housing types, the Fund is aiming to maximise energy efficiency, taking steps towards becoming carbon-neutral.

3 PERFORMANCE AGAINST IMPACT OBJECTIVES

► PROVIDING HOMES TO MEET A SOCIAL NEED

All of ReSI's residential investments aim to meet societal needs. The Fund seeks to contribute to solutions for the following issues: barriers to home ownership, the provision of appropriate rented accommodation for elderly people, and homelessness.

IMPACT OBJECTIVE	IMPACT METRICS	RESULTS 2020	RESULTS 2021
<p>Is ReSI targeting developments which will address social needs?</p> 	Number of properties	Overall: 2,708 Shared Ownership: 196 Retirement rentals: 2,223 Local authority: 289	Overall: 3,005 Shared Ownership: 498 Retirement rentals: 2,218 Local authority: 289
	Shared Ownership: Affordability ratio [average house price to average earnings] in local area	89% of properties in the least affordable local authorities [Local authorities with affordability ratios greater than the national average]	70% of properties in the least affordable local authorities [Local authorities with affordability ratios greater than the national average]
	Retirement rentals: resident survey analysis	N/A*	76% would recommend renting in retirement 81% had made new friends 67% were attracted by an assured lifetime tenancy [Based on 281 respondents, representing approximately 11% of the portfolio. Survey carried out by My Future Living]
	Local authority temporary accommodation: Number of households on local authority waiting list	Luton: 13,077 on waiting list out of 78,900 households or 16.6% [compared to national average of 5.1%]	Luton: 13,215 on waiting list out of 78,900 households or 16.7% [compared to national average of 5.1%]

*A 2020 resident survey was carried out by Girlings. However, different response options were used, negating comparability.

Shared Ownership

Growing disparity between house prices and local income in many areas of the UK has created significant financial barriers to home ownership. Shared Ownership aims to provide an affordable route to ownership for people who might otherwise be excluded on the open market.

TGE uses local affordability ratios to assess the level of need for Shared Ownership in the local authorities where ReSI's homes are located. This measure compares an area's median house price with median full-time earnings. The average affordability ratio in England is 7.8, although this varies considerably between regions.

Of ReSI's 498 Shared Ownership properties, 70% are in the least affordable local authorities – with affordability ratios greater than the national average.

LOCAL AUTHORITY AREA	PROPORTION OF RESI'S PORTFOLIO	LOCAL AFFORDABILITY INDEX (national average: 7.8)	RANK (1 = least affordable, out of 336 LAs)
Lambeth	26%	14.2	24th
Swindon	13%	7.2	210th
Croydon	12%	11.3	69th
Babergh	8%	10.5	86th
North Norfolk	7%	9.1	143rd
Barnet	7%	17.4	7th

ReSI's partner MTVH has also been provided demand figures for two developments in Clapham and Croydon that reached completion this year. These show that each achieved a sales rate above MTVH's average. The evident demand for these homes attests to the level of social need in these areas.

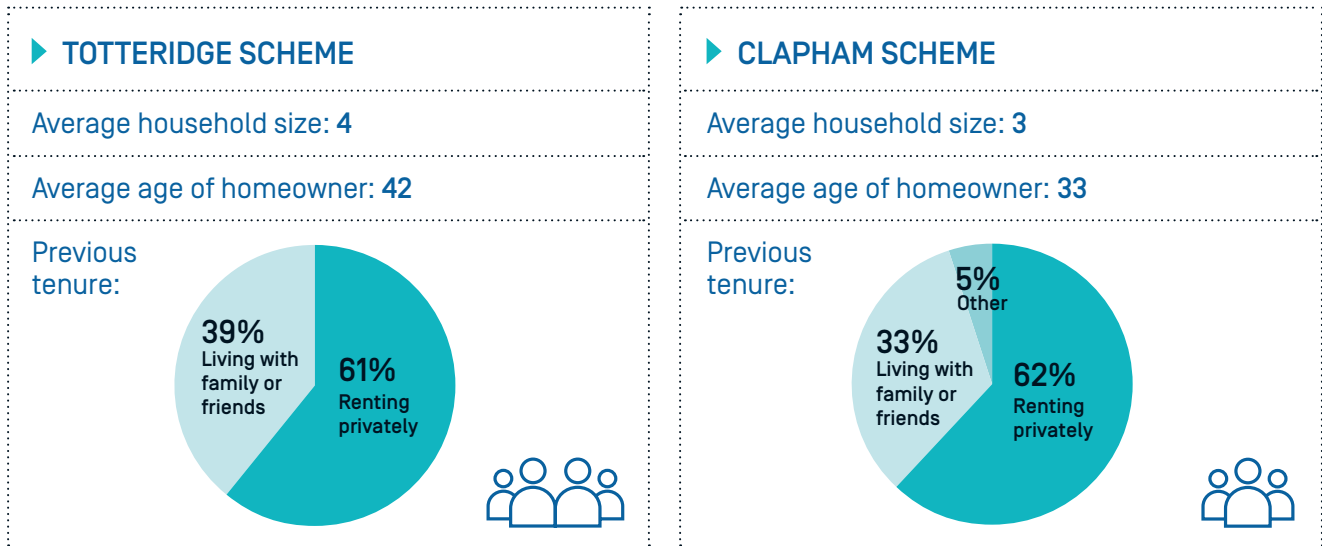
ReSI has also developed a Shared Ownership Plus scheme, which aims to make 'staircasing' to 100% ownership more affordable. The scheme works by removing extra costs, such as valuation fees and solicitor's fees, which are typically charged when residents staircase in the traditional way. It also sets the cost of purchasing an extra 1% of the home's full value in the first year, with increases of 3% in the amount paid each subsequent year. Setting a definitive amount each year protects residents against substantial increases in house prices and allows them to plan their finances accordingly.

In addition, the scheme allows residents of new build homes to staircase as little as 1% extra of their home each year. Typically, when residents are staircasing, they are required to purchase a minimum of 10% extra each time. This is a large financial commitment which can act as a barrier to residents progressing towards home ownership. The option to staircase 1% encourages and assists residents in becoming homeowners. In the past 12 months, two residents have taken advantage of the scheme and nine further resident enquiries have been made.

ReSI are currently the only housing body to offer such a scheme, although government is proposing to roll out a 1% gradual staircasing offer in its new Shared Ownership model. This highlights recognition of the potential of ReSI's Shared Ownership Plus model to meet a sector-wide social need.

SHARED OWNERSHIP – WHO BENEFITS?

MTVH shared tenant demographics data with TGE for two Shared Ownership schemes in Clapham and Totteridge owned by ReSI.



Retirement rentals

Through its stock of retirement rental homes, ReSI is providing homes for retired people who do not require significant levels of care on-site. ReSI believes its portfolio of retirement rental properties accounts for approximately half of the UK's stock of this type of housing.

This type of accommodation can provide many benefits to the target demographic. Older residents can benefit from equity release by selling their previous property. While residents do not require care services, they benefit from having an on-site Tenancy Welfare Team provided by ReSI Property Management Ltd (RPML).

A recent survey carried out by My Future Living, with 281 respondents (approximately 11% of retirement rental residents), found the following:

- The majority of residents are 65–84 years old (76%), 11% of the residents are 55–64, and 12% are above 85 years of age
- 8% of residents are still employed, whilst 87% are retired, 4% semi-retired, and 1% volunteering
- 77% of residents live alone
- The majority of current residents (46%) previously rented privately, whilst 35% were homeowners and 13% were renting from a local authority or housing authority
- 90% of respondents say that their retirement living situation is as stable or more stable than their previous living arrangements.

Feedback data, from the survey, on residents' satisfaction levels is provided in Section 4 under retirement rentals outcomes performance.

TGE judges that these homes are clearly meeting the housing needs of a subset of older residents.

Local authority temporary accommodation

ReSI's portfolio of local authority temporary accommodation consists of two blocks in Luton, an area with one of the highest rates of housing need in the country. Over 16% of households are on the social housing waiting list – this is more than three times the national average. Moreover, according to a report by the charity Shelter in 2019, one in every 46 people in Luton are classed as homeless.⁸ This places it in the worst 5% of local authorities nationally for homelessness. These homeless figures include more than 4,600 people who are living in temporary accommodation arranged by the council.

Temporary accommodation, such as the two blocks owned by ReSI, is not a long-term solution to the issue of homelessness. However, it does play an important role in meeting short-term needs and providing a safety net for those who are at risk of experiencing the more acute effects of homelessness by keeping them off the streets. Accordingly, TGE considers temporary accommodation as meeting a partial need. It does not address the long-term issues which lead to homelessness, but it provides a necessary and short-term solution given the current realities of the housing market.

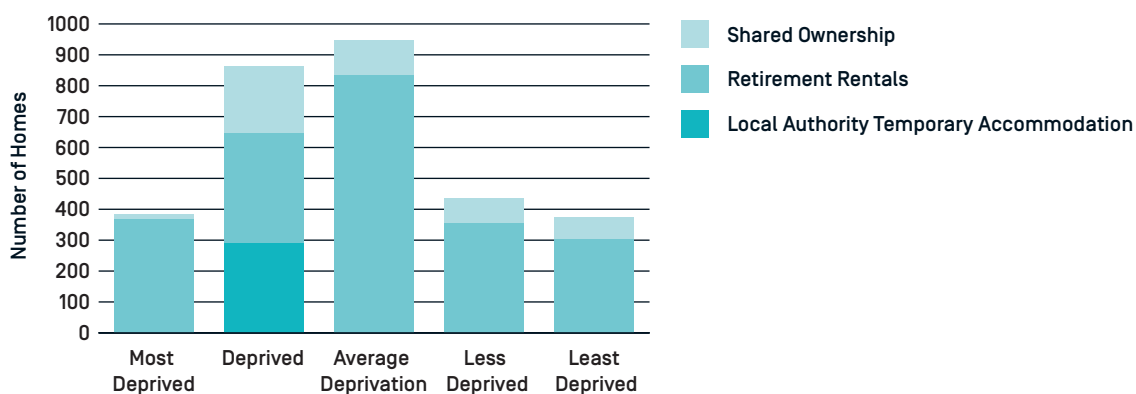
During an interview with Luton Borough Council about Wesley House – one of ReSI's blocks of temporary accommodation – TGE heard that most of the households living there were families, all of whom have been homeless at some stage. Demand for the units is high, and the homes are generally filled within one week of someone moving out.

Luton confirmed that it would struggle to place people, particularly larger families, if Wesley House were not available. During the interview, TGE heard that some families have been living in the block for more than five years. This is usually due to the fact that they are in rent arrears, which they need to clear before moving out, or because there is no suitable long-term home available (particularly an issue for larger families). Although it is preferable for such families to be in temporary accommodation and not homeless, TGE have concerns about families in temporary accommodation for long periods of time as it is not a suitable long-term solution. It should be noted that where the local authorities house families is not within ReSI's control.

Summary

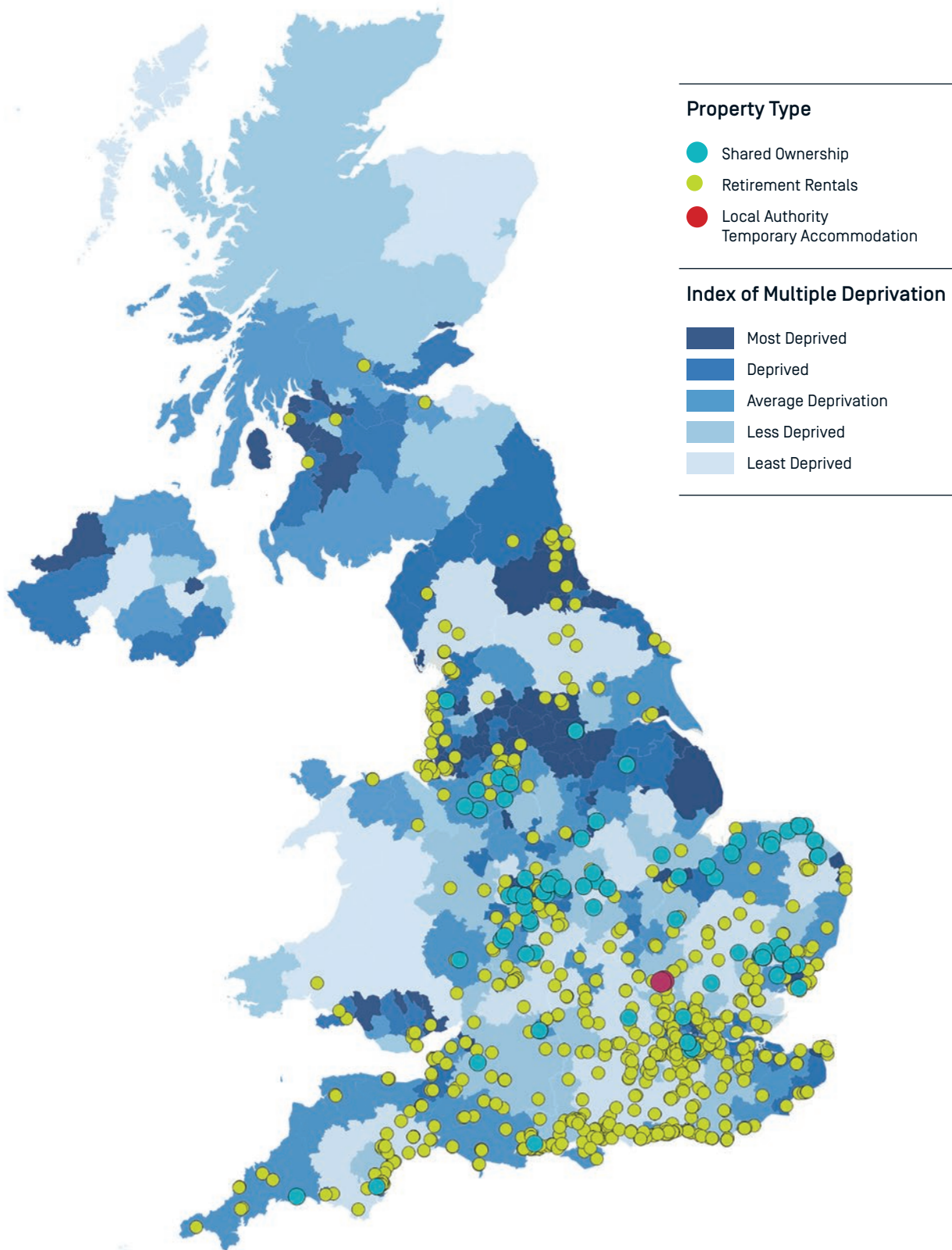
- 70% of ReSI's Shared Ownership homes are in the least affordable local authorities.
- ReSI's portfolio of retirement rental accommodation is helping to meet the needs of older residents who do not want to worry about maintenance or upkeep, and who often want to release equity through home sales. This is a relatively new and growing sector which is likely to grow in the coming years.
- ReSI's two blocks of temporary accommodation are in Luton, an area of distinct need for homelessness accommodation. Luton is in the worst 5% of local authorities nationally for homelessness.

The bar chart below shows the distribution of ReSI's homes by the Index of Multiple Deprivation. Across the Fund's types of housing, 41% are in the 40% most deprived local authorities.



8. [Shelter. This is England: A picture of homelessness in 2019, Dec 2019.](#)


The map below shows the distribution of ReSI's properties across the UK.



Contains OS data © Crown copyright and database right (2021). Data source: English Indices of Deprivation (IMD) [2019], Northern Ireland Multiple Deprivation Measure 2017, Scottish IMD (2020), and Welsh IMD (2019) – % of local areas (LSOAs) in the 20% most deprived nationally by local authority (each nation to be treated separately).

► PROVIDING AFFORDABILITY AND VALUE FOR MONEY

ReSI aims to ensure that all of its homes are affordable within their local market context.

IMPACT OBJECTIVE	IMPACT METRICS	RESULTS 2020	RESULTS 2021
<p>Is ReSI ensuring that accommodation is affordable or provides value for money within the local market context?</p> 	Shared Ownership: TGE affordability calculation	Affordable to 42% of local households	Affordable to 65% of local households
	Retirement rentals: Stakeholder interviews and resident survey	Rent levels set close to the LHA: approximately 22% of residents in receipt of Housing Benefit	Rent levels set close to the LHA: approximately 22% of residents in receipt of Housing Benefit
	Local authority temporary accommodation: Savings compared to pay-nightly accommodation	Savings per annum of up to £607k	Savings per annum of up to £607k

Shared Ownership

AFFORDABILITY AND SECURITY

The ReSI Shared Ownership homes are affordable to 65% of local households, as compared to 42% of local households the previous financial year.⁹ This change shows how ReSI has made its portfolio more affordable overall through acquisitions over the past 12 months. Nonetheless, the most expensive homes are worth over £700,000, with deposits and rent on unsold equity only affordable to high income earners.

Affordability summary of three biggest schemes:

- Clapham: Affordable to 41% of local households
- Swindon: Affordable to 88% of local households
- Croydon: Affordable to 58% of local households

While some of these properties are expensive, the underlying demand demonstrates that there is a need for them. ReSI's Shared Ownership properties provide an underserved segment of the population with an affordable route to home ownership that is typically cheaper, better located and better quality than the private rental sector. Although the households that buy them may have a range of rental housing options available to them and are hence not the most vulnerable in society, they are typically otherwise unable to access home ownership due to an inability to save for the deposit required, or they have lower income meaning they can not get a home ownership mortgage.

Retirement rentals

ReSI's retirement rental units are set at market rates. Accordingly, the properties cater primarily to middle-income older people.

- 46% of residents moved from private rented homes
- 35% of residents moved from properties that they previously owned, for these residents retirement rental unit offers financial flexibility through equity release on the sale of their previous home
- 13% of residents moved from social housing.¹⁰

9. TGE's affordability calculation for Shared Ownership units is based on a calculation of the monthly income required to not be overburdened by mortgage and rent repayments.

10. Based on 2021 resident survey.

Despite being a market rate product, the homes are also inclusive to people on Housing Benefit. RPML informed TGE that approximately 22% of applicants are in receipt of Housing Benefit, while some residents are also in receipt of Pension Credit. All of these factors are taken into account when making a judgement on an applicant's financial situation and the affordability of the home. When offering tenancies, adjustments can be made if an applicant has a weaker financial record – by offering shorter leases or cheaper properties, for example.

Rent and service charge rises are set in line with the Retail Price Index (RPI). This is something that is tracked by RPML to ensure any rises do not result in resident incomes becoming squeezed.

Residents will often live in these homes for long periods, and so the homes can become less affordable over time, especially if housing costs rise faster than pensions. ReSI have informed TGE that there are instances where it will cease rent increases for residents when made aware it has become unaffordable for them.

Local authority temporary accommodation

The provision of specialist temporary accommodation, such as the two blocks owned by ReSI and leased to Luton Borough Council, has the potential to generate value for money savings for the local authority over alternatives. When demand for temporary accommodation is high, local authorities are often forced to place residents in bed and breakfasts (B&Bs), which is both expensive and inadequate as a longer-term solution.

To assess ReSI's contribution to value for money savings in Luton, TGE has benchmarked the cost of local B&Bs against the property leases. Since temporary accommodation properties are leased by local authorities in bulk whether occupied or not, it should be noted that both lease cost and void levels contribute to the comparable cost.

For ReSI's temporary accommodation, occupancy rates vary between 87% and 95%. Based on these occupancy rates, TGE has benchmarked the cost of these leases to the public purse, against the cost of local B&Bs (using both lower-quartile and median B&B costs).¹¹

At 87% occupancy, leasing ReSI's two temporary accommodation properties would impact the public purse as follows:

- An additional cost of £203k per annum compared to the lower-quartile cost of local B&Bs
- A saving of £370k per annum compared to the median cost of local B&Bs.

At 95% occupancy, leasing ReSI's two temporary accommodation properties would impact the public purse as follows:

- An additional cost of £18k per annum compared to the lower-quartile cost of local B&Bs
- A saving of £607k per annum compared to the median cost of local B&Bs.


Summary

- ReSI's Shared Ownership homes are affordable to over half (65%) of local households
- The rent levels in the retirement rental properties are set close to the Local Housing Allowance (LHA), but there are no restrictions on households who can live in them. Therefore, the units benefit a broad range of residents, including wealthier individuals.
- As long as void rates remain low, temporary accommodation provides good value for money for local authorities compared to other forms of emergency accommodation, such as B&Bs.

11. Based on 2020 occupancy data.

► BUILDING QUALITY PARTNERSHIPS

The most direct contribution to positive outcomes for tenants is made by ReSI's partner housing associations, property managers, and agents. It is therefore essential that ReSI selects its partners carefully and has good relations with those partners, working effectively together, learning from each other and communicating well.

IMPACT OBJECTIVE	IMPACT METRICS	RESULTS 2020	RESULTS 2021
<p>Is ReSI working with partners to ensure that quality services and outcomes are delivered for the residents?</p> 	Shared Ownership: RP grading	G1/V2	G1/V2
	Shared Ownership: Stakeholder interview assessment	Strong partnership; keen to work together more	Strong partnership; are now working together more holistically across activities
	Retirement rentals: Stakeholder interview assessment	Good working relationship	Since ReSI brought the retirement rentals management team in-house, communication has improved. The quality of service delivered to residents has also improved, as increased digitalisation has sped up processes.
	Retirement rentals' management: Trustpilot rating	Girlings: 4.4/5	My Future Living: No reviews as of 30 September 2021*
	Local authority temporary accommodation: Stakeholder interview	Arm's length relationship; some disputes regarding responsibilities for ongoing maintenance	Good working relationship; disputes have been largely resolved

*My Future Living is a new entity launched July 2021, and has not received any reviews on Trustpilot.

Shared Ownership

STRUCTURE AND GOVERNANCE

54% of ReSI's Shared Ownership properties are managed in-house by ReSI Capital Management Limited (RCML), and 46% are managed by Metropolitan Thames Valley Housing (MTVH) – a Registered Provider of Social Housing (RP) regulated by the Regulator of Social Housing. MTVH holds a Governance and Viability grading of G1/V2, which was reaffirmed in April 2020. This means that it is deemed compliant with RSH's standards, with the governance arrangements to continue meeting its objectives and the financial capacity to deal with a range of negative scenarios.

MTVH affirms that its relationship with ReSI has strengthened over the last 12 months. There is a closer working relationship, with MTVH now providing market research, including demand analysis, on potential schemes for ReSI.



MTVH views ReSI as having been very flexible throughout the pandemic and judges that this partnership working has been essential to the effective continuation of operations. For example, as the pandemic began, MTVH saw a drop in one scheme's rent collection below the required contractual threshold. ReSI could have escalated this issue and put MTVH on notice but decided not to, citing the need to be flexible and supportive of partners. MTVH's rent collection has now returned closer to pre-Covid levels.

The regular KPIs that MTVH provides to ReSI focus on rent collection levels, arrears levels, and speed of response to complaints. While these are important metrics, TGE would welcome also seeing additional social indicators, such as resident satisfaction, within ReSI's monitoring of its partners. TGE has heard that MTVH conducts a customer satisfaction survey with residents after they move in, so there is potential for this type of metric to be incorporated into ReSI's regular monitoring.

Void risk: The risk of unsold properties lies with ReSI, rather than MTVH.

Retirement rentals

Recently ReSI decided to set up RPML (trading as 'My Future Living') as a housing manager to manage the retirement rental portfolio, taking over the role previously performed by Girlings. ReSI believed that residents would benefit from it bringing housing management in-house.

While front-line staff remained the same and transitioned across from Girlings to RPML, TGE has heard that the removal of commercial sensitivities and ReSI's heightened control has led to operational improvements that have benefitted the staff and residents.

RESIDENT VOICE

TGE understands that residents are experiencing better service due to the digitalisation of services. Payments can now be made online, tenancy agreements can be signed digitally and there is a better communication channel for the logging of repairs and issues. This new system has only recently been rolled out, but the team are confident it will make a positive difference to the standard of service.

RESIDENT SUPPORT

Since bringing the management of the retirement rental portfolio in-house, work is also underway to scale up the Tenancy Welfare Team. This team's responsibility is to make note of any potential personal issues (such as early signs of dementia) and to communicate with families about the resident's welfare. Again, the impact of this will become clearer once it is better established (and will be reported in next year's Impact Report).

Void risk: The cost of voids for retirement rental units sits with ReSI.

Local authority temporary accommodation

ReSI owns two blocks of temporary accommodation in Luton – Wesley House and Eaton Green Court. Luton Borough Council affirms that it has a good working relationship with ReSI. The two organisations work closely together to ensure the buildings remain safe, and well-maintained for residents. ReSI leases Wesley House directly with Luton Borough Council, whilst Eaton Green Court is leased to Mears, a large-scale national property management company, which then sub-leases the properties on to Luton Borough Council.

The responsibility for managing the blocks is split between ReSI and the council (for Wesley House), or Mears (for Eaton Green Court). As the freeholder ReSI is responsible for structural issues while the council or Mears is responsible for repairs inside flats, as well as some communal areas.

TGE has heard that ReSI and Luton Borough Council duplicate some services to mitigate the risk of any service issues arising because of their split responsibility. For example, both organisations carry out independent fire risk assessments, effectively over-spending to be safe and to minimise ambiguity over responsibility for areas of the building. ReSI has also invested in a high standard of fire risk assessment at Wesley House, commissioning engineers to open up walls to determine what material they are made of.

ReSI have also informed TGE that Luton Borough Council provide additional non-housing services, such as CV writing and mental health support, to residents.

Void risk: The cost of voids is absorbed by the local authority. Levels of occupancy at ReSI's two blocks are usually between 87% and 95%.


Summary

- ReSI's relationship with MTVH for the Shared Ownership units is continuing to strengthen and there is evidence of good partnership working during the pandemic.
- ReSI has set up a property management company to manage the retirement rental units. There are early indications that this may lead to an improved standard of service.
- ReSI is acting to mitigate the risk of health and safety checks being missed in its local authority portfolio.

► INCREASING SUPPLY OF SOCIAL AND AFFORDABLE HOUSING

ReSI aims to increase the supply of social and affordable housing that would not be delivered otherwise.

TGE assesses performance against this objective by looking at the proportion of homes which are new build and/or are brought into the social or affordable housing sector for the first time. TGE also uses its own 'Additionality Scale' to judge the contributions different investments make to increasing housing supply.

IMPACT OBJECTIVE	IMPACT METRICS	RESULTS 2020	RESULTS 2021
<p>Is ReSI driving delivery of affordable housing that would otherwise not take place?</p> 	Number and percentage of new build homes	<p>Overall: 171 of the 2,708 homes in ReSI's portfolio (6%) were new builds</p> <p>Percentage of 2019–2020 spend on new build homes: N/A</p>	<p>Overall: 230 of the 3,005 homes in ReSI's portfolio (8%) are new builds</p> <p>Percentage of 2020–2021 spend on new build homes: 46%</p>
	TGE additionality scale	<p>Overall: Low</p> <p>Shared Ownership: Medium Retirement rentals: Low Local authority: Low</p>	<p>Overall: Medium</p> <p>Shared Ownership: Medium Retirement rentals: Low Local authority: Low</p>

Shared Ownership

Over the past 12 months ReSI has continued to acquire existing Shared Ownership properties from a range of RPs, as well as new build homes. 46% of ReSI's spend (59 units) over the last year was committed to new build properties, of which, 63% of properties were acquired as part of Section 106 obligations, whilst 37% were grant funded.

Acquiring existing homes from RPs frees up the organisations' capital and enables them to develop more homes. Whilst unable to influence how the funds are spent, ReSI have acquired all tenanted stock from not-for-profits who are required to reinvest the capital into developing new homes or improving existing stock.

While TGE judges the new build units that ReSI acquired as having High additionality, they are a smaller part of the portfolio. On balance, TGE considers ReSI's current strategy as having Medium additionality.

TGE recommends that ReSI explores further ways of increasing the supply of housing beyond existing stock acquisition. This will allow the fund to increase the level of additionality it brings the sector.



Ashdown – Retirement rentals



Eaton Green – Local authority temporary accommodation

Retirement rentals

ReSI acquired a significant majority of its portfolio of retirement rental homes from another investor. Accordingly, TGE considers that ReSI is bringing Low additionality to the sector through these homes since this type of transaction does not increase the supply of social housing. However, ReSI is ensuring that these homes continue to be used as retirement rentals for the long-term.

Since acquiring the portfolio ReSI has sold 33 properties directly to residents that were renting them. Besides giving the buyers long-term security, this ensures that the homes remain managed by a responsible landlord since they must be sold back to the fund when the resident leaves.

Local authority temporary accommodation

ReSI's two blocks of temporary accommodation were acquired as a passive transfer of stock, with leases and contracts already in place. ReSI's investment has kept the buildings in the social sector. However, it has not contributed to increasing the supply of social housing.

BUILDING SAFETY AND QUALITY


Nonetheless, ReSI is bringing additionality through its spending on building safety and quality. ReSI has commissioned fire engineers to open up Wesley House to inspect the condition and material of the walls. This goes beyond its contractual obligations and helps ensure a safe environment for residents. TGE considers this best-in-class fire risk assessment. The Fund have also spent circa £100k in the last year responding to outages, and upgrading the lifts at Wesley House – which became damaged due to antisocial behaviour.

Summary

- ReSI brings Medium additionality to the sector through its acquisition of Shared Ownership homes. 46% of spend in the past year went toward new builds that increase the supply of social housing. Although Section 106 deals do not increase supply above what is legally required under planning obligations, TGE consider the 22 grant funded properties to have High additionality.
- ReSI's contribution to increasing supply through its retirement rental and temporary accommodation homes is lower. Both portfolios were acquired as passive transfers with leases already in place.

► IMPROVING ENERGY EFFICIENCY OF HOMES AND REDUCING ENERGY USAGE

ReSI is aiming to improve the energy efficiency of its homes where possible to raise its portfolio's environmental performance.

IMPACT OBJECTIVE	IMPACT METRICS	RESULTS 2020	RESULTS 2021
<p>Is ReSI improving the energy efficiency of homes?</p> 	Percentage of units with EPC rating C+	All units: 80% Shared Ownership: 99% Retirement rentals: 86% Local authority temporary accommodation: 18%	All units: 81% Shared Ownership: 90% Retirement rentals: 87% Local authority temporary accommodation: 18%
	Percentage of units with EPC rating E+	All units: 100% Shared Ownership: 100% Retirement rentals: 100% Local authority temporary accommodation: 100%	All units: 99.9% Shared Ownership: 99.8% Retirement rentals: 99.95% Local authority temporary accommodation: 100%

CLIMATE CHANGE

Improving the energy efficiency of its homes is an area of growing focus for ReSI. The Fund has upgraded 93% of its directly rented properties with an EPC of E or lower to a D or better, and work is under way to ensure that 100% of these directly rented properties will be upgraded to a minimum of a D by the end of 2021. This demonstrates that the Fund is taking positive action through dedicating resources, and encouraging partners to make improvements.

ReSI have committed to a more long-term plan of upgrading all of its directly rented properties to an EPC rating of C or better by 2025. This exceeds the government's target of all properties reaching an EPC rating C by 2035.

TGE acknowledges that such improvements are expensive, since they will often include changing buildings' fabric. This requires balancing benefits and costs, as well as making use of government grant money to fund improvements where possible. TGE views it as positive that ReSI has given assurances that the cost of any EPC improvements will not be passed on to the customer.

Where EPC data is available, the proportion of ReSI's homes across all tenure types with an EPC rating of C+ has increased marginally from 80% to 81% between 2020 and 2021. In addition, 99.9% of the fund's homes have an EPC rating of E+ – this, however, has declined from 100% in 2020 as ReSI acquired two homes in the last year with an EPC rating of F which it plans to improve [see Shared Ownership and Retirement Rental sections].

Shared Ownership

Of ReSI's Shared Ownership properties with an EPC rating, 90% have a rating of C+. This is a decline year-on-year in terms of the proportion of the properties rated C+ (from 99% in 2020), but the sample size has more than doubled during that period (from 198 to 462 homes with an EPC rating) as ReSI have acquired a greater proportion of tenanted stock. 99.8% of the Shared Ownership properties meet the minimum energy efficiency standard (MEES) of an EPC rating E. One property rated F fails to meet this minimum standard. Whilst ReSI cannot insist the resident of the F rated property undertake improvement works (as the Shared Owner owns the home), the Fund suggest that it may encourage retrofitting through offering a grant and advice.

Retirement rentals

Of ReSI's portfolio of retirement rental homes with an EPC rating, 87% have a rating of C+ and 99.95% are rated E+. As with the Shared Ownership portfolio, this means that just one of ReSI's retirement rental properties has an EPC rating of F and falls short of the government's MEES. However, this property is not currently managed by ReSI, and will yield to the Fund when vacated. Upon vacation of the property, ReSI informed TGE of a likely retrofit plan, which includes replacing storage heaters, installing an insulation jacket to the immersion cylinder, and ensuring all windows are, at a minimum, double glazed.

During the last 12 months, ReSI have been taking steps to improve all EPC E rated retirement rental properties. Consequently, the percentage of directly rented units owned before September 2020 that are EPC E rated have improved from 1.6% in September 2020 to 0.1% in September 2021. However, a small number of EPC B and EPC C homes have had their ratings downgraded due to a stricter EPC assessment methodology. ReSI has been reviewing low EPC properties and is currently in the process of retrofitting all directly rented units to at least an EPC D by the end of 2021.

Local authority temporary accommodation

All of ReSI's local authority temporary accommodation (bar one EPC rated E unit) is rated EPC D or higher. 51 homes at Wesley House meet the threshold of an EPC rating of C+, and all homes at both buildings comply with the MEES of an EPC rating E.

► ENVIRONMENTAL OUTCOME – REDUCED ENERGY USAGE

By improving the energy efficiency of homes ReSI is contributing towards reducing the energy consumption of its residents. TGE did not attempt to collect direct energy consumption data, instead we rely on the improvement in EPC ratings to act as an indicator of expected energy consumption.

Summary

- ReSI is allocating more resources towards improving the energy efficiency of its homes, and work is under way to ensure that all directly rented homes will be upgraded to an EPC rating of D or better by the end of 2021.
- Across all of ReSI's homes where EPC data is available, 80.5% have an EPC rating of C+, compared to 40% of homes in England.¹² These units meet government targets.
- The portfolio contains two properties with an EPC rating of F that do not meet minimum standards.

12. [MHCLG, English Housing Survey, Energy report, 2019–20](#)

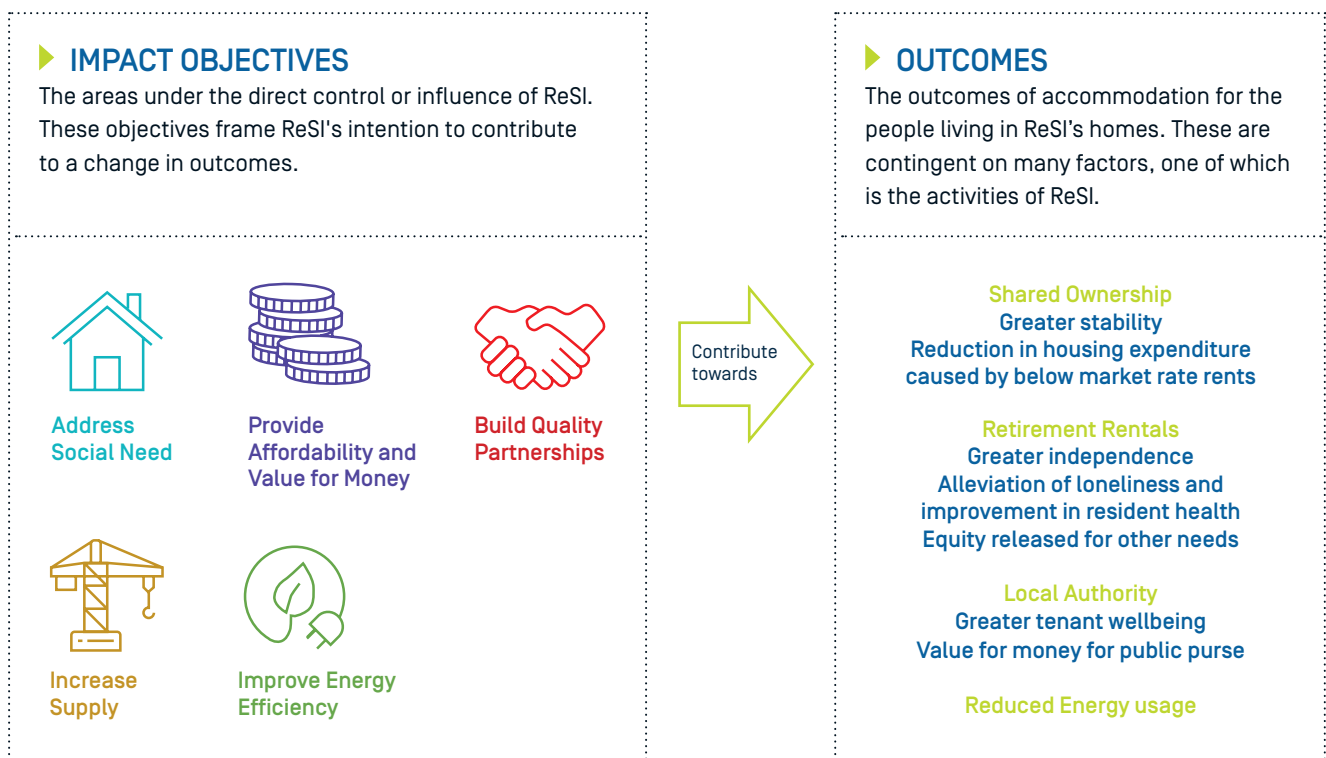
4 CONTRIBUTION TO OUTCOMES

This section aims to assess the change in outcomes experienced by stakeholders impacted by ReSI's activities.

Impact objectives are a key element of impact assessment since these are the activities which ReSI has direct influence over. However, to capture ReSI's full impact it is also necessary to consider the ultimate outcomes experienced by the target stakeholders.

These outcomes depend on many factors, one of which may be ReSI's activities. Accordingly, the Fund can only ever claim to be contributing to these outcomes partially. Nonetheless, it is important to assess them since they provide insight into the ultimate impact (i.e., the change in outcomes) caused by ReSI.

ReSI's investment activities generate different outcomes for each of the fund's property types, apart from 'reduced energy usage' which is an outcome consistent across all three. The diagram below provides an overview of ReSI's target outcomes across the three tenure types it invests in.

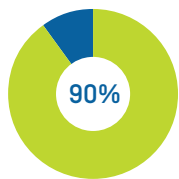
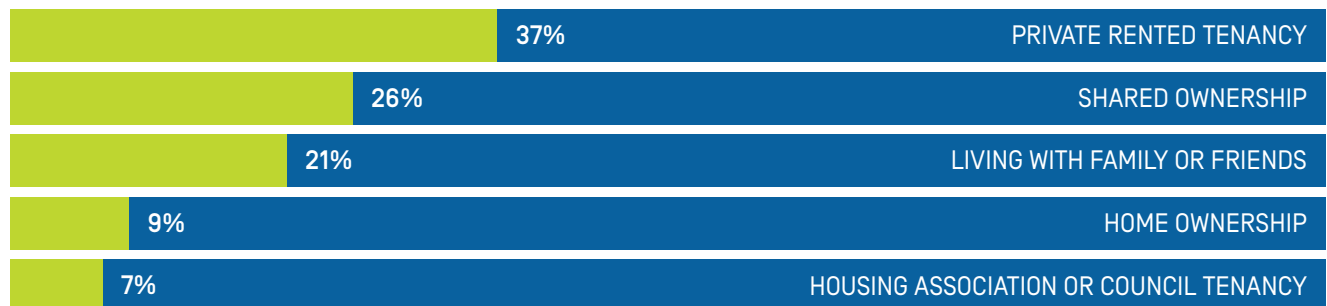


▶ SHARED OWNERSHIP

▶ GREATER STABILITY

In October 2021 ReSI conducted a survey with residents living in its Shared Ownership properties. The survey received responses from 57 residents. Results are provided below:

Respondents' previous tenure:



90% of respondents stated that moving into their current home has made a positive difference to their living situation.

Qualitative feedback provided by residents:

- "Peace of mind about not having to move out at short notice."
- "Our home is ours and we have more security."
- "I've had the opportunity to have my own place that I can decorate as I please and no longer have to share with other people in rental accommodation"
- "Means we are able to have an independent lifestyle and able to save for the future."

Residents who expressed a more negative view provided the following explanations:

- "Moved from a house to a flat. This has meant the loss of a garden and parking is a lot worse, with only one space per flat."
- "It is more expensive living through Shared Ownership than it has been previously when I have rented privately and when I have owned my own home."

To mitigate unsatisfied residents, ReSI are setting up resident boards to air queries and are reducing costs to Shared Owners through charters.

▶ REDUCTION IN HOUSING EXPENDITURE CAUSED BY BELOW MARKET RATE RENTS

Shared Owners benefit from rents that are provided at a discount to market rate, resulting in cost-savings when compared to renting in the Private Rental Sector (PRS). ReSI have calculated that, typically, a Shared Owner saves £2k per annum (increasing with RPI) as opposed to renting in the PRS.¹³

Results from ReSI's Shared Ownership survey suggests that residents are experiencing the financial benefits.

13. Investment Manager calculation reviewed by Sonnet Advisory & Impact CIC.

Respondents' statements on the main financial benefits of Shared Ownership*:

- Low amount of deposit = 46%
- Option to own your home outright = 39%
- Option to staircase to a bigger share = 39%
- Rent less than private market rent = 30%

*Total equals more than 100% because respondents were asked to select all that apply

Residents' qualitative feedback on the affordability of ReSI's Shared Ownership homes:

- "I'm currently paying less per month on mortgage/rent than I was on rent alone previously. I don't know how long that will last, but I feel more financially secure"
- "[I have] lower outgoings – less money paid in rent"



INTERVIEW WITH MICHAEL* A SHARED OWNERSHIP RESIDENT

Michael moved into a new ReSI Shared Ownership property with his wife in August 2021. In an interview with TGE, Michael was very positive about the quality of his new home and said it is much higher quality than his previous accommodation – a one-bed flat that he rented. Having been in his previous home for two and a half years, Michael feels much more settled in his new home and is looking forward to living there for many years. Michael stated that this stability has had a positive impact on his wellbeing. Moreover, having purchased an initial share of 40% of his home, he reported satisfaction at adding value to his own asset rather than renting.

*Not his real name.

▶ RETIREMENT RENTALS

In October 2021 ReSI conducted a survey with residents living in its retirement rental portfolio. The survey was issued to 1,231 residents via email, with 281 responding. The results are provided below, categorised according to ReSI's target outcomes for its retirement rental homes.

▶ GREATER INDEPENDENCE



70% OF RESPONDENTS STATED THAT HAVING NO PROPERTY MAINTENANCE OR UPKEEP WAS A BENEFIT OF RETIREMENT LIVING



67% STATED THAT HAVING THE SECURITY OF A 24-HOUR EMERGENCY CARELINE AND ONSITE MANAGER WAS A BENEFIT OF RETIREMENT LIVING



73% OF RESPONDENTS STATED THAT RETIREMENT LIVING IS AS GOOD AS OR AN IMPROVEMENT ON THEIR PREVIOUS LIVING ARRANGEMENTS

"Renting gives me the flexibility I need." – Retirement rental resident

▶ ALLEVIATION OF LONELINESS AND IMPROVEMENT IN RESIDENT HEALTH



78% OF RESPONDENTS STATED THAT HAVING A SENSE OF COMMUNITY IS IMPORTANT TO THEM IN THEIR RETIREMENT



81% OF RESPONDENTS HAVE MADE NEW FRIENDS SINCE MOVING INTO THEIR RETIREMENT PROPERTY

Several retirement rental residents emphasised the communal and social element of schemes as a particular benefit. Schemes hold regular social events, such as weekly coffee mornings, and most residents reported getting on very well with other residents and staff. Through providing social spaces for older people, ReSI helps to alleviate loneliness among residents. Research has shown that this can contribute to improved health, with feelings of extreme loneliness increasing an older persons' chance of premature death by 14%.¹⁴

The homes are also fit for purpose, featuring lifts, bathrooms with walk-in showers, and a hotline in all rooms that allows residents to access emergency care when needed. These features reduce the likelihood of serious injuries for residents, which has a knock-on effect of reducing government spend on healthcare.

▶ EQUITY RELEASED FOR OTHER NEEDS



62% STATED THAT LOWER COST WAS A BENEFIT OF LIVING IN A RETIREMENT PROPERTY



35% OF RESPONDENTS WERE HOMEOWNERS BEFORE MOVING INTO A RETIREMENT PROPERTY

Those who sold their properties prior to renting cited the following plans for the capital released:

- To gift money to family
- To have more money for living expenses
- To fund more travel and holidays



INTERVIEW WITH MARIE* A RETIREMENT RENTAL RESIDENT

Marie moved into her home in 2011 from another rented property. She wanted somewhere cheaper to retire to, but with space for her book collection. She has found the staff helpful and supportive. An example of this was when she had an accident in 2020 and had to spend three months in hospital. The housing managers visited and brought her computer from home.

Marie was especially positive about the strong sense of community in her building. Residents are encouraged to socialise and the housing managers facilitate this.

Marie's only concern is the rising rent level. The rent was very affordable for her when she moved in 10 years ago. However, as her pension is not a UK state pension and does not increase year on year, rent is now taking up a much greater portion of her income.

*Not her real name.

14 [Age UK, Over 1 million older people in the UK feel lonely, 2014](#)



INTERVIEW WITH MAX A RETIREMENT RENTAL RESIDENT

Max moved to ReSI's retirement rental complex 'Holcombe House' eight years ago. He remains in employment, making him one of the wealthier residents in ReSI's retirement rental portfolio.

Max moved to Holcombe House as he adopted a cat that his previous home in London wouldn't allow to stay with him. In addition, Max cites the proximity to London, the beach, and an airport as reasons he moved to Holcombe. Whilst renting, he is able to live independently and enjoy having no maintenance responsibilities: this provides Max with the flexibility he needs. Max also highly values security and feels that his security needs are met at Holcombe House: for example, his home has a button fitted to press for emergencies which he finds comforting as, although he hasn't had any health complications, he knows support is there in the future.

*Not his real name.



INTERVIEW WITH DEREK* A RETIREMENT RENTAL RESIDENT

Derek moved into a ReSI-owned retirement rental property in April 2021. Previously he had been living with family for a short time, having moved out of his previous home following a divorce.

Though there have clearly been difficult circumstances leading to Derek coming to live in retirement living, he was overwhelmingly positive about the quality and suitability of his new accommodation. Derek stated that he gets on very well with other residents and staff, he enjoys living by the sea and that all building maintenance gets sorted very quickly. Coffee mornings take place every Wednesday, and Derek attends these regularly and has made new friends since moving in. Having sold a previous home, Derek is financially secure and considers his rental payments relatively affordable. Overall, Derek confirmed that he feels very comfortable in his new home and would like to live there for a long time.

*Not his real name.

“I would definitely recommend living here to others. The people are all very friendly and the location is great.” – Derek, Retirement rental resident

▶ LOCAL AUTHORITY TEMPORARY ACCOMMODATION

▶ GREATER TENANT WELLBEING

No resident survey has been completed for ReSI's local authority temporary accommodation portfolio, so fully assessing resident outcomes has not been possible. TGE have, however, interviewed two residents at Wesley House (see interviews on next page). Both residents were largely positive about their experience at Wesley House, and viewed the accommodation as having a positive effect on their wellbeing.

► VALUE FOR MONEY FOR THE PUBLIC PURSE

ReSI's temporary accommodation has the potential to generate value for money savings for the local authority, compared to the cost of alternatives, such as B&Bs.

Affordability analysis carried out by TGE shows that ReSI's two temporary accommodation blocks have the can generate cost-savings of up to £607k per annum, compared to the median cost of local B&B provision. The full results of this affordability analysis can be found on pp.22–23.



INTERVIEW WITH KATIE* A LOCAL AUTHORITY TEMPORARY ACCOMMODATION RESIDENT

Katie has been living in Wesley House for over three years and would likely be homeless if she was not at the accommodation. She has been bidding on permanent properties but is restricted by what she can bid on due to having two children.

Since moving in, Katie has made her flat as “homely as possible” – describing it as “really nice” with enough space for her family. Whilst her flat does meet her and her family’s needs, frequent issues with the block’s lift has caused difficulties, especially with the children. Issues persisted despite ReSI's maintenance efforts. The Fund has spent circa £100k on lift upgrades and repairs this year. Other maintenance and repair needs have been resolved efficiently: Katie says the team are responsive and prioritise emergencies. Katie was particularly positive about the staff and discussed how, since moving in, they have become more available, more efficient at removing non-residents, and have been helping her with bidding on new homes. The staff also put up posters to make residents aware of various workshops such as those that help with quitting smoking. Katie also told us that the staff checked-in on her during the pandemic and alerted residents to any COVID-19 cases in the block, and that she has never felt intimidated or unsafe at Wesley House.

Katie stated that moving to Wesley House has had a positive effect on her wellbeing. It has allowed her to manage her anxiety better and she is sleeping better than she was after being asked to move out of her previous home. Katie moved out whilst pregnant and living at Wesley House allowed her to get support with her first baby, take parental classes, and cope with motherhood, which has also helped with her second child.

*Not her real name.

“I’m a lot happier than I was before... as the years have gone by Wesley House has improved every year. It is only getting better.”



INTERVIEW WITH ERIN* A LOCAL AUTHORITY TEMPORARY ACCOMMODATION RESIDENT








Erin has been living at Wesley House for a year with her two children and is currently bidding for permanent accommodation – which she hopes to win as soon as possible. There is little she would change about her flat, but she would like another bedroom as she currently only has two. Erin has been able to maintain the part-time job she had before moving to Wesley House and has been busy working since. She discussed how beneficial the location was, with transport links and amenities nearby, praised the quality of staff, and said that she feels safe whilst at home.

*Not her real name.

“The staff are really good... when you call, they come.”

► ALIGNMENT WITH SUSTAINABLE DEVELOPMENT GOALS

The UN Sustainable Development Goals (SDGs) provide globally recognised impact goals. There are 17 SDGs, each comprising multiple sub-targets. TGE has identified those where ReSI is making a contribution.

RESI PROPERTY TYPE	OUTCOME	PRIMARY SDG ALIGNMENT	RELEVANT SDG TARGET
SHARED OWNERSHIP	Greater stability (through security of tenure)		11.1 – By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.
	Reduction in housing expenditure caused by below market rate rents		
RETIREMENT RENTAL	Greater independence		11.1 – By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.
	Alleviation of loneliness and improvement in resident health		3.8 – Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.
	Equity released for other needs		1.4 – By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.
LOCAL AUTHORITY	Greater tenant wellbeing		3.8 – Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.
	Value for money for public purse		10.1 – By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average.
ALL	Reduced energy usage		7.3 – By 2030, double the global rate of improvement in energy efficiency.

It should be noted that ReSI's contribution to the SDGs is not direct and relies on its partnerships with other stakeholders.

Bower House – Retirement rentals



ReSI's impact goal is to increase the provision of affordable housing by providing long-term capital to developers, housing associations and local authorities. This allows high quality, safe and energy efficient homes to be delivered whilst ensuring a long-term stability of tenure.

5 CONCLUSIONS AND RECOMMENDATIONS

STRENGTHS

- ReSI's diversified portfolio continues to provide much-needed housing to a broad range of people. There is evidence of this leading to multiple positive outcomes, including improved wellbeing, security of tenure and value for money for public budgets.
- By acquiring Shared Ownership homes from not-for-profit housing associations, ReSI is providing its housing association partners with additional capital which is required to be invested into upgrading or developing social housing units.
- ReSI's partnership with Metropolitan Thames Valley Housing (MTVH), which manages 46% of its Shared Ownership homes, has performed strongly over the last 12 months. TGE have heard evidence of flexible working throughout the pandemic and an increasingly close working relationship between ReSI and MTVH.
- Early evidence suggests that ReSI's decision to manage the retirement rental units in-house could improve services for residents. This has given ReSI greater control over the management of its property portfolio.
- Over the past 12 months ReSI has made progress in improving the environmental performance of its homes. The Fund also committed to upgrade the EPC rating of all properties within its control to a C by 2025. This exceeds the government's target of all properties reaching an EPC rating C by 2035.

RECOMMENDATIONS TO MAXIMISE IMPACT

- ReSI's contribution to increasing the supply of social and affordable housing has improved over the last year, however the majority of the overall portfolio was gained through acquisitions of already tenanted stock. TGE recognise that these types of acquisitions are in accordance with the Fund's mandate, but recommend that the Fund continues to focus on Shared Ownership, where it has the most additionality.
- In line with the Fund's strategy, Shared Ownership and retirement rental properties do not provide housing for those in the most acute housing need. Shared Ownership provides housing options for underserved lower-middle and median earners, whilst retirement rental properties deliver homes at open market rent to a broad range of residents, some of whom are low earners (22% of residents are on Housing Benefit). ReSI could increase its impact by providing more housing which serves those at the lower end of the income scale.


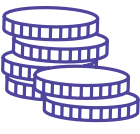
6 APPENDIX




APPENDIX 1: DATA SOURCES

DATA SOURCE/ EVIDENCE	OVERVIEW	EVIDENCE RISK	LIMITATIONS
Property-by-property portfolio database	Portfolio data provided by ReSI. For each property, this data includes the following; address, build date, whether the property was acquired in the last year, housing type, beds, housing manager, EPC rating, and floor area.	Low	Reliant on accuracy of data provided by ReSI plc.
2020 and 2021 EPC data	Shared Ownership and retirement rental schedules of 2020 EPC ratings by unit were provided to TGE by ReSI. EPC ratings for the temporary accommodation units remained unchanged from 2020–2021, so the same data was used. Overall, ReSI provided TGE with EPC ratings for 2,638 units in 2020. 2021 EPC data was included on the property-by-property portfolio database. ReSI provided TGE with EPC ratings for 2,883 units.	Low	Reliant on accuracy of data provided by ReSI plc The sample size of 2,638 units in 2020 was 97% of ReSI's 2020 portfolio. The sample size of 2,883 units in 2021 is 96% of ReSI's total portfolio.
Shared Ownership property valuations	Valuations of ReSI's Shared Ownership properties conducted by Savills.	Low	Reliant on accuracy of Savills' valuations.
Shared Ownership resident demographics data	Resident demographic data was provided to TGE, for the Clapham and Totteridge schemes, by ReSI's Shared Ownership partner MTVH.	Medium	Reliant on accuracy of data collected by ReSI's partner.
Shared Ownership resident survey data	Survey of ReSI's Shared Ownership residents carried out by RCML. There were 10 questions and 57 respondents. ReSI provided TGE with the results on an Excel document.	High	Small sample size – 57 respondents is approximately 6% of residents in ReSI's Shared Ownership portfolio. Therefore, reported results may not be representative of experiences of all residents. Also, reliant on accuracy of data provided by respondents.
Retirement rental resident survey data	Survey carried out by My Future Living and advised by TGE. The survey consisted of 27 questions. There were 291 respondents, and results were provided to TGE by ReSI on an Excel document.	High	Small sample size – 291 respondents is approximately 11% of residents in ReSI's retirement rental portfolio. Therefore, reported results may be representative of all residents. Also, reliant on accuracy of data provided by respondents.
G/V gradings of partner RP	TGE review the Governance and Viability (G/V) grading published by the RSH for ReSI's partner RP (MTVH).	Low	None – the RSH is an independent regulatory body. These gradings should accurately reflect an independent appraisal of their standard of governance and financial viability.

DATA SOURCE/ EVIDENCE	OVERVIEW	EVIDENCE RISK	LIMITATIONS
Interviews with housing provider partners	Interviews carried out with ReSI's partners by TGE. TGE aim to find out about the housing providers' general relationship with ReSI, as well as specific details in relation to selected schemes.	Medium	TGE spoke to the relevant housing providers for the Shared Ownership and most of the retirement rental units, but not the temporary accommodation units. Also, reliant on the accuracy of the answers provided.
Interview with local authority staff	TGE interviewed Luton Borough Council regarding their relationship with ReSI – the interview solely covered Wesley House.	Medium	Conversation was specifically in relation to one scheme – Wesley house. Also, reliant on the accuracy of the answers provided.
Interviews with the ReSI team	Interviews carried out with various members of ReSI's team. Through these interviews, TGE aim to find out about various aspects relating to strategic and day-to-day the management of the fund.	Medium	Reliant on the accuracy of the answers provided by the ReSI team. Also, though these conversations provide insight into the Fund's processes and activities, they cannot provide the full picture since some info is confidential and cannot be shared.
Interview with residents	Interview with residents conducted by TGE. ReSI and partners provided TGE with residents willing to be interviewed. All interviews were done via telephone.	Medium	Experience of specific residents is not representative of the wider portfolio. Residents weren't randomly selected and were interviewed based on their willingness to participate and ReSI's/partner's willingness to connect them with TGE.
Local authority cost savings model	Cost-saving model developed by TGE to compare the cost of ReSI's temporary accommodation blocks with the cost of alternative B&B provision.	High	The model uses publicly available local B&B cost data as a benchmark to compare against estimated cost data for ReSI's temporary accommodation blocks. Also, TGE did not receive updated occupancy data for 2021 for ReSI's two blocks so 2020 occupancy data was re-used in the model.
TGE affordability calculation	Affordability calculation carried out by TGE for ReSI's Shared Ownership units. The calculation uses the stated property price to estimate the monthly housing cost (rent + mortgage). This is compared against local earnings data to calculate the percentage of local households able to afford the home (assuming no more than 35% of net income is spent on housing costs).	Medium	The calculation produces an estimated monthly housing cost, underpinned by several assumptions (deposit amount, ownership share purchased, mortgage interest rate, rental cost).

APPENDIX 2: RESI IMPACT DATA

IMPACT OBJECTIVE	IMPACT METRICS	RESULTS 2020	RESULTS 2021
<p>Address Social Need</p> 	Number of properties	Overall: 2,708 Shared Ownership: 196 Retirement rentals: 2,223 Local authority: 289	Overall: 3,005 Shared Ownership: 498 Retirement rentals: 2,218 Local authority: 289
	Shared Ownership: Affordability ratio [average house price to average earnings] in local area	89% of properties in the least affordable local authorities [Local authorities with affordability ratios greater than the national average]	70% of properties in the least affordable local authorities [Local authorities with affordability ratios greater than the national average]
	Retirement rentals: resident survey analysis	N/A	76% would recommend renting in retirement 81% made new friends 67% were attracted by an assured lifetime tenancy
	Local authority temporary accommodation: Number of households on local authority waiting list	Luton: 13,077 on waiting list out of 78,900 households or 16.6% [compared to national average of 5.1%]	Luton: 13,215 on waiting list out of 78,900 households or 16.7% [compared to national average of 5.1%]
<p>Provide Affordability and Value for Money</p> 	Shared Ownership: TGE affordability calculation	Affordable to 42% of local households	Affordable to 65% of local households
	Retirement rentals: Stakeholder interviews and resident survey	Rent levels set close to the LHA: approximately 22% of residents in receipt of Housing Benefit	Rent levels set close to the LHA: approximately 22% of residents in receipt of Housing Benefit
	Local authority temporary accommodation: Savings compared to pay-nightly accommodation	Savings per annum of up to 607k	Savings per annum of up to £607k
<p>Build Quality Partnerships</p>	Shared Ownership: RP grading	G1/V2	G1/V2
	Shared Ownership: Stakeholder interview assessment	Strong partnership; keen to work together more	Strong partnership; are now working together more holistically across activities

IMPACT OBJECTIVE	IMPACT METRICS	RESULTS 2020	RESULTS 2021
	Retirement rentals: Stakeholder interview assessment	Good working relationship	Since ReSI brought the retirement rentals management team in-house, communication has improved. The quality of service delivered to residents has also improved, as increased digitalisation has sped up processes.
	Retirement rentals' management: Trustpilot rating	Girlings: 4.4/5	My Future Living: No reviews as of 30 September 2021
	Local authority temporary accommodation: Stakeholder interview	Arm's length relationship; some disputes regarding responsibilities for ongoing maintenance	Good working relationship; disputes have been largely resolved
Increase Supply 	Number and percentage of new build homes	Overall: 171 of the 2,708 homes in ReSI's portfolio (6%) were new builds Percentage of 2019–2020 spend on new build homes: N/A	Overall: 230 of the 3,005 homes in ReSI's portfolio (8%) are new builds Percentage of 2020–2021 spend on new build homes: 46%
	TGE additionality scale	Overall: Low Shared Ownership: Medium Retirement rentals: Low Local authority: Low	Overall: Medium Shared Ownership: Medium Retirement rentals: Low Local authority: Low
Improve Energy Efficiency 	Percentage of units with EPC rating C+	All units: 80% Shared Ownership: 99% Retirement rentals: 86% Local authority temporary accommodation: 18%	All units: 81% Shared Ownership: 90% Retirement rentals: 87% Local authority temporary accommodation: 18%
	Percentage of units with EPC rating E+	All units: 100% Shared Ownership: 100% Retirement rentals: 100% Local authority temporary accommodation: 100%	All units: 99.9% Shared Ownership: 99.8% Retirement rentals: 99.95% Local authority temporary accommodation: 100%

APPENDIX 3: RESI HOUSING – SRS DISCLOSURE

The Sustainability Reporting Standard for Social Housing, first published in November 2020, is a consistent way for housing providers to report on their ESG performance. This Appendix is the ReSI Housing's SRS disclosure, with support from The Good Economy. ReSI Housing is a for-profit Registered Provider solely delivering Shared Ownership homes, thereby the SRS disclosure does not account for ReSI plc's other housing types.

	THEME	CRITERIA #	CRITERIA	RESULT
SOCIAL	AFFORDABILITY AND SECURITY	C1	Affordability Metric: 1) Rent compared to Median private rental sector (PRS) rent across the Local Authority	One-bed: discount of 27% Two-bed: discount of 32% Three-bed: discount of 35% Four-bed+: discount of 48%
		C2	Number, and share, of existing homes (homes completed before the last financial year)	194, 100% Shared Ownership
		C3	Number, and share, of new homes (homes that were completed in the last financial year)	304, 100% Shared Ownership
		C4	How is ReSI Housing trying to reduce the effect of fuel poverty on its residents?	ReSI Housing reduces the effect of fuel poverty on its residents by ensuring that the homes it provides have strong EPC ratings and are therefore energy efficient. An energy efficient home requires less energy to run, helping to reduce the cost burden on residents and avoiding them entering fuel poverty. 90% of ReSI Housing's portfolio has an energy rating of a C or higher, compared to 34% of homes in England (English Housing Survey 2018), making ReSI's portfolio well above the industry benchmark. To further improve energy efficiency, ReSI Housing is committed to ensuring that all new build properties that it acquires have an EPC rating of B or higher.
		C5	What % of rental homes have a three-year fixed tenancy agreement (or longer)?	100%
	BUILDING SAFETY AND QUALITY	C6	What % of homes with a gas appliance have an in-date, accredited gas safety check?	100% of the properties where it is required
		C7	What % of buildings have an in-date and compliant Fire Risk Assessment?	100% of the properties where it is required
		C8	What % of homes meet the Decent Homes Standard (DHS)?	The DHS only applies to affordable rented accommodation – ReSI Homes does not own any affordable rent properties.

THEME	CRITERIA #	CRITERIA	RESULT
RESIDENT VOICE	C9	What arrangements are in place to enable the residents to hold management to account for provision of services?	<p>All ReSI Housing properties are managed by professional property managers, who are responsible for receiving and responding to any queries raised by residents. Property managers are required to respond to resident complaints within a certain number of days and have KPIs which are based on their response times, to encourage timely responses. In instances where the nature of a complaint is to do with a third party i.e. the Managing Agent of the Freeholder, ReSI will support the resident in making their complaint to the relevant authority.</p> <p>ReSI Housing are in the process of setting up a Service Improvement Panel, the members of which will include residents and property managers as well as a representative from ReSI Housing. Letters have been sent to all residents about becoming a member of the panel and several responses have been received. The panel will give residents an effective way of communicating with property managers and ReSI Housing, to discuss improvements to the management process. In addition, ReSI have a formal complaints handling procedure to ensure that residents' complaints are dealt with in a timely manner.</p>
	C10	How does ReSI Housing measure Resident Satisfaction and how has Resident Satisfaction changed over the last three years?	At the year end date, ReSI Housing has been responsible for the Shared Ownership units that it manages for 9 months, which is not a long enough period of time to make a measurable change to resident satisfaction. Via a questionnaire submitted by a sample of residents, ReSI is measuring the baseline of the current levels of satisfaction amongst its residents, to compare future changes in satisfaction by ourselves and our third-party managers against. For the properties managed by MTVH, a customer satisfaction survey is filled out by residents after move-in.
	C11	In the last 12 months, how many complaints have been upheld by the Ombudsman	No complaints have been upheld by the Ombudsman in the last 12 months.
RESIDENT SUPPORT	C12	What support services ReSI Housing offer to residents. How successful are these services in improving outcomes?	The vast majority of Shared Ownership residents are in full time employment, and therefore ReSI Housing doesn't make enquiries into their welfare. Where residents get into financial difficulty, ReSI Housing ensures that they have access to an independent financial advisor, such as the Citizens Advice Bureau, before any legal action is taken.

SOCIAL

	THEME	CRITERIA #	CRITERIA	RESULT
ENVIRONMENTAL	CLIMATE CHANGE	C14	Distribution of EPC ratings of existing homes (those completed before the last financial year)	A: 0%. B: 96%. C: 4%. D: 0%. E:0%. F:0%. n=193
		C15	Distribution of EPC ratings of new homes (those completed in the last financial year)	A: 0.4%. B: 56%. C: 27%. D: 13%. E: 3%. F: 0.4%. n=269
		C16	Scope 1, Scope 2, and Scope 3 greenhouse gas emissions (tonnes CO ₂)	Scope 1: 0 Scope 2: 3.6 Scope 3: 1,081.0
		C17	What energy efficiency actions has ReSI Housing undertaken in the last 12 months?	ReSI Housing has acquired 59 new build properties in FY21, 100% of which have an EPC rating of a B or higher, benefiting both the Shared Owner and the environment through lower emissions. Comparing this to the 1% of homes in England that currently have an EPC rating of a B or above, this demonstrates ReSI Housing's commitment to improving energy efficiency and reducing carbon emissions.
		C19	Does ReSI Housing give residents information about correct ventilation, heating, recycling etc. How is this done?	On moving into their new homes, all residents are provided with a home user guide. This guide provides residents with relevant guidance on the sustainable features of their new home such as MVHR units, electric vehicle charging point, refuse and recycling arrangement, bike stores etc. Through its property managers, ReSI also provide advice to residents on how to occupy their homes in terms of conserving energy whilst also being alert to the need for adequate ventilation to mitigate condensation issues.
GOVERNANCE	STRUCTURE AND GOVERNANCE	C25	Is ReSI Housing registered with a regulator of social housing?	ReSI Housing is an RP which is registered with the Regulator of Social Housing (RSH), with registration number 5053.
		C26	What is the most recent viability and governance regulatory grading?	ReSI Housing is yet to be assessed by the RSH but proposes to conduct its own shadow assessment over the next nine months or so.
		C27	Which Code of Governance does ReSI Housing follow, if any?	ReSI Housing follows the FRC's UK corporate governance code (July 2018 update).
		C28	Is ReSI Housing Not-For-Profit? If not, who is the largest shareholder, what is their % of economic ownership and what % of voting rights do they control?	ReSI Housing is a for-profit registered provider and a wholly owned subsidiary of ReSI Portfolio Holdings Limited, itself a wholly-owned subsidiary of Residential Secure Income plc, which is an LSE-listed real estate investment trust. The largest shareholder of ReSI plc is Close Brothers Group Plc, who have 12% of the shares. Voting rights in ReSI plc are 1 for 1, giving Close Brothers 12% voting rights.

	THEME	CRITERIA #	CRITERIA	RESULT
GOVERNANCE	STRUCTURE AND GOVERNANCE	C29	How does ReSI Housing's board manage organisational risks?	Day-to-day operations of ReSI Housing are the responsibility of the executive directors and the manager to ReSI Housing (ReSI Capital Management Limited), who is tasked with managing the operations of ReSI Housing in accordance with ReSI Housing's governance policies – of these, the Risk Management Policy sets out ReSI Housing's risk appetite. These day-to-day operations are subject to scrutiny of the full board. It is a provision of the ReSI Housing's governance policies that the risk register be tabled at every ordinary meeting of directors.
		C30	Has ReSI Housing been subject to any adverse regulatory findings in the last 12 months that resulted in enforcement or other equivalent action?	ReSI Housing has not been subject to any such finding or action.
	BOARD AND TRUSTEES	C31	What are the demographics of the board? And how does this compare to the demographics of ReSI Housing's residents, and the area that they operate in?	Diversity is high on the board's agenda and features in all recruitment discussions. There is a 50:50 male:female split of independent non-executive directors. ReSI Housing has no current need for additional directors but will always bear diversity in mind.
		C32	What % of the board AND management team have turned over in the last two years?	ReSI Housing Board are members disclosed on tab ReSI Housing Board. 25% of the active board members from 2019 [2 years ago] are no longer board members in 2021. The board size has reduced from 8 to 7 persons. ReSI Housing has no employees and therefore management turnover is not relevant.
		C33	Is there a maximum tenure for a board member? If so, what is it?	There is no maximum tenure for board members, however the Non-Executive Director Recruitment, Induction and Succession Policy does contain the following provision: "Board members will typically be appointed for three-year terms subject to annual evaluations. However, in order to ensure good succession planning, terms of office may be varied [e.g. to ensure that large numbers of NED vacancies do not have an adverse effect on the overall skills, knowledge and experience of the Board]."
		C34	What % of the board are non-executive directors?	2 out the 7 board members (29%) are NEDs. However, where a matter tabled for discussion relates to ReSI Housing's compliance with the regulatory standards, the non-executive directors have overriding votes in the case they are in the minority of voting directors, to ensure that the impartial scrutiny they provide carries sufficient weight.

	THEME	CRITERIA #	CRITERIA	RESULT
GOVERNANCE	BOARD AND TRUSTEES	C35	Number of board members on the Audit Committee with recent and relevant financial experience	N/A: As disclosed in the self-assessment against the main principles of the UK Corporate Code of governance, ReSI Housing has not established an audit committee due to its subsidiary nature and the group audit function.
		C36	Are there any current executives on the Remuneration Committee?	N/A: ReSI Housing has not established a remuneration committee, which it considers suitable given its board composition and that salaries are linked to group performance.
		C37	Has a succession plan been provided to the board in the last 12 months?	The Non-Executive Director Recruitment, Induction and Succession Policy contains succession provisions, placing emphasis on the manager to ReSI Housing. This policy, like all others, is reviewed annually and will be due for renewal in Q1 2022.
		C38	For how many years has ReSI Housing's current external audit partner been responsible for auditing the accounts?	BDO are the external auditors of ReSI Housing Ltd. They have been the auditors since the company first issued a set of accounts in September 2018 (3 years).
		C39	When was the last independently-run, board-effectiveness review?	ReSI Housing self-assesses against the Corporate Governance Code annually, with input from external legal counsel where needed. ReSI Housing, as not yet subject to a review by the RSH, is in the process of engaging an independent consultant to conduct a shadow in-depth assessment for Q1/Q2 of FY22.
		C40	Are the roles of the chair of the board and CEO held by two different people?	Confirmed. David Orr is chairman, and the role of CEO is split across Alex Pilato and Ben Fry, both of whom are executive directors.
		C41	How does ReSI Housing handle conflicts of interest at the board?	The ReSI Housing Conflicts of Interest policy manages the conflicts of interest procedures. In addition, the manager of ReSI Housing has an umbrella conflicts of interest policy that applies to its business and it maintains a conflicts of interest register.

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