

Social investment pilot to fund over 200 homes for rough sleepers



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£15 million government grant to help deliver over 200 homes for rough sleepers

Social investor Big Society Capital to match grant with £15 million of its own funding

The pilot will fund homes across England with a particular focus in London, Greater Manchester and in Teesside

More rough sleepers and people at risk of homelessness will be supported into accommodation through a new social investment pilot that will create over 200 move-on homes, Rough Sleeping and Housing Minister Eddie Hughes MP announced today (10 June 2021).

The 3 year pilot, which will run until 2024, will see £15 million of government funding combined with an additional £15 million provided by Big Society Capital, a leading social impact investor, to deliver over 200 move-on homes for rough sleepers and those at risk of homelessness.

Big Society Capital is an independent financial institution that invests in a range of programmes aimed at delivering homes for vulnerable people.

The grant will fund the purchase of existing housing from the property market in partnership with local organisations and make them available at Local Housing Authority rent levels to ensure they remain affordable.

Tailored support from charities and social enterprises that specialise in housing vulnerable people will be available to help residents maintain their tenancies, including addiction

services, education and employment support and counselling.

This is part of the government's much wider action to tackle rough sleeping and homelessness with a further £750 million of investment this year alone.

The pilot will provide homes in Greater Manchester, London and Teesside with a smaller number of other homes provided in areas across England. It will run for 3 years, but the financial returns will be reinvested into providing homes for rough sleepers or those at risk of rough sleeping for the next 30 years.

Eddie Hughes MP, Minister for Rough Sleeping and Housing, said:

I am delighted to announce this partnership with Big Society Capital that will see a total of £30 million invested in new homes for rough sleepers.

Over 37,000 people have been housed through Everyone In and this social investment pilot will help to provide additional settled accommodation and support to help rough sleepers off the streets permanently.

This pilot is part of the government's much wider action with a further £750 million investment this year to help end rough sleeping for good.

Anna Shiel, Head of Origination, Big Society Capital, commented:

We are delighted to work together with the Ministry of Housing, Communities and Local Government (MHCLG) to invest £30 million to provide secure and affordable homes for people experiencing homelessness during the pandemic – and beyond.

This partnership between central government and Big Society Capital is the first of its kind, and a promising demonstration of the role social investment can play in delivering national policy objectives aimed at ending rough sleeping and homelessness.

It is also an example of how public sector bodies can use social investment to put public money harder to work by leveraging additional money from investors. Thanks to the combined efforts of the impact fund managers Bridges Fund Management, Resonance and Social and Sustainable Capital, £80.4 million of additional investor capital has been brought into the sector.

Minister for Civil Society, Baroness Barran, said:

I very much welcome the investment from Big Society Capital in this project which is a great example of the voluntary and public sectors working together to improve the lives of those sleeping rough. It also highlights how funds released via the Dormant Assets scheme are being used to make a difference in communities across England.

This additional £30 million from government and Big Society Capital will be a welcome addition to the £750 million already committed to tackling homelessness across the country.

Social investment is a way to use private finance to fund projects that produce a social benefit, while also providing investors with a financial return.

This innovative pilot marks the first time the department has used social impact investment to fund new homes.

This funding is on top of the £433 million announced in May 2020 to deliver move-on accommodation for rough sleepers.

Through the Rough Sleeping Accommodation programme, the government is also funding 6,000 long-term move-on homes for rough sleepers by the end of this parliament, with the majority becoming available this year.

The government's unprecedented Everyone In initiative was launched by the Housing Secretary at the start of the pandemic to protect rough sleepers – some of the most vulnerable people in our communities – and has so far supported over 37,000 individuals, with more than 26,000 already moved on to longer-term accommodation.

Further information

Returns are made through capital appreciation and income from rents, set at Local Housing Allowance levels. These returns will be used to deliver further move-on accommodation for rough sleepers or those at risk of rough sleeping. This has been set out in the grant agreement between MHCLG and Big Society Capital.

Big Society Capital is working with 3 fund managers; Bridges Fund Management, Resonance and Social and Sustainable Capital, all with experience of investing in housing rough sleepers, to deliver the pilot.

The Dormant Assets Scheme is led by industry and backed by the government with the aim of reuniting people with their financial assets. Where this is not possible, this money supports important social and environmental initiatives across the UK.

A dormant asset is a financial product, such as a bank account, that the customer has not used for many years, and which the provider has been unable to reunite them with, despite efforts based on industry best practice. Currently, the Scheme accepts only dormant bank and building society accounts, but work is underway to expand to a wider range of dormant assets.

In England, funding has gone towards 4 specialist organisations who work across the areas of youth, financial inclusion and social investment. These organisations were set up specifically to administer dormant assets funding in England.

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