



HOUSING FOR VULNERABLE WOMEN FUND¹ CALL FOR FUND MANAGER

January 2019

¹ Working title

Housing for Vulnerable Women and their Children

We believe in the power of social investment to deliver secure and affordable homes for those in need. We strive to work with partners to contribute to a more inclusive housing market. One of the ways to achieve our mission is by developing and scaling innovative housing models that respond to the needs of vulnerable people in our society.

Following an intensive sector engagement process, we are learning to look at housing provision through a gender lens. Women homelessness is often hidden, and linked to domestic abuse and other forms of violence against women's and girls (VAWG). As a result, Big Society Capital has convened a Steering Group consisting of sector experts to co-develop a Property Fund to provide more safe, secure and affordable homes specifically for vulnerable women and their children in the UK.

We are seeking a Fund Manager to further develop and implement the Fund's proposition, which we believe to be the world's first housing fund with a specific gender focus. This presents an exciting opportunity to create long-lasting positive change with mission-aligned partners across women, housing and social investment sectors.

To accelerate the development of the Fund, Big Society Capital is looking to provide up to £10m cornerstone investment, alongside a minimum co-investment of £5m². By demonstrating viability and track record through a seed portfolio, we envision this as a first step to create a Fund that has clear potential to attract socially motivated capital at scale.

To apply, please submit an Expression of Interest to kng@bigsocietycapital.com by **28th February 2019**. Please use no more than 2 pages to outline your organisation(s)' experience and proposal for meeting the appointment criteria laid out below.

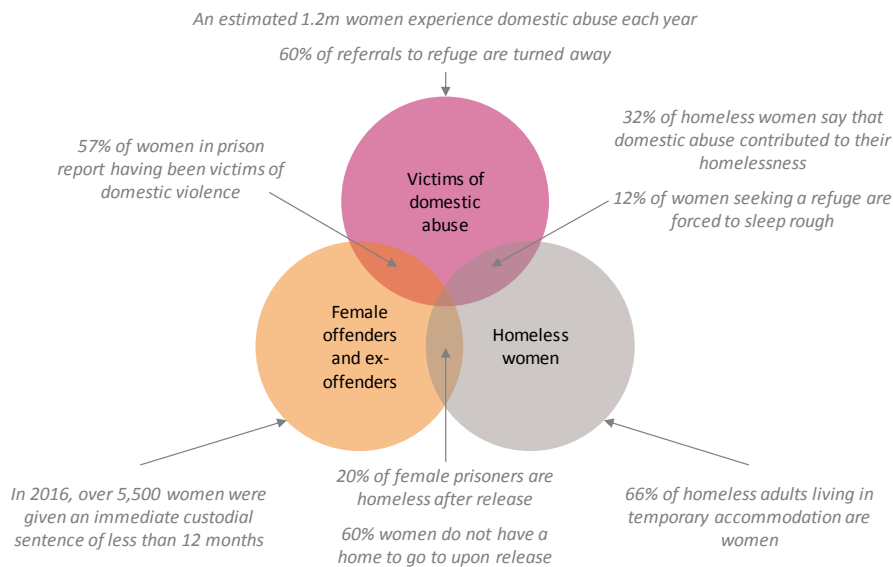
Steering Group members:



The Problem

Unmet housing needs of vulnerable women in the UK

Vulnerable women often face multiple overlapping issues, which exacerbates the barriers they face to access safe and affordable housing. We learnt that lack of access to suitable housing often limits the effectiveness of vital interventions that address homelessness, domestic abuse and other forms of needs for vulnerable women:

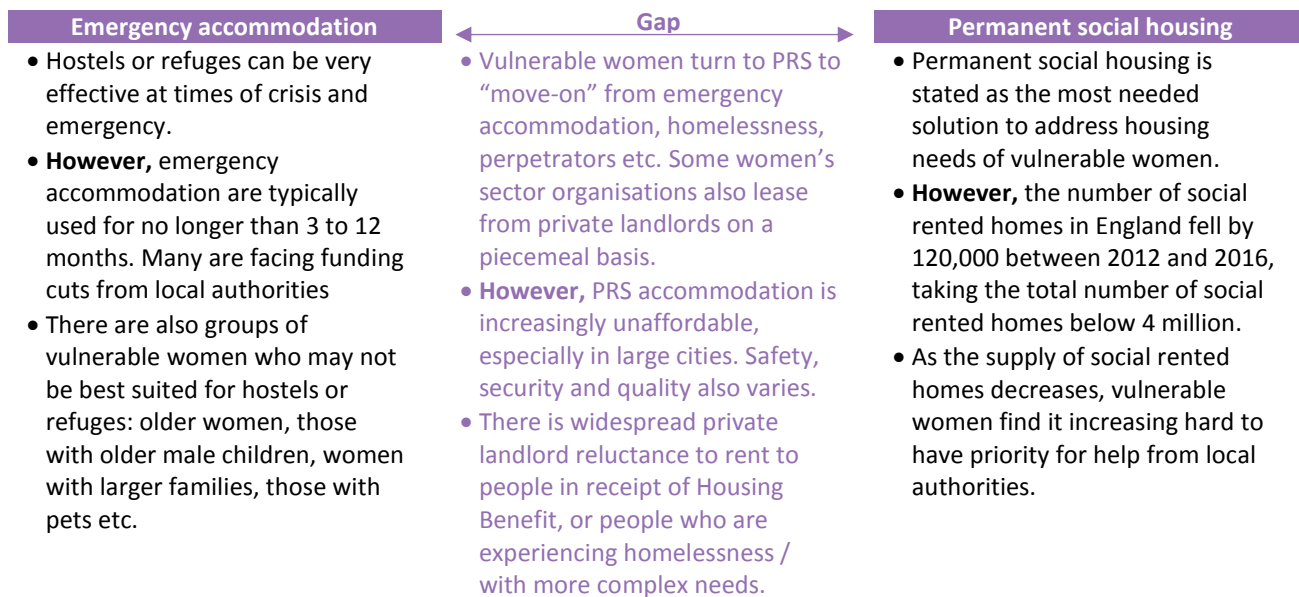


Source: Shelter; Prison Reform Trust; Ministry of Justice; ONS; Women's Aid

² Any Fund proposal will be finalised subject to Big Society Capital's Investment Committee approval. We expect to work with the Fund Manager to co-develop a proposal that can demonstrate sustainable financial return while achieving deep and lasting societal impact.

Lack of access to affordable private rented sector accommodation

Women's sector organisations have highlighted a growing need for affordable private rented sector (PRS) accommodation, a gap that exists between emergency accommodation and permanent social housing.



Sofia's story



Source: Stock Photo

For three years, Sofia (name changed) lived as a prisoner in her own home. Her partner installed CCTV to monitor her whereabouts, harassed her via text message and social media, and abused her physically, emotionally and psychologically. In 2016 she made the courageous decision to flee with her daughter. She left behind her home, support network, and previous life, and stayed with a friend in Hull.

This precarious housing situation placed her at risk of losing custody of her daughter, however by engaging with the integrated services at Preston Road Women's Centre which included Affordable Justice legal services and the award-winning Umbrella dispersed housing service, she was enabled to live safely and begin to rebuild her life.

During our engagement process with 60+ women's sector organisations, we heard too many stories like Sofia's, but not everyone has benefitted from a swift and integrated response. This prompted us to explore how social investment could provide housing for women in her position. For more details on what we have learnt from this engagement process, please visit our [blog post](#) “6 things we've learnt about the housing needs of vulnerable women”.

The Opportunity

Current social investment landscape

We have seen many successful case studies of charities and social enterprises, including women’s sector organisations, using social investment to provide homes for vulnerable people. Social investment is typically repaid through rental income and/or potential capital appreciation. We have identified a gap in the social investment landscape to invest in properties which can be leased to providers of housing and support. This could be used for a range of purposes, such as move-on accommodation from refuges, temporary accommodation for women leaving prison, or longer term accommodation for women’s centres to refer into.

	National / more established	Local / more grassroots
Lending	<ul style="list-style-type: none"> Acquire properties through secured lending from mainstream and social banks, usually accompanied by a mix of grant and own reserves. Example: EVA Women’s Aid’s loan from Charity Bank 	<ul style="list-style-type: none"> Access innovative and bespoke loans, offered by social investment funds. Example: Hull Women’s Network loan from SASC requires no deposit and has the option of refinance at end of 10-year loan period at discount to market.
Lease	<ul style="list-style-type: none"> Partner with social investment fund, that acquires homes and leases them to a single charity or social enterprise (which typically take on lettings agency role). Example: St Mungo’s partnership with Resonance (average 78% female lead tenants) 	<ul style="list-style-type: none"> 62% survey respondents³ prefer to lease from social investor owned homes, than using debt to purchase homes. Leases are more suitable for organisations operating in expensive cities, those without a strong balance sheet, or those that prefer greater flexibility There is currently no property fund that will purchase and lease homes to multiple women’s sector organisations.

Scale of need

“We always have more demand for our refuge accommodation, both hostel and dispersed property, than number of units available.” – Provider survey respondent

The scale of housing need for vulnerable women is challenging to estimate, given the overlapping and hidden nature of many issues experienced by vulnerable women. However, we believe the scale of need far exceeds the current housing provision and capital available dedicated for this cause. 653 women (14% of total number) were recorded sleeping rough in the UK⁴. Shelter estimates that 66% of homeless adults living in temporary accommodation are women⁵, which translates to more than 12,000 people.

There are hundreds of providers in the UK dedicated to ending violence against women and many more with broader focus in supporting vulnerable women. We have observed significant demand from service providers to lease social investor owned homes.

- 45% of our survey’s respondents indicated demand for 11 – 50 units; 18% indicated demand for 50 – 100 units.
- As the Property Fund is likely to work with small to medium size organisations, some with no or limited experience in housing provision. Each “investment” may involve 11 – 50 units to start with.
- We have identified housing need across the UK. In particular, we have received strong interest from London, Birmingham and Yorkshire based women’s sector organisations to enter this type of lease arrangement.

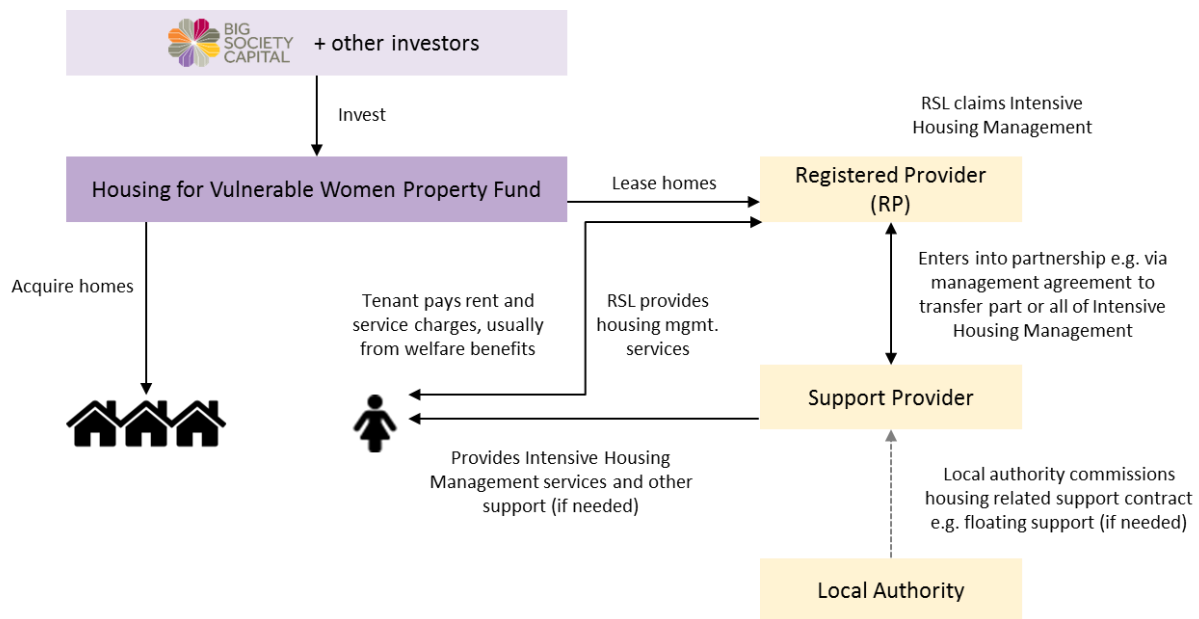
³ 26 specialist housing and support providers to vulnerable women groups have responded to a survey issued by Big Society Capital in August 2018

⁴ MHCLG, [Rough Sleeping Statistics, Autumn 2017](#)

⁵ Shelter blog, [“On International Women’s Day, we mustn’t ignore homeless women”](#), March 2018

Indicative Property Fund model

Our initial working model for the fund is built around a number of features:



Note: The potential Fund may lease directly to support providers if they can demonstrate ability to manage properties themselves / sub-contract housing management.

- The fund will purchase homes which are either a) leased to Registered Provider (RP) in partnership with support providers; or b) leased to support providers directly.
- These homes will then be used to house vulnerable women and their children, who could be nominated by support provider or local authority (depending on local arrangements) for a determined period of time.
- These homes are likely to be exempt from Local Housing Allowance (LHA). The RP or support provider can assist tenants to claim welfare benefits to pay for their rent, which will include an Intensive Housing Management element⁶.
- The RP will take a portion of rent, to provide core housing management services. A management agreement will be in place through which the support provider will utilise all or a portion of the service charges to deliver Intensive Housing Management services. The remainder of rental income will be paid to the Fund.
- Local Authority may commission support provider to deliver additional services e.g. floating support.
- Investment returns will therefore come from rental income and potential capital appreciation of the portfolio of units. Exit could be achieved through property financing, sale in open market or to service providers / RPs.

Why are RPs involved in the model? The fund could lease to service providers directly but there are three main reasons why RPs may be beneficial to be involved: a) some service providers have not (yet) developed housing management, b) some service providers would like to separate housing and service provision to avoid conflicts of interests.

What are the preferred types of housing and lease arrangements? In general, service providers have indicated a preference for:

- 1 – 3 bedroom units that are dispersed / pepper potted across the community, and close to support providers so that women can live independently while receiving floating or community support if needed.
- Good quality accommodation that generally require no to very minimal adaptations
- Leases signed with providers or RPs that are 3 – 5 years or longer⁶ (potential for Fund Manager to negotiate break clauses on a case by case basis)

⁶ Critical assumptions underlying the model, to be further tested by Fund Manager with service providers and RPs.

Ambition to achieve broader systems change

We are looking to provide women’s sector organisations with access to hundreds of dispersed accommodation across the UK, and ultimately achieve:



Individual change: Improve outcomes for vulnerable women and their children, including those with experiences of domestic abuse, homelessness and the criminal justice system. We aim to achieve positive outcomes such as tenancy sustainment, increased independence, reduced rates of homelessness, offending and substance misuse etc.

Organisational change: Strengthen women’s sector organisations sustainability and resilience, through freeing up capacity (e.g. reduce bed spaces in refuges), developing new capabilities (e.g. floating support, property management), collaborating with new partners (e.g. RPs) and being able to effectively consider different avenues of funding (e.g. social investment) etc.

Systemic change: 1) Housing: Demonstrate to national and local governments the effectiveness of accessing suitable accommodation on individuals’ lives and societal outcomes;
2) Women’s sector: Create successful case studies on use of social investment for housing provision; **3) Social investment:** Test and embed best practices of gender lens investment through the world’s first gender-focused housing fund.

Catalytic Grant: We are also looking to work with grant funders to set up a catalytic grant programme alongside the Property Fund to amplify systems change, for example through building capacity of women’s sector organisations, gathering and sharing learnings, and advocacy for policy change. We expect the Fund Manager to share insights and network with the grant delivery partner(s) to achieve shared mission, however it is not expected that the Fund Manager will design or deliver the grant.

Call for Fund Manager

We are seeking an organisation or a consortium of organisations to establish and operate the fund, to include performing the following roles and responsibilities:

- Develop investable opportunities by working in partnership with support providers and RPs, which may involve providing guidance to providers with no / limited experience in social investment and housing provision
- Identify suitable properties based on support providers’ preference that meet the Fund’s financial requirements and impact considerations; execute asset acquisition and disposal (if necessary)
- Negotiate and manage leases, which may include working with support providers and RPs to coordinate major repairs or resolve major tenant issues
- Capture, analyse and report financial performance, impact data and learnings to investors and other key partners, which may include Steering Group members and grant delivery partner(s)
- Fundraise for the first and future closes of the Fund

Appointment Criteria

Essentials	Preferred	Values
<p>Ability, experience and track record in:</p> <ul style="list-style-type: none"> • Originating, analysing, acquiring and/or managing housing investments that achieve target risk and return profile • Raising funds from investors, such as institutional investors, public bodies, trust and foundations etc. • Managing funds, with the appropriate regulatory approvals and investment processes in place • Monitoring and reporting on financial and impact data, using proportionate systems and tools • Working with social sector organisations, preferably those that deliver gender specific interventions; and demonstrating understanding of VAWG 	<p>Understanding of and network in:</p> <ul style="list-style-type: none"> • Housing sector, such as RPs, local authorities and property investors • Providing non-financial support to social sector organisations to explore use of social investment • Impact management frameworks, especially in relation to housing and gender lens investments • Building and managing partnerships with multiple stakeholders 	<ul style="list-style-type: none"> • Passion about the Fund’s mission and broader systems change objectives • Empathy, especially when working with smaller providers • Openness to share learnings and insights

For details on how we evaluate social investment fund managers generally, please visit [our website](#) (Building Blocks).

Indicative Timeline

1. Selection stage	
Submissions of clarifications questions due BSC will provide a list of responses to all queries shortly after this date	14 th February 2019
Submissions of 2-page Expression of Interest (EOI) due	28 th February 2019
Shortlisted applicants informed	Mid-March 2019
2. Co-development stage	
Shortlisted applicants, with input from Big Society Capital and Steering Group members, to: <ul style="list-style-type: none"> • further refine the Fund’s proposition, including testing key assumptions around lease terms, relevant funding sources, duration, investment size etc. • conduct detailed analysis on financial model and social impact • analyse pipeline investments and identify geographical hotspots for first few investments • finalise proposal on the Fund’s structure, governance, fees and expenses 	Mid-March to April 2019
3. Approval stage	
Final proposals to Big Society Capital and co-investor’s Investment Committees	May 2019 onwards
Legal execution and fund launch	Summer 2019

Terms and Conditions

- a. Big Society Capital reserves the right at any time not to make an investment and / or cancel or withdraw from the process at any stage. Any costs or expenses incurred by any organisation making an application (each, an Applicant) in response to Big Society Capital’s request for EOI will not be reimbursed. Big Society Capital will not be liable in any way to an Applicant for costs, expenses or losses incurred as a result of this process.
- b. Big Society Capital reserves the right to amend the timetable and / or the process until such time as binding arrangements are concluded with Applicants.
- c. Big Society Capital reserves the right to reject any and all proposals submitted in response to its request for EOI with or without cause.
- d. Big Society Capital reserves the right to request clarification of information submitted and to request additional information regarding any or all EOI, including the right to request face to face meetings. Refusal to provide such information upon request may cause such EOI to be rejected. Where no reply to a request for information or for clarification is received within ten business days, Big Society Capital may consider that the relevant EOI has been withdrawn.
- e. Any investment made by Big Society Capital as a result of this process will be subject to the prompt and satisfactory agreement of legal terms. Applicants will also be expected to provide a timetable for meeting any other obligations (such as the raising of further investment) and the investment, its drawdown and the entry into binding arrangements will be conditional on meeting that timetable.

Privacy Notice

Big Society Capital Limited (**BSC**) respects your privacy and is committed to protecting your personal information. The EU General Data Protection Regulation and the Data Protection Act 2018 (the **DP Legislation**) enhance an individual's rights in relation to personal information about them. This privacy notice tells you what to expect when BSC collects and processes your personal information in relation to your participation in our call for fund managers for the [Housing for Vulnerable Women Fund].

Controller

BSC is the controller and responsible for your personal data (collectively referred to as 'we', 'us' or 'our' in this privacy notice).

Duty to inform us of changes

It is important that the personal data we hold about you is accurate and current. Please keep us informed if your personal data changes during your relationship with us.

Legal basis for processing personal information

We process your personal information on the basis that is in our legitimate interests to do so as an organisation and without prejudicing your interests or fundamental rights and freedoms. It is in our interests to process information to help us achieve our aim of co-developing a property fund to provide safe, affordable homes for vulnerable women and their children in the UK.

What personal data we collect and why

We will collect your contact details in order to contact you about your Expression of Interest. We may also use details in the future to contact you about initiatives which we think will be of interest to you, such as surveys related to BSC's work, invitations to BSC events, other invitations to partner with BSC on investment initiatives or fund management opportunities and to feature in our case studies. We will also collect information on your current and previous job roles and experience, as part of the selection process. If you are selected as fund manager we will collect other personal data from you and we will provide you with further information on this at the time.

Transferring data to third parties and other countries

We will share the personal data which you provide with the other members of the Steering Group (representatives from City Bridge Trust, Comic Relief, Homeless Link, Trust for London, The Social Investment Consultancy, Women's Aid and Women's Housing Forum). Please consult their privacy notices for further information on how they process your personal data.

We will not transfer your data to countries outside the EU.

Data retention

We will retain your personal data for as long as necessary to fulfil the purposes set out above. If you would like more information on our data retention policy please contact us at privacy@bigsocietycapital.com.

Change of purpose

We will only use your personal data for the purposes for which we collected it, unless we reasonably consider that we need to use it for another reason and that reason is compatible with the original purpose. If you wish to get an explanation as to how the processing for the new purpose is compatible with the original purpose, please contact us at privacy@bigsocietycapital.com.

If we need to use your personal data for an unrelated purpose, we will notify you and we will explain the legal basis which allows us to do so.

Please note that we may process your personal data without your knowledge or consent, in compliance with the above rules, where this is required or permitted by law.

Data security

We have put in place appropriate security measures to prevent your personal data from being accidentally lost, used or accessed in an unauthorised way, altered or disclosed.

We have put in place procedures to deal with any suspected personal data breach and will notify you and any applicable regulator of a breach where we are legally required to do so.

Your rights

Under certain circumstances, by law you have the right to:

- Request access to your personal information (commonly known as a "data subject access request"). This enables you to receive a copy of the personal information we hold about you and to check that we are lawfully processing it.
- Request correction of the personal information that we hold about you. This enables you to have any incomplete or inaccurate information we hold about you corrected.
- Request erasure of your personal information. This enables you to ask us to delete or remove personal information where there is no good reason for us continuing to process it. You also have the right to ask us to delete or remove your personal information where you have exercised your right to object to processing (see below).
- Object to processing of your personal information where we are relying on a legitimate interest (or those of a third party) and there is something about your particular situation which makes you want to object to processing on this ground. You also have the right to object where we are processing your personal information for direct marketing purposes.
- Request the restriction of processing of your personal information. This enables you to ask us to suspend the processing of personal information about you, for example if you want us to establish its accuracy or the reason for processing it.
- Request the transfer of your personal information to another party.

No fee usually required

You will not have to pay a fee to access your personal data (or to exercise any of the other rights). However, we may charge a reasonable fee if your request is clearly unfounded, repetitive or excessive. Alternatively, we may refuse to comply with your request in these circumstances.

What we may need from you

We may need to request specific information from you to help us confirm your identity and ensure your right to access your personal data (or to exercise any of your other rights). This is a security measure to ensure that personal data is not disclosed to any person who has no right to receive it. We may also contact you to ask you for further information in relation to your request to speed up our response.

Time limit to respond

We try to respond to all legitimate requests within one month. Occasionally it may take us longer than a month if your request is particularly complex or you have made a number of requests. In this case, we will notify you and keep you updated.

Complaints or queries

If you have any questions about this Privacy Notice or want to submit a written complaint about how we handle your personal information, please contact us via privacy@bigsocietycapital.com. You have the right to make a complaint at any time to the Information Commissioner's Office (ICO), the UK supervisory authority for data protection issues (www.ico.org.uk). We would, however, appreciate the chance to deal with your concerns before you approach the ICO so please contact us in the first instance.

Contact Details

If you want to request information about our privacy policy you can email us at privacy@bigsocietycapital.com or write to:

Head of Legal

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