

Shaun Needham, departing CEO of Target Housing, has the final word

In 2018, an event was held in Rotherham which provided an opportunity to reflect on, and craft solutions to, the community-level issues facing the city. SASC Research Director, Peter Morris, who was then part of the investment team, had been invited to discuss financing for property purchases.

Shaun Needham was attending as CEO of Target Housing, a charity and social landlord working with vulnerable groups across Yorkshire and the Humber.

A conversation between the two led to a loan, that has since been increased twice to allow Target to scale to meet local need. One increase was during the pandemic to help the Everyone In cohort of rough sleepers who found themselves without support of shelter during the pandemic. The second, this year, allowed Target to continue to expand in line with need. The charity now manages 865 properties and owns 96 of them of which SASC helped fund 47 through two loans.

After 15 years at Target, Shaun is now retiring. We would like to thank him for choosing to work with SASC and for all his invaluable support of the SASH fund and its development. His ability to articulate the view from a charity's perspective, and how funding needs to be adjusted to support frontline work, has been a vital tool in explaining the impact of the fund to a wider audience. He first sat on a panel discussion when we launched SASH; since then, he has spoken to investors, government and potential new borrowers numerous times on our behalf. We are grateful for Shaun's encouragement of the fund which is generously offered in that ongoing spirit of partnership.

Before he steps down, and as our first borrower CEO to retire mid loan, we talked to him about his career and how he will hand on the management of the SASC loans to his successor.

It would be great to hear again about your reasons for taking social investment, and what you might have been concerned about at the time.

I attended an E3M presentation in Rotherham and although very worthy it was obvious that it wasn't clear that the Local Authorities were going to support more of the radical procurement ideas being discussed. But one person spoke with a voice I liked and understood and that was Peter Morris, so when I managed to get him on his own I listened and thought social investment from SASC might be a way for Target to massively speed up its ownership of property goal.

I had previously been approached by a number of other "social investors" all of whom offered lots of money but either they came across as unscrupulous organisations or they just wanted to know what their return was first and foremost.

Peter and then everyone we met at SASC wanted to know what we would do with the money; how it would benefit our clients. SASC took an interest in Target – who we

are; how we did things; why we did things; what did the wider sector think of Target. That is, were we worth investing in! It was only when they had looked into that did we started to look at returns.

Because of the demand (then and now) for our services, I was always comfortable with our ability to cover the monthly fees and once we had agreed additional funding to bring in an extra staff member to procure the properties, I knew we would take the investment.

My initial concern was would I be able to persuade my Board to agree to the investment. We had never borrowed such a large sum in our history and the Board is very conservative; but during their first visit to us, SASC spoke clearly and openly to Chair and Treasurer and won them over. Since then, it has been very pleasurable plain sailing.

You took a second investment to help address the Everyone In crisis at the start of the pandemic, and we hope Target Housing will take future investment too. What is it about SASH loans that make you feel comfortable about doing that when at the beginning you were concerned about what you would be leaving future CEOs?

Being flexible and designing a monthly fees calculation in a way we could easily budget for, and everyone could understand, made future investment discussions far simpler with our Board and some senior staff.

So, taking the second investment was a no brainer. At that time, we were swamped with demands for property from commissioners and others in the local area. Plus, our property procurement team was finding property when we all thought it would be far more difficult; so we had the demand and the supply at the same time.

Sadly, demand is still there and I suspect always will be. It may be wrong to say it but the Pandemic was an opportunity for Target to continue to grow; everyone else battened down the hatches but Target did as always and said yes because there was huge need, and then tried to work out how we'd manage it. It has worked out, as we knew it would and we are pleased that we heeded that call to help.

Can you describe why you choose to own houses rather than rent. Has your view on this changed over the years you have had the loans?

Owning gives total flexibility. In financial terms owning is always going to be cheaper than renting and eventually we have equity in the portfolio to use to expand it even more.

Perhaps more importantly though, we get properties that we can switch between one project to another, so as to retain income. For us this has fairly important consequences as we can adapt to the neighbourhood.

One example might be if we had very complex, drug-using clients who had undesirable friends that came and caused neighbourhood issues. If we own the house, we can move that client and look to use the property for another client group, for example a mother and child fleeing domestic violence.

Private landlords tend to demand their property back at the first sign of neighbourhood issues reaching their ears; sometimes they have inflamed issues with neighbours without our knowledge. Having this flexibility allows us to repair a complicated situation if something goes wrong.




You are our first SASH CEO to be stepping down. What will you be telling your successor about SASH and SASC?

Obviously, it is a large sum of money we have taken on and so the repayment after 10 years will be something I think about even after I retire. I've already run the idea of mortgaging the whole portfolio past a potential future lender and, although a long way off, it is clear they would like to take it on if they can. I also still think and tell anyone who will/might listen, that Government should be offering long-term mortgage deals for social housing providers. SASC could also deliver this to borrowers as a follow on.

While I will always worry for my successor, Target has already grown far more resilient and is able to deal with issues on a much bigger scale than ever before. I am confident that simple solutions can be found.

In addition to this, I will be saying that SASC is a vital and important partner to Target Housing. I hope they will be able to access SASC resources for a very long time to come and continue to contribute to the work of SASC.

We wish Shaun every happiness in retirement and want to thank him for all his support and encouragement

 Watch Shaun Needham in conversation here

For more information about Target Housing, see pages 44 and 46