Octopus Healthcare Fund

Social Value Report 2025

octopus capital
A brighter way

Contents

Measuring social value

Summary results

The Octopus Healthcare Fund has established a framework to assess and report on the social value impact of its care homes, covering both developments in progress and those already in operation. A summary of the results is presented opposite.

This report presents the background to the development of the social value framework and the results of this first annual review.

Operators

99.3%
of full-time equivalent (FTE) staff are local

87.7%
average employee satisfaction rate

99%
of permanent employees have access to a wellbeing and mental health programme

3,662
hours total of activities with the public, community groups, and schools

1,446
weeks total of apprenticeships have been completed

15%
by value on average are contracts with local suppliers

40,929
hours total of social activities provided for residents

9.6
average Carehome.co.uk rating

Developers

71%
of full-time equivalent (FTE) staff are local

91%
average employee satisfaction rate

84%
of permanent employees have access to a wellbeing and mental health programme

80
hours total of activities with the public, community groups, and schools

190
weeks total of apprenticeships have been completed

81%
by value on average are contracts with local suppliers

£74,400
donated to charity

13.6 / 15
average 'Respect the Community' CCS score

1. Introduction

The Octopus Healthcare Fund's ("OHF" or "the Fund") mission is to provide quality care beds to address the UK's growing care bed deficit. Whilst the Fund measures the impact of delivering new quality care beds to the market, the broader social impact of the Fund's investments on society has not been previously measured. Working with Envision, the Fund has developed a framework for assessing and reporting on the social value impact of the Fund's care homes, both those in development and in operation. The results of which are presented in this report.

Measuring social value

Social Value is a term for the impacts experienced by people as a result of a specific project or organisation. This is achieved through quantifying how the financial and non-financial actions affect people, communities, and social capital. The built environment as a sector has the potential to have a considerable impact on these stakeholders throughout each stage of a building's lifecycle.

There are various existing frameworks available for calculating social value delivery, such as National TOMs and HACT; however, there is no single accepted measure of social value, and no existing frameworks specifically designed for the residential care sector. Therefore, the Fund has worked with Envision to develop a bespoke framework, adopting similar principles and topics to the above frameworks, but tailored to the Fund's priorities.

The framework is structured around the four key stakeholder groups that the Fund would have the greatest influence on the delivery of social value:

- Residents
- Employees
- Community
- Supply Chain

For each stakeholder, a series of social value aims has been defined, each with key metrics identified to report against. This is the first Social Value Report for the Fund, which will be published on an annual basis moving forward.

This social value framework covers the activities carried out by developers and tenant operators within the residential care homes owned by the Fund. Activities and impacts relating to Octopus employees are reported separately in the annual Future Generations report[1]. The Fund's reporting of environmental impacts is well established[2], therefore it has been excluded from the scope.

A questionnaire was sent out to operators and developers working with the Fund, of which responses were received for twelve operators, representing 43.6% of homes with the portfolio, and four developers, representing 60% of those under development in 2024. This information has been analysed alongside data already captured by the Fund to produce the results detailed below.

[1] Future Generations Report 2025 - Octopus Group
[2] OHF Responsible Investment Impact Report 2025

2. Residents

At the core of all of the Fund's homes is the residents, and their mission is to provide the best possible care for all residents. The Fund assesses this through our Quality Assurance team and has identified two focus areas for measuring social value: the provision of resident wellbeing and quality care beds.

Resident Wellbeing

Resident satisfaction

Each of the homes in the Fund's portfolio will have its own measures and procedures to ensure residents are happy and satisfied with their care, therefore, to standardise this, we have evaluated the Carehome.co.uk score for all homes in the portfolio as a measure of resident satisfaction.

This is widely used by potential residents and relatives when selecting a home, and provides a score out of 10 for each home, calculated based on the quantity, quality and recency of reviews from residents and relatives.

The Fund's average Carehome.co.uk rating is an impressive 9.6 out of 10[3] – exceeding the average for homes in England of 9.3. Almost a third of the portfolio (29%) has received a score of 9.9 and above, with five homes achieving a perfect score of 10.

As well as regular site visits, the Quality Assurance Team actively monitor Carehome.co.uk for the most recent feedback about a home to understand public perception of care delivery, however lower ratings do not necessarily indicate lower standards of care. The Quality Assurance Team work with the operators to improve the standard of care when needed.

Activities

Aside from ensuring residents' care needs are met, operators working with the Fund have the opportunity to enrich residents' lives through offering entertainment and activities. These help to increase social interaction amongst residents and build a sense of community in the homes.

Throughout the year, a total of 40,929 hours of social activities were provided to residents[4]. This is equivalent to over 6 hours a day in each home during the week (33 hours)[5]. Examples of activities provided include:

- Pet therapy
- Physiotherapy
- Wine and cheese
- Excursions to local area
- Film nights
- Dancing classes
- Afternoon tea
- Music therapy
- Gardening
- Hobby clubs
- External entertainers
- Coffee mornings
- Arts and crafts
- Yoga and exercise classes

[3] Excluding three homes that are yet to be reviewed, and one which is not listed. Scores as of 06/08/2025, www.carehome.co.uk.
[4] Across 24 homes, 2 of which were not operational for the entire year. Where daily or weekly figures were provided, these have been calculated based on 5 days a week for 52 weeks, or for the duration of the home's operation.
[5] Calculated by dividing the total figure by for the 24 homes responded, based on 5 days a week for 52 weeks.

2. Residents

Adequate staffing levels

Ensuring sufficient care staffing levels are met also directly contributes to resident wellbeing. The Care Quality Commission (CQC) does not define fixed staffing ratios for care homes, as each home must assess the residents' dependency and its specific circumstances to determine adequate staffing levels. Across the homes in the Fund's portfolio, an average of 1:45 daytime ratio of staff to residents was reported, though in some specialist services this is up to 1:1, where required by the resident's care needs.

Provision of quality care beds

"Quality care beds" are defined as those that meet the following criteria:

- **Quality care:** Operators within the Fund are measured on a care and quality matrix to ensure they are delivering safe, effective care for people who live within OHF-owned care homes. The Quality Assurance team reviews regulated inspections by the CQC as part of the review process. Overall percentages can change due to the frequency of inspections – currently 85% of care homes within the portfolio are rated as Good or Outstanding by the CQC.
- **Real Estate:** Assets which meet the following criteria: (a) a bedroom with an en-suite wetroom in a care home built (or converted) to modern standards and (b) operated by a care provider delivering quality care.

As reported in the Fund's Responsible Investment and Impact Report 2025, in the reporting year, OHF provided 6,529 quality care beds. This is equivalent to 1.48% of the total number of UK care beds.

Additionally, on the development side, 439 new quality care beds were delivered by OHF in 2024, representing 5.94% of all new care beds in the UK in this period. 63% of the developers responded had undertaken a care needs assessment for planning, demonstrating a need in the local area for provision of new quality care beds.

Cost saving to the NHS

With rising demand for permanent placements in care homes, increasing the supply of care beds can help reduce NHS costs by enabling patients to move out of hospital beds and into appropriate long-term care. The figures below illustrate the potential NHS savings achieved through the delivery of seven new care homes in 2024, based the cost of a 24-hour period in a general hospital bed at £536[6].

The completion of seven new care homes, providing a total of 439 additional beds, has the potential to save the NHS approximately £85.89 million per year.

439 new quality care beds were delivered by OHF in 2024, representing 5.94% of all new care beds in the UK in this period

[6] Jalilian A, Sedda L, Unsworth A, et al., Length of stay and economic sustainability of virtual ward care in a medium-sized hospital of the UK: a retrospective longitudinal study. BMJ Open 2024.

3. Employees

The employees working within and in the construction of the homes play a critical role in providing safe, quality care and home environments. As a Fund, we wish to ensure all employees feel supported in their roles to deliver this. We've identified four key areas where we believe we can drive social value for employees: Encouraging Local Employment, Supporting Secure and Stable Employment, Staff Wellbeing, Encouraging Diversity of Workforce, and Encouraging Skill Development.

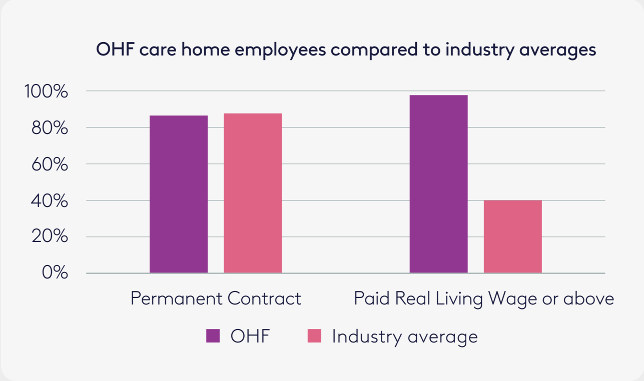
Encouraging local employment

The homes in our portfolio seek to support the local economy and community through employing staff from the local area. In our operational homes, 99.3% of full-time equivalent (FTE) employees in 2024 were local to the home[7].

Across the assets under development, 71% of FTE employees in 2024 were local to the site, however, it should be noted that due to the complexity in gathering this information, this accounts for those directly employed by the developer, and excludes subcontractors who are anticipated to both make up the majority of the workforce onsite and to be more local.

Supporting secure and stable employment

Providing permanent employment and ensuring pay is in line with the Real Living Wage (as defined by the Living Wage Foundation[8]) is key to supporting employees, helping to improve wellbeing through a better standard of living, and increasing retention rates. In 2024, 86.4% of employees in the homes were on a permanent contract, which is just below the industry average for the adult social care workforce at 88%[9]. However, of these permanent employees in the homes, we're pleased to report that 98% were paid at least the Real Living Wage, which is over double the industry average of 40%.



Across our assets under development, 98.8% of employees were on a permanent contract in 2024, with 98.8% of these being paid the Real Living Wage.

Torsion, a developer the Fund works with, has been recognised on The Sunday Times Best Places to Work 2025 list, in the Medium Organisations Category

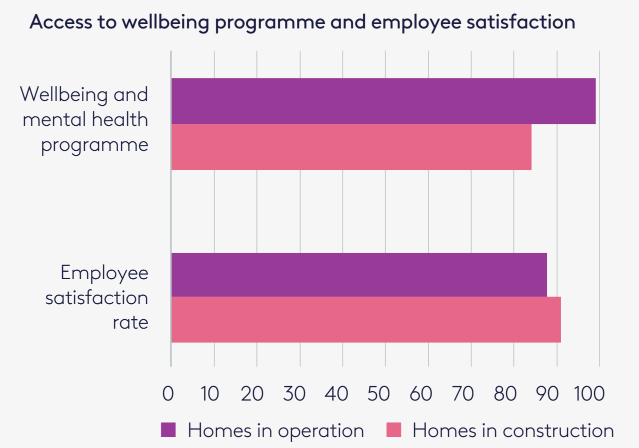
[7] Defined as within 30km of the site.
[8] www.livingwage.org.uk
[9] Skills for Care, 2024. 'The state of the adult social care sector and workforce in England 2024'.

3. Employees

Staff Wellbeing

We want to ensure that employees within the homes feel valued and enabled to provide the vital work they do in a positive and supportive environment. 99% of permanent employees in the homes are provided with access to a wellbeing and mental health programme, and on average, the homes had an 88% employee satisfaction rate.

In the developments we fund, 84% of permanent employees have access to a wellbeing and mental health programme, and these reported an employee satisfaction rate of 91%.



We also asked the developers for examples of the wider benefits they provide to employees:

- Mental Health First Aid training
- Retail and cinema discounts
- Birthday annual leave
- Use of company vehicles
- Childcare vouchers
- Pension contributions
- Flexible holidays for working weekends
- Cycle to work scheme
- Professional memberships covered
- Time off to support charity events
- Holiday trading scheme
- Mental health support
- Income protection
- Private healthcare
- Life insurance

The Fund requires all development sites to register with the Considerate Constructors Scheme (CCS), which commits them to conform to high standards of considerate practices, tracked by monitoring visits. Each site receives a score across three categories: Respect the Community, Care for the Environment, and Value the Workforce. The Fund's assets under development in 2024 achieved an average score of 14.3 out of 15 under Value the Workforce, demonstrating through the Code of Considerate Practice that the sites support safe working, mental and physical wellbeing, and encourage an inclusive and diverse workplace.

Encouraging diversity of workforce

As a Fund, we recognise the importance of a diverse workforce and the benefits this brings. Almost three-quarters of the operators and developers we partner with already measure at least four key diversity metrics among their staff — including gender, age, ethnicity, disability status, and sexual orientation. In future reporting years, we plan to data collection and gain deeper insight into the diversity across our portfolio.

We're pleased to report that 100% of operators and developers who responded provide Diversity, Equality & Inclusion (DE&I) training to employees, with over 3,282 total hours of training given across 37 operational homes[10] and 177 hours across 9 sites. This is equivalent to 1.59 hours per employee in the homes and 2.2 hours per on-site construction employee. In addition, several operators reported that DE&I training is provided in induction processes on top of this, but time spent is not tracked.

New Care (now Lovett), one of the Fund's operators, are certified to ISO 30415 Human Resource Management - Diversity and Inclusion. They were first awarded this two years ago and have recently revalidated – New Care is the only Health and Social Care organisation in the country to have been awarded this

[10] Three operators do not track EDI training hours.

3. Employees

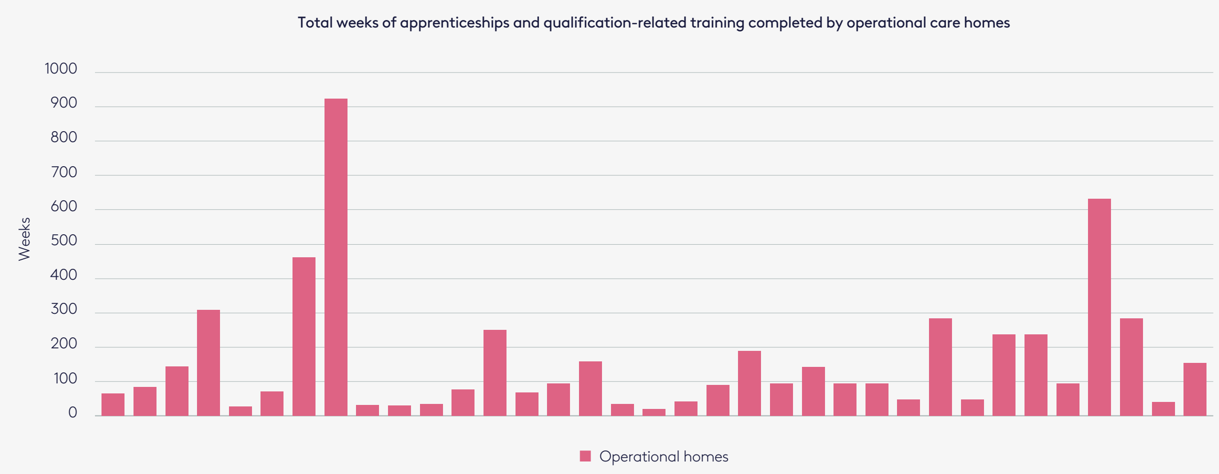
Encouraging Skill Development

Supporting existing employees to progress through skill development helps to deliver the overarching aim of providing the best quality care.

Across the operational homes, a total of 1,446 weeks of apprenticeships were completed in 2024, representing 1.2% of total employee weeks. Additionally, 4,313 weeks of employee training were completed towards a certification, such as BTEC, City & Guilds, NVQ or HNC – this represents 3.6% of the total weeks of employment.

Two of the homes which responded provide work experience opportunities and also track this, which totalled 21 weeks during 2024. Providing work experience within operational care homes poses some challenges due to age and clinical task restrictions; however this has been identified as an opportunity for improvement.

190 weeks of apprenticeships were completed in 2024 amongst the development sites, representing 4.6% of total weeks. Alongside this, 279 weeks of training were taken towards a certification – 6.7% of all working weeks. Three sites provided 5 weeks of work experience between them.



Hallmark, an operator in the Fund was awarded their second Princess Royal Training Award from HRH The Princess Royal and City and Guilds in 2024, for investing in and promoting talent, recognising their Talent Development Programme

4. Community

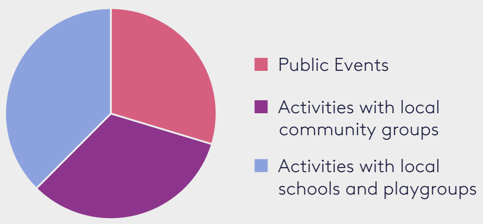
The Fund aims for the homes in its portfolio to be embedded in the local community, benefiting both the local population and enriching resident's lives. The impacts of local hiring and spending, which brings benefits to the local community, are already covered above, but additionally, we have evaluated how the homes actively engage with and support their local communities.

Engaging with and supporting the local community

The homes in the portfolio are well-integrated into their local communities, hosting a range of events, for the general public, as well as local community groups, and hosting schools, nurseries, and playgroups. Across twenty-three homes, these totalled in 2024:

- **1,087** hours of public events
- **1,200** hours of events with local community groups
- **1,375** hours with schools, playgroups, etc

Operator community activities during 2024 (Hours)



This is equivalent to approximately three hours of activities involving the local community each week per home. Examples of these events and activities include:

- Memory Café
- Relative support group
- Nurseries / Schools / Playgroups
- Church groups
- Beavers / Scouts / Guides / Brownies
- Police / Army / Navy
- Rotary Club events
- Dementia groups
- Cinema coffee morning
- Summer parties
- Christmas events
- Music groups
- Financial planning
- Easter hunt

Assets under development also play a key role in engaging with the local community, and in 2024, these hosted 80 hours of public events across eleven sites. Under the Considerate Constructors Scheme (CCS)'s Respect the Community score (See Employees section), the Fund's assets under development in 2024 achieved an average score of 13.6 out of 15, demonstrating through the Code of Considerate Practice that the sites have worked to minimise negative impacts on the community from construction, reducing nuisance and disturbance, and proactively engaged with the community to deliver positive impacts.

Encouraging Volunteering and Charity

As part of their engagement, the homes in the Fund's portfolio seek to invest in the wider community, supporting local initiatives and causes. In 2024, the operational assets donated £5,900 to charities, averaging £257 per home, to both national charities and local arms of these, such as Alzheimer's Society, Age UK, and Crossroads Care.

Employees from the assets under development donated 130 hours of volunteering across eleven sites in the year, and the sites donated a total of nearly £20,500 financially to local charities, community groups, and schools, alongside donating surplus materials from sites to local residents, charities, and groups. In addition to this, corporate charity donations from the developers totalled £53,900[11].

The Customer Relationship Manager from Hallmark at Banstead Manor sits on the Banstead Dementia Awareness Steering Committee, supporting the local community in shaping activities to suit the needs of people living with dementia

[11] This includes donations made to: Chaseley Trust, Footytotz sponsor, The Clothing Bank, Halifax indoor Football Centre, St Gemma's Hospice, No to Dog Meat, Prostate Cancer, Cardiac Risk in the Young, Go Pedal - Torsion 1-3-5 Cycling Event, Dig Deep Challenges, British Heart Foundation, Corby Town FC Under 9s, The Corby Christmas Project, Northamptonshire Health Charity, Crossroads Care Surrey, SPACE Hertfordshire, The Fairycroft House CIC, Halesowen Town Colts Under 16s, Freemantles School.

5. Supply chain

The operators and the developers the Fund works with have a much wider influence to generate social value by leveraging their purchasing power. This can be achieved by promoting local suppliers and setting specific ESG requirements for suppliers.

Encouraging local spending

Within the operational homes, a significant proportion by value of supply chain contracts are with non-local or national suppliers. These can provide benefits of improved cost efficiency through larger procurement contracts across multiple sites, helping to centralise procurement, nevertheless, the local economy around each home should be supported through the supply chain, including by contracting smaller-scale suppliers. In 2024, an average of 15% of contracts by value were with local suppliers[12], including those for fresh food such as fruit, vegetables, dairy, and meat.

The reverse of which was reported on the development side, with 81% by value of contracts being with local suppliers. This is largely due to local labour sourcing making up a significant proportion of direct suppliers for developers.

Supply chain requirements

By requiring that suppliers adhere to Environmental, Social and Governance (ESG) requirements, such as sourcing sustainable materials, health and safety, labour sourcing, and DE&I policies, operators and developers can widen their social value delivery, and ensure they are aligned with the suppliers they work with. In the reporting year, 25% of operators and 66% of developers had requirements in place for their supply chain to adhere to ESG-specific principles.

6. Next steps

This is the first year the Fund has reported on the social value impact of the care homes in its portfolio. Moving forward, the Fund will continue to assess and report on an annual basis, both for the homes in operation and those in development.

The focus for the 2025 reporting year will be to expand the data coverage, increasing the dialogue and response coverage within the portfolio, but also to work with the operators and developers to improve the depth and accuracy of reporting, including the approach to reporting on development projects.

On an annual basis, the framework will be reviewed to ensure the most appropriate and relevant metrics are included and identify any additional metrics for inclusion.

Based on the 2024 results, the Fund will continue to support and engage with operators to deliver the best possible care to the residents living within the Fund's care homes. The Fund will engage with operators and developers to demonstrate how purpose-built care homes, designed with sustainable materials and strong community engagement, create meaningful social value for people and communities across the UK.

[12] Defined as within 30km of the site.

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