



# Funding Housing, Making Impact

Social Impact and Sustainability Reporting Standard  
Disclosure Report Year Ending 31<sup>st</sup> March 2022

PHOTO CREDIT: B3 Living



# How we're helping to address the housing crisis

## 1

### BLEND IN NUMBERS

A snapshot of the bLEND portfolio at 31/03/2022.



**£450m**

increase in lending  
year-on-year

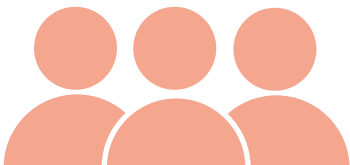
**27**

total number of HA  
borrowers



**£75m**  
sustainability  
bonds

**100%**  
social  
bonds



**11**

new borrowers added to  
bLEND in last year



**£1.405bn**

finance provided through  
bLEND

**2.57%**

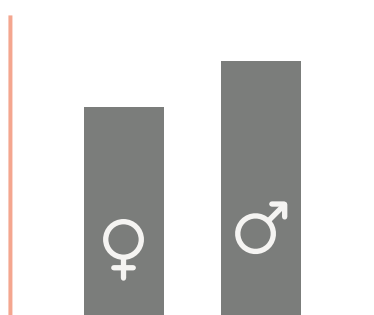
weighted cost of funds incl. deferral  
premia, on all issuance to 31/03/22

**4**

debt maturities

## 2 bLEND IN NUMBERS

A snapshot of bLEND borrowers' at September 2022, reporting against the SRS for the 2021/22 financial year.



**6%**

median gender pay gap

**100%**

average fire risk  
assessment completed  
by borrowers



**61%**

average rents vs  
private rent levels

**5.6 : 1**

CEO-worker pay ratio



**4,856  
NEW  
HOMES**

delivered by borrowers

**325,669  
of all  
home  
tenures**

social homes  
across bLEND  
portfolio

**29**

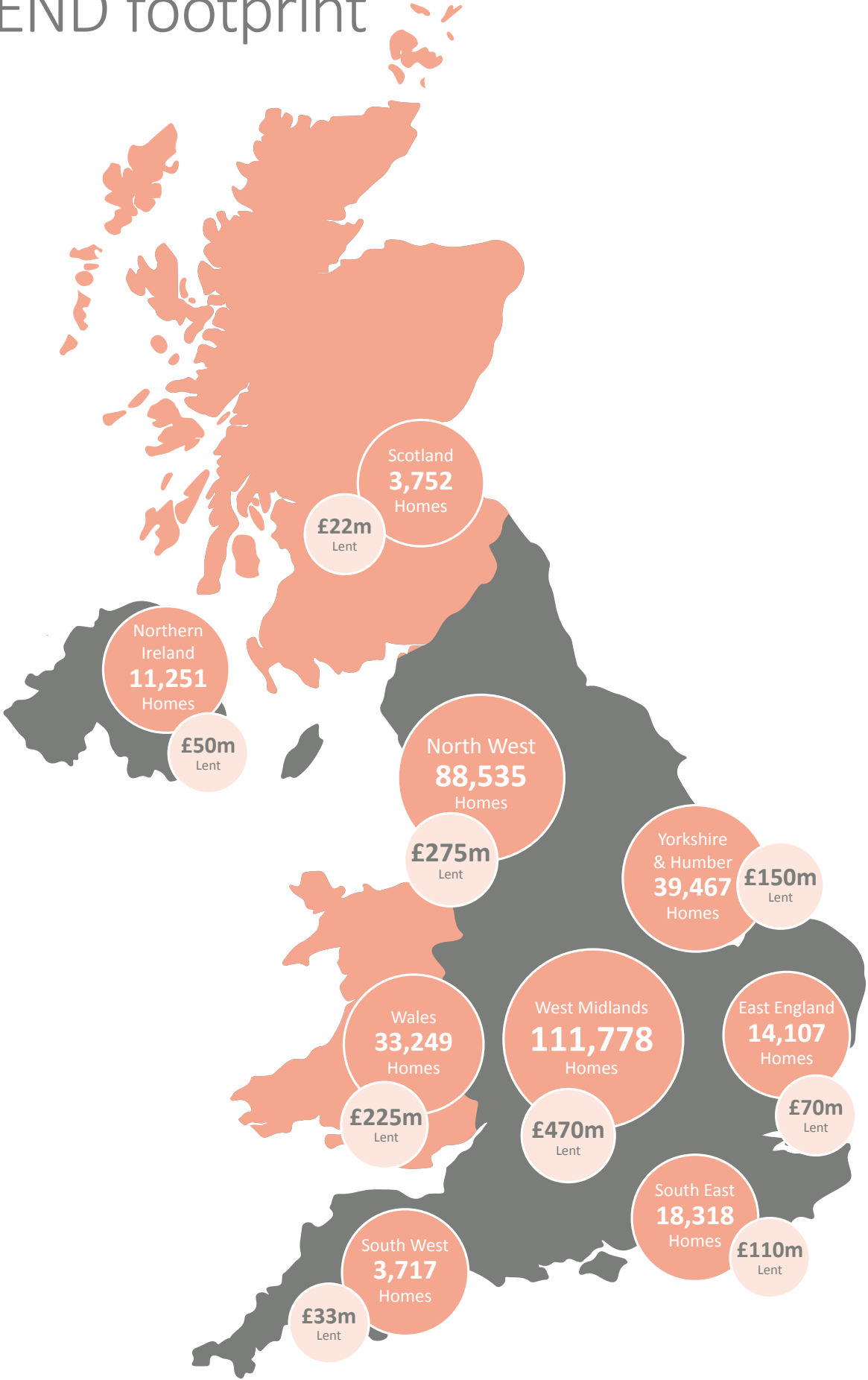
number of HAS  
disclosing against SRS\*

EPC ratings

**63% C  
and above**

\* As at September 2022, there are 29 bLEND borrowers, all of whom have reported in part or in full against the SRS.

# bLEND footprint



[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/835115/iod2019\\_Statistical\\_Release.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/835115/iod2019_Statistical_Release.pdf)  
Number of homes refers to properties managed by these associations.

# Foreword



## Welcome to our second impact report for bLEND, a subsidiary of The Housing Finance Corporation (THFC).

At the time of writing, bLEND has issued almost £1.5bn in bonds to borrowers across all four nations of the UK. This 2021/22 financial year has been another period of strong growth, and since the conversions of last year, bLEND's issuance is now entirely comprised of either social or sustainability bonds as part of our commitment to environmental, social and governance (ESG) considerations.

The rationale for embracing ESG in bLEND was obvious; the social housing investment market represents a pure form of social impact investing, and with enduring importance of decarbonisation and green development, housing associations are now ideal candidates for sustainable lending.

The sector faces a tough year ahead, with a cost of living crisis and new Government proposals on a potential rent cap coming at a time when debt and development costs are also rising. With headwinds like these, resilience and consolidation are emerging as the key themes for the coming months. Sustainability has become even more pressing.

Underpinning sustainable investment is the need for good data and clear reporting. While the suitability of the sector is self-evident, it's crucial that both tenants and funders are able to see and understand performance.

The inaugural version of this report published last year saw bLEND become the first lender to undertake portfolio disclosures in line with the social housing sector's [Sustainability Reporting Standard](#). This year we have again asked our borrowers for completed questionnaires, including enhanced criteria which were not reported on last year. We're grateful to all of the borrowers for their good faith engagement, and we've been delighted at the number of associations who completed the Standard in a comprehensive and detailed way.

These responses are proof that the value of housing associations to communities up and down the country is in more than just property management; they are community institutions, lifelines and champions for residents, responsible employers and ambitious innovators. Having worked in this sector for 20 years, I'm personally proud to be able to publish a report that publicly showcases this richness and integrity which I have had the pleasure to see first-hand.

The first part of this report includes bLEND's social and sustainability bond reporting, while the second part includes the SRS portfolio report. Together they demonstrate the role bLEND plays as a financial company in bringing about positive impact and supporting housing associations to deliver their social purpose.

ESG is about connecting the financial sector to its non-financial impacts and associated risks, and disclosure is a key part of this new task we've been given. At bLEND we lend to the social housing sector, and this report is testament to the enduring value of that sector in the UK today.

## Piers Williamson

CEO, THFC and bLEND  
November 2022

# bLEND Funding Plc

bLEND Funding Plc was founded in 2018 to provide quick and easy access to capital markets funding for registered providers of social housing in the UK. Its parent, The Housing Finance Corporation (THFC), was established for the same purpose in 1987 by the National Housing Federation and the Housing Corporation (now the Regulator of Social Housing).

bLEND issues bonds under a Euro Medium Term Note (EMTN) programme and on-lends the proceeds exclusively to not-for-profit housing associations on a materially matched basis (with the same maturity, interest and repayment profile) to minimise its own risk and pass on the full benefits of aggregated funding to its borrowers.

As of September 2022, bLEND has issued £1.47bn across five maturities, four of which are social bonds and the fifth of which is a sustainability bond.

bLEND is an early adopter of the social housing sector's Sustainability Reporting Standard. It has 29 borrowers from all four regions of the UK.

bLEND's impact strategy is based on the provision of long-term funding at competitive rates, and this supports its housing association borrowers in realising their own sustainability and growth strategies.

*Stock image*



# Measuring performance and progress

This report delivers on bLEND's reporting obligations as set out in its sustainable bond framework, and as mandated by its being an adopter of the Sustainability Reporting Standard.

Unlike last year, this year's report includes enhanced criteria from the Standard. A few small clarifications were made by the secretariat, Sustainability for Housing, to some of the criteria. This included developing a new input tool for data collection, which has been used by bLEND borrowers during the compilation of the report.

bLEND's pool consists of a range of housing associations with varying levels of prior engagement on ESG and not all borrowers have been able to provide answers to every single criteria. This was anticipated and accommodated as part of the roll out of the SRS, this still being only the second year of its use. Criteria 16 in particular, on scope emissions, proved difficult for those associations who have not yet begun the difficult task of data gathering necessary to complete this kind of reporting.

*PHOTO CREDIT: B3 Living*



# Part 1 - Sustainable bond reporting

## Social bonds

bLEND converted all of its outstanding bonds to Social bonds in May 2021, reflecting the fact that its business consists solely of lending to non-profit registered providers of social housing. The framework was given a Second Party Opinion by Vigeo Eiris, who rated bLEND’s contribution to sustainability as ‘advanced’.

Housing associations provide homes and support for almost six million people around England and are key providers of affordable housing. They are social organisations through and through, playing a vital role within communities across

the country. Not only do housing associations manage affordable housing stock, but also to develop new housing as part of efforts to tackle the UK’s housing affordability crisis, as well as providing a myriad of support services to their tenants to address social issues such as digital and financial exclusion, unemployment and poverty.

Proceeds from bLEND’s social bond issuance are entirely on-lent to the housing associations in its pool for the purposes of supporting their core business activities, which are mapped against the UN Sustainable Development Goals.



As of 31st March 2022 bLEND had 27 borrowers, an increase of 11 on the previous year. Total signed loan facilities grew over the year by £450m, but the success of bLEND’s deferred drawdown product can once again be seen in the right hand column of the table below, with there being £230m undrawn loans across seven borrowers.

bLEND supports housing associations by providing low-cost, long-term funding to support their business aims and activities.

## bLEND borrowers by facilities

As at 31st March 2022

|                              | LOAN FACILITY AMOUNT (£K) | DRAWN LOAN (£K)  |
|------------------------------|---------------------------|------------------|
| Platform                     | 180,000                   | 180,000          |
| Wales and West               | 110,000                   | 110,000          |
| Torus62                      | 100,000                   | 100,000          |
| Wakefield & District Housing | 100,000                   | 100,000          |
| GreenSquareAccord Limited    | 75,000                    | 75,000           |
| Walsall Housing Group        | 75,000                    | 75,000           |
| ForHousing                   | 60,000                    | -                |
| Trent & Dove                 | 55,000                    | -                |
| Choice Housing               | 50,000                    | -                |
| Hightown                     | 50,000                    | 50,000           |
| Ongo Homes                   | 50,000                    | 50,000           |
| Regenda                      | 50,000                    | 50,000           |
| Rooftop Housing              | 50,000                    | 50,000           |
| MSV                          | 40,000                    | 40,000           |
| Cardiff Community            | 37,000                    | 37,000           |
| B3 Living                    | 35,000                    | -                |
| The Community Housing Group  | 35,000                    | 35,000           |
| Valleys to Coast             | 35,000                    | 25,000           |
| Teign Housing                | 33,000                    | 33,000           |
| Connect HA                   | 30,000                    | 20,000           |
| Cobalt Housing               | 25,000                    | 25,000           |
| Newport City Homes           | 25,000                    | 25,000           |
| Silva Homes                  | 25,000                    | 25,000           |
| Trust HA                     | 22,000                    | 22,000           |
| Leeds Federated              | 20,000                    | 20,000           |
| Orwell                       | 20,000                    | 10,000           |
| Ateb                         | 18,000                    | 18,000           |
| <b>TOTAL</b>                 | <b>1,405,000</b>          | <b>1,175,000</b> |

Loans to ForHousing, Trent and Dove, Choice Housing and B3Living were on a deferred drawdown basis. bLEND lends to associations operating across all four nations of the UK.

In the year to 31st March 2022 new loans were signed for Choice Housing Group, based in Northern Ireland, and Trust Housing Association, based in Scotland. Loans completed after 31st March included Taff Housing Association and Worthing Homes with loan facilities of £25m and £40m.

## bLEND borrowers by size and region

|                              | REGION                 | UNITS* | £K      |
|------------------------------|------------------------|--------|---------|
| Ateb                         | Wales                  | 3,087  | 18,000  |
| B3 Living                    | South East             | 5,094  | 35,000  |
| Cardiff Community            | Wales                  | 3,069  | 37,000  |
| Choice Housing               | Northern Ireland       | 11,251 | 50,000  |
| Cobalt Housing               | North West             | 5,876  | 25,000  |
| Connect HA                   | Yorkshire & the Humber | 3,546  | 30,000  |
| ForHousing                   | North West             | 23,637 | 60,000  |
| GreenSquareAccord Limited    | West Midlands          | 25,496 | 75,000  |
| Hightown                     | South East             | 6,436  | 50,000  |
| Leeds Federated              | Yorkshire & the Humber | 4,433  | 20,000  |
| MSV                          | North West             | 8,587  | 40,000  |
| Newport City Homes           | Wales                  | 8,917  | 25,000  |
| Ongo Homes                   | East England           | 10,272 | 50,000  |
| Orwell                       | East England           | 3,835  | 20,000  |
| Platform                     | West Midlands          | 46,151 | 180,000 |
| Regenda                      | North West             | 12,940 | 50,000  |
| Rooftop Housing              | West Midlands          | 6,624  | 50,000  |
| Silva Homes                  | South East             | 6,788  | 25,000  |
| Teign Housing                | South West             | 3,717  | 33,000  |
| The Community Housing Group  | West Midlands          | 5,977  | 35,000  |
| Torus62                      | North West             | 37,495 | 100,000 |
| Trent & Dove                 | West Midlands          | 6,474  | 55,000  |
| Trust HA                     | Scotland               | 7,384  | 22,000  |
| Valleys to Coast             | Wales                  | 5,951  | 35,000  |
| Wakefield & District Housing | Yorkshire & the Humber | 31,488 | 100,000 |
| Wales and West               | Wales                  | 12,225 | 110,000 |
| Walsall Housing Group        | West Midlands          | 21,056 | 75,000  |

\*Units is based on group level, not borrowing entity, using data from SRS returns. The two borrowers that joined post 31 March are Taff Housing Association and Worthing Homes.

## Sustainability bonds

In November 2021, bLEND converted its 2061 bond series, with £75m outstanding issuance, to be a Sustainability bond. This was in collaboration with the sole beneficiary of the proceeds of that series, GreenSquareAccord (GSA).

As well as their core social housing activities, housing associations are now tasked with undertaking the decarbonisation of their stock and business operations. The focus so far has been on improving existing stock to EPC C by 2030, in recognition of this being not only an achievable target, but also of instrumental importance in eradicating fuel poverty among tenants and reducing their exposure to energy bill volatility. Beyond that, the 2050 net zero target has challenged HAs with understanding how to go beyond fabric changes to truly decarbonise their homes, as well as making operational improvements to reduce their direct and indirect scope emissions.

The cost of this transition is expected to be significant, and bLEND's role will be to ensure it can help its borrowers access long-term funding at a competitive price, that meets housing associations' strategic needs. Given that residential housing accounts for roughly a fifth of all UK carbon

emissions, housing associations clearly have a large role to play in the net zero transition, and thus the sector is making contributions to **UN SDG 13: Climate Action**



bLEND's sustainable bond framework allows for sustainability bonds to be issued where the housing association borrower has allocated green projects of a sufficient capex in proportion to the loan facility amount. These projects must fulfil the criteria of one of the green categories listed in the framework:

- Green Buildings (new builds or retrofit works that achieve EPC B or higher)
- Renewable Energy
- Energy Efficiency (retrofit interventions achieving 30% efficiency improvements)

|                   | LOAN FACILITY<br>AMOUNT £K | DRAW LOAN<br>£K | SUSTAINABILITY ALLOCATION |     |                 |
|-------------------|----------------------------|-----------------|---------------------------|-----|-----------------|
| GreenSquareAccord | 75,000                     | 75,000          | £27,038K                  | 36% | Green Buildings |

GreenSquareAccord allocated £27m of its £75m bLEND loan to new build projects expected to reach EPC B and A. A total of 153 units will be developed across Gloucestershire, Northamptonshire, Oxfordshire and Wiltshire. Nearly 70% are intended to be allocated to affordable rent, with the remaining units allocated for low cost home ownership. However, as none of the developments allocated were expected to complete before 31st March 2022, there are no completed projects to report yet.

# Part 2 - ESG reporting: the Sustainability Reporting Standard

The Sustainability Reporting Standard for Social Housing (SRS) was developed by and for the social housing sector, in partnership with investors and other stakeholders.

bLEND's parent, THFC, was involved in the working group that developed the Standard and became an early adopter. In 2021 bLEND published a portfolio report, becoming the first lender to do so. This is the second year bLEND has published an SRS portfolio report, with enhanced criteria now included.

All bLEND borrowers as of September 2022 were asked to complete the SRS input tool. We received 28 returns and some information from the 29th borrower is also included.

Not every borrower was able to respond to every criteria - although we received significantly more responses than last year. We will continue to work with our clients to engage with the SRS.

The voluntary standard outlines 12 themes and 48 criteria covering the range of ESG issues.

| ESG AREA      | THEME # | THEME NAME                  |
|---------------|---------|-----------------------------|
| Social        | T1      | Affordability and Security  |
|               | T2      | Building Safety and Quality |
|               | T3      | Resident Voice              |
|               | T4      | Resident Support            |
|               | T5      | Placemaking                 |
| Environmental | T6      | Climate Change              |
|               | T7      | Ecology                     |
|               | T8      | Resource Management         |
| Governance    | T9      | Structure and Governance    |
|               | T10     | Board and Trustees          |
|               | T11     | Staff Wellbeing             |
|               | T12     | Supply Chain Management     |



The aim of the SRS is to streamline and standardise ESG reporting across the social housing sector, promoting a comparable and consistent reporting approach, and to ensure housing associations are well placed to continue attracting investment. The value of this is not just to maintain the hugely successful public-private partnership that has been developed over the years in the social housing investment market, but also to better communicate to tenants and communities the performance and social impact of housing associations.

THFC continues to encourage all of its 161 housing association borrowers to engage with and adopt the Standard. As an aggregator, THFC occupies a unique position, being neither an association nor an investor. As a symbol of its commitment to the sector and its support for the SRS, THFC has committed to annual reporting in line with the SRS. For the time being this reporting is just within its subsidiary bLEND, given the difficulties of initiating SRS reporting in some of its older subsidiaries which are no longer writing new loans.

Given the range in size of bLEND's borrowers, and the relative newness of the SRS to some of them, not all borrowers were able to provide responses to every criteria. Where appropriate an explanation has been given beneath the aggregated response.

# Social

## Affordability and Security

C1

For properties that are subject to the rent regulation regime, report against one or more Affordability Metric:

1) Rent compared to Median private rental sector (PRS) rent across the Local Authority

61% 21 HA responses

2) Rent compared to Local Housing Allowance (LHA)

72% 25 HA responses

C2

Share, and number, of existing homes (owned and managed) completed before the last financial year allocated to:

|                             |         |        |
|-----------------------------|---------|--------|
| General needs (social rent) | 237,086 | 72.2%  |
| Intermediate rent           | 3,289   | 1.0%   |
| Affordable rent             | 31,528  | 9.5%   |
| Supported Housing           | 13,203  | 4.0%   |
| Housing for older people    | 21,443  | 6.4%   |
| Low-cost home ownership     | 15,413  | 4.6%   |
| Care homes                  | 767     | 0.2%   |
| Private Rented Sector       | 2,046   | 0.6%   |
| Other                       | 4,803   | 1.4%   |
|                             | 329,578 | 100.0% |

29 HA responses

C3

Share, and number, of new homes (owned and managed) that were completed in the last financial year, allocated to:

|                             |       |        |
|-----------------------------|-------|--------|
| General needs (social rent) | 1,226 | 22.5%  |
| Intermediate rent           | 199   | 3.7%   |
| Affordable rent             | 2,377 | 43.7%  |
| Supported Housing           | 94    | 1.7%   |
| Housing for older people    | 16    | 0.3%   |
| Low-cost home ownership     | 1,342 | 24.7%  |
| Care homes                  | 56    | 1.0%   |
| Private Rented Sector       | 129   | 2.4%   |
| Other                       | 1     | 0.0%   |
|                             | 5,440 | 100.0% |

29 HA responses

**C4****How is the housing provider trying to reduce the effect of fuel poverty on its residents?**

HAs continue to drive forward plans for improving stock to minimum EPC C by 2030, recognising energy inefficiency to be the biggest contributor to fuel poverty among tenants. As shown in criteria 15, almost all new stock from bLEND borrowers is to EPC B or higher.

In addition, over half of the borrowers responding said that they provide signposting services and financial advice to borrowers in relation to fuel poverty, some of which is detailed in criteria 12. Nine borrowers said they were making use of available grant funding for retrofit, while several said they were already installing solar panels, battery storage systems and heat pump technologies. Two borrowers have EPC C targets earlier than 2030.

*27 HA responses*

|                                           |    |
|-------------------------------------------|----|
| Heat with rent scheme                     | 1  |
| Officers dedicated to advice/support      | 11 |
| Signposting to advice/hardship support    | 16 |
| Solar panels & batteries                  | 4  |
| Energy modelling/smart systems            | 3  |
| Social Housing Decarbonisation Fund/grant | 9  |
| Meeting EPC C earlier than 2030           | 2  |

**CASE STUDY: TORUS62**

In 2021/22, Torus Foundation's Financial Inclusion team delivered two projects to specifically support tenants with managing their energy costs.

Supportive Energy is delivered in partnership with the Energy Saving Trust and provides in-depth advice on energy debt, bills and tariffs to vulnerable people in St Helens, Warrington and Liverpool. The project provides an advocacy service on behalf of vulnerable tenants to contact, negotiate with and challenge energy providers – this also includes claims to the energy ombudsman.

In 2021/22 Supportive Energy produced the following outputs:

- 752 people engaged with the service
- 2,066 telephone advice sessions
- 276 home visits
- £39,634 estimated savings

Torus Foundation also ran a winter energy fund programme with the Energy Saving Trust. The project distributed energy vouchers to customers with a pre-payment meter who are at risk of self-disconnection. In 2021/22, 277 fuel vouchers were granted totalling a value of £15,148.12.

Unsurprisingly, both projects have been met with increasing levels of demand and Torus Foundation is constantly exploring ways to expand their provision or launch similar projects in 2022/23. This has taken on increased urgency following seriously inflated projections for 2022 winter fuel bills.

C5

What % of rental homes have at least a 3-year tenancy agreement?

# 64%

27 HA responses

This is a pool average, based on 27 responses. There appears to be some ambiguity in the criteria, however, wherein some HAs have likely deemed assured tenancies as being 'at least a 3-year tenancy' while others have done the opposite, on the basis that an assured tenancy has no fixed period. **Individual responses were polarised, all in the top or bottom quintiles, with 20 out of 27 responses being either 0-5% or 95-100%.**

## Building Safety and Quality

C6

What % of homes with a gas appliance have an in-date, accredited gas safety check?

# 100%

29 HA responses

C7

What % of buildings have an in-date and compliant Fire Risk Assessment?

# 99%

29HA responses

C8

What % of homes meet the national housing quality standard?

# 100%

29 HA responses

The national housing quality standard are the Decent Homes Standard for England, the Scottish Housing Quality Standard, or the Welsh Housing Quality Standard. The housing associations have met the standards within the nations they operate in.

Stock image

An aerial photograph showing a residential neighborhood. In the foreground, there's a river or canal flowing through a green space. To the left, a road with several cars is visible. The houses are mostly two-story buildings with red or brown roofs. Some houses have solar panels on their roofs. The overall scene is a typical suburban or urban residential area.

## Resident Voice

C9

### What arrangements are in place to enable the residents to hold management to account for provision of services?

All borrowers have mechanisms for resident accountability, typically in the form of some kind of scrutiny panel or residents forum/association. A number of associations also indicated that they had tenant representatives on the Board or on subcommittees. Over half also used regular surveys, focus groups and structure interviews to solicit tenant feedback on the quality of services.

Other arrangements for holding management to account were the use of tenant inspections or mystery shoppers, community champions or tenant/customer officers, contact through digital portals or social media, annual tenant reports, as well as the running of regular events where tenants can talk directly to executives and non-executives.

#### 27 HA responses

|                                                                          |    |
|--------------------------------------------------------------------------|----|
| Tenant rep on board                                                      | 7  |
| Subcommittees                                                            | 5  |
| Scrutiny panels, forums or associations                                  | 21 |
| Focus groups/structured interviews                                       | 7  |
| Surveys                                                                  | 12 |
| Tenant inspections or mystery shoppers                                   | 3  |
| Community champions or neighbourhood/tenant/customer engagement officers | 2  |
| Digital/social media                                                     | 7  |
| Tenant annual report                                                     | 3  |
| Information about complaints procedures or performance                   | 2  |
| Events                                                                   | 5  |

C10

### How does the housing provider measure resident satisfaction and how has resident satisfaction changed over the last three years?

Typically, bLEND's borrowers use surveys to measure resident satisfaction, both transactional (surveying satisfaction with a specific service e.g. maintenance) and annual or quarterly. Many responses confirmed the use of independent or external bodies to conduct surveys, and their alignment with HouseMark's STAR (Survey of Tenants and Residents) framework.

Most borrowers continued to note lower than usual satisfaction figures in the post-Covid period, though a minority have seen higher than usual satisfaction figures this year.

#### 27 HA responses

|                                   |    |
|-----------------------------------|----|
| STAR                              | 11 |
| Independent data gathering        | 5  |
| Reporting higher scores currently | 4  |
| Reporting post-covid dips         | 9  |

C11

In the last 12 months, how many complaints have been upheld by the Ombudsman. How have these complaints (or others) resulted in change of practice within the housing provider?

On average there were two complainants upheld per respondent.

Average was two, with a total of 48. Fifteen respondents had no complaints upheld. The vast majority of borrowers reported three or fewer complaints being upheld.

*26 HA responses*

## Resident support

C12

What support services does the housing provider offer to its residents. How successful are these services in improving outcomes?

Housing associations go above and beyond to provide services for tenants in addition to housing. Three case studies of tenant support provided by bLEND borrowers are included below.

*27 HA responses*

### CASE STUDY: COBALT

As a community anchor institution, Cobalt provides support far beyond its core landlord function. This year Cobalt's employment and training team helped eight tenants gain employment, with another 40 receiving training and employment advice. The welfare team secured almost £1.5m in extra benefits for tenants, as well as supporting 54 tenants with white goods and utility top ups. Cobalt also works with debt charities to provide support for tenants experiencing financial distress. Three food pantries were established to provide low cost groceries, saving each resident around £850 a year on shopping bills. The community fund provided funding for 26 projects during the year, including a 10-week Gateway 4 Growth project supporting the wellbeing of young people not in education, employment or training, a bespoke yoga course for young people on the autism spectrum, a six-week paediatric first aid course for 30 parents at Fazakerley and Croxteth Children's Centre, the River of Life intergenerational community choir, among many others. An independent evaluation of the social value created by these projects, which Cobalt has helped fund, measured the social return on investment at £26.92 per £1 spent.

## CASE STUDY: CONNECT

Connect's Money Matters team operates as a digital and economic inclusion service to help residents maximise their income and manage their money, as well as access volunteering, employment and skills development opportunities.

During the 2021/22 financial year:

- 194 residents were helped by Connect's Money Matters Service
- 80% of customers surveyed rates the service as a nine or 10 out of 10
- Savings of £617,508 were made for tenants through accessing the service. Action involved supporting residents to access benefits they were entitled to, negotiation of reduced debt payments on tenants' behalf and debt being written off.
- 71 residents were supported with digital inclusion or employability through the service.



PHOTO CREDIT: Connect

## CASE STUDY: WALSALL HOUSING GROUP (WHG)

whg run a Money Advice service delivered by nine qualified advisors who support customers on welfare and debt issues. The advisors undertake comprehensive casework to help customers maximise income, focusing on tenancy sustainability and quality of life outcomes. During 2021-22 the service supported 2,210 customers and helped them access £5,601,053 in unclaimed welfare payments and clear, reduce or reschedule debt to the value of £206,388. Eighty households had arrears recovery stopped due to the Money Advice intervention and therefore the risk of eviction removed. A total of £23,959 in utility bills was saved through discounts gained for customers, and 171 customers were given information, guidance and financial capability training to empower them to take action on their own when dealing with welfare and debt issues.



PHOTO CREDIT: Walsall Housing Group

C13

Provide examples or case studies of where the housing provider has been engaged in placemaking or placeshaping activities.

*23 HA responses*

### CASE STUDY: B3LIVING

As the largest social landlord in its borough, B3Living is mindful of its role as a placeshaper in the community. This year B3Living completed a neighbourhood transformation project in partnership with Hertfordshire police, fire service and local council, which saw B3Living receive £350,000 for security upgrades such as CCTV, new front doors and ring doorbells, as well as the complete redesign of a large communal garden. Sixty-six per cent of residents reported feeling safer in their homes after the project completed. Elsewhere, work has continued at the flagship regeneration scheme at Cheshunt Lakeside, which will deliver an additional 195 homes on top of the S106 requirements for affordable homes attached to planning agreements. The development has been designed to include 'pocket parks' and green corridors to transform the area, and will also include a new primary school, 19,000m<sup>2</sup> of commercial space, eight football pitches of green space and £14.1m in community infrastructure improvements.



PHOTO CREDIT: B3 Living

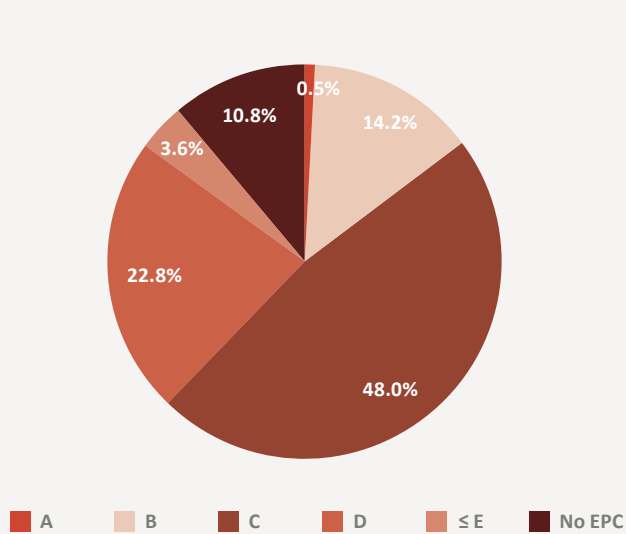
## CASE STUDY: COBALT

Cobalt has established a plan for the regeneration of the Stonedale Estate in Croxteth, an area which scores high on deprivation indices. Cobalt will develop 57 new affordable homes on the brownfield site at Altbridge Park, on top of the 52 existing dwellings it owns. The objective of the project is to remodel the layout to reduce anti-social behaviour and fly-tipping, while also facilitating rightsizing by providing housing types not otherwise available in the neighbourhood. Seven of the new homes will be fully wheelchair accessible and all will be adaptable and M4(2) compliant. The project has engaged and will benefit the whole community, not just Cobalt tenants, and is expected to involve future phases of replacing poor performing properties with new affordable, accessible and greener homes.

# Environmental

## Climate change

**C14** Distribution of EPC ratings of existing homes (those completed before the last financial year).



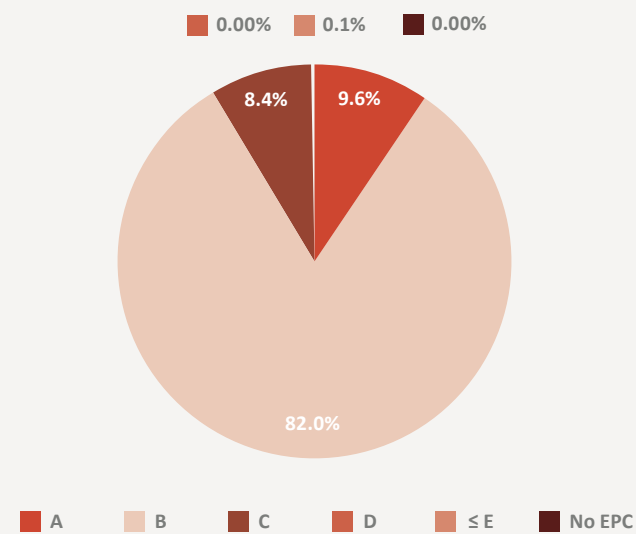
29 HA responses

*\*New stock is not weighted but provides an average across the borrowers*

The homes of bLEND borrowers continue to perform better than the average social housing stock in the UK. The addition of 11 borrowers to the bLEND pool over the year makes it harder to track whether stock energy efficiency is improving. Most borrowers who were included in last year's report have showed an upward trend on the efficiency of their stock, demonstrating the shift from theory to practice that has happened vis-à-vis retrofit.

The inclusion of a 'No EPC' option removes the ambiguity of responses based on extrapolation of small survey data, and shows that for some borrowers full stock surveys are still underway.

**C15** Distribution of EPC ratings of new homes (those completed in the last financial year).



29 HA responses

Overall, 17 borrowers were able to provide scope emissions data, with 16 including Scope 3. This represents the diversity of bLEND borrowers and the fact that for many providers, establishing the necessary mechanisms for gathering emissions data has not yet happened. However, we see 17 out of 29 as a strong response rate at this early stage. The consistency of data was also surprisingly good, with the range on the intensity ratio of Kg CO<sub>2</sub>e per stock unit being from 1,144.98 to 4,475.02. Whilst still highly variable it does suggest some consistency of approach and points to expected improvements in data quality over time.

Average scope emissions (1, 2, 3) in KgCO<sub>2</sub>e per unit: 2203.68.

Total Scope 1 & 2 emissions of bLEND borrowers was 54,433 tonnes CO<sub>2</sub>e.

*17 HA responses*

Housing associations are rapidly responding to improve the energy efficiency of stock as part of the net zero transition. Half of the respondents are already making fabric-led interventions and boiler replacements. Many also identified plans for solar panel installations, water saving features, green energy procurement and air source heat pumps. Three associations specified that they had recruited new staff to focus on energy efficiency and decarbonisation. Eight confirmed that they had engaged with available grant funding.

|                                                    |    |
|----------------------------------------------------|----|
| Boiler replacements                                | 12 |
| Fabric                                             | 14 |
| Water saving features                              | 2  |
| Company fleet replacements                         | 3  |
| Green energy procurement for operations (inc. PVs) | 2  |
| Solar Panels                                       | 6  |
| Staffing changes/appointments                      | 3  |
| Stock surveys & modelling                          | 6  |
| Grant bids                                         | 8  |
| Air Source Heat Pumps                              | 5  |
| EPC A/No gas/net zero development                  | 6  |

*26 HA responses*

**C18****How is the housing provider mitigating the following climate risks:**

- Increased flood risk
- Increased risk of homes overheating

Climate risk is increasingly at the forefront of housing association's transition strategies. However, at least 11 associations said that they were not concerned about flood or overheating risks to existing homes. Many emphasised that for now they are focusing on high standards for new builds to mitigate against these risks. Only two associations said they had a significant number of homes in high risk areas.

|                                                     |    |
|-----------------------------------------------------|----|
| None/very few homes in flood risk zone              | 11 |
| Some homes in medium/high risk area (less than 15%) | 2  |
| Flood risk homes early warning alerts               | 2  |
| Flood risk homes drainage cooperation               | 1  |
| Flood barriers in properties                        | 1  |
| Design mitigate flood risk new build                | 6  |

|                                         |   |
|-----------------------------------------|---|
| None/very few homes risk of overheating | 5 |
| Some homes at risk of overheating       | 1 |
| Consideration of overheating new build  | 8 |
| Use of sensors in homes to monitor      | 1 |
| Consideration of overheating retrofit   | 4 |
| Advice for tenants overheating          | 2 |

*26 HA responses*

**C19**

**Does the housing provider give residents information about correct ventilation, heating, recycling etc? Please describe how this is done.**

22 of the 26 associations who responded to this criteria confirmed that they were providing residents information about ventilation, heating and recycling with a further 2 on just ventilation and heating. This included ongoing updates through digital communications as well as welcome packs for new tenants, or information packs after the completion of retrofit interventions.

|                 |    |
|-----------------|----|
| Recycling/waste | 22 |
| Ventilation     | 24 |
| Heating         | 24 |

*26 HA responses*

## Ecology

C20

How is the housing provider increasing green space and promoting biodiversity on or near homes?

|                                                  |    |
|--------------------------------------------------|----|
| SHIFT and data collecting                        | 3  |
| Tree planting/rewilding/wildflowers/'No Mow May' | 11 |
| Green space/communal gardens in new builds       | 15 |
| Changes to grounds maintenance                   | 5  |
| Misc. biodiversity projects                      | 4  |
| Under consideration                              | 2  |

25 HA responses



PHOTO CREDIT: V2C



PHOTO CREDIT: WDH

### CASE STUDY: WDH

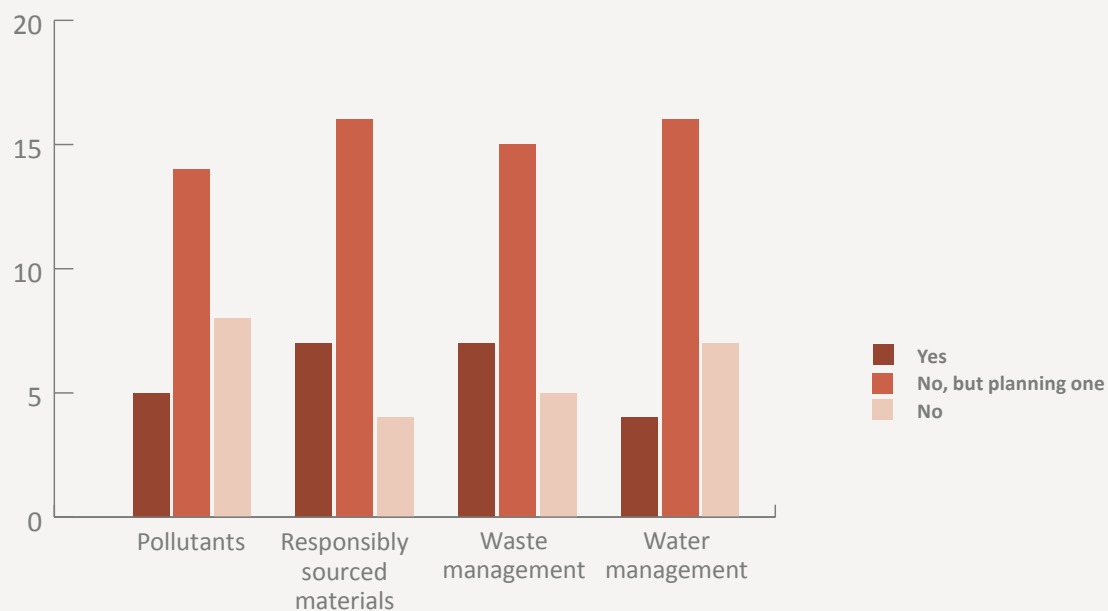
In January 2022, working in partnership with Kettlethorpe Nature Action Group and residents, 1,500 trees were planted on WDH land in Kettlethorpe. The project 'Hendal Lane Community Plantation' forms part of the White Rose Forest initiative that aims to work with communities and land owners to plant trees where they are needed the most.

As the trees grow the plantation will make a positive impact on the environment by helping to reduce air and noise pollution as well as encourage more wildlife.

C21  
-  
C24

Does the housing provider have a strategy:

- To actively manage and reduce all pollutants?
- To use or increase the use of responsibly sourced materials for all building works?
- For waste management incorporating building materials?
- For good water management?



Responses to these criteria demonstrated that while many associations are not yet fully implementing strategies for environmental management, most are in the planning and consideration stages.

27 HA responses

# Part 2 - Governance

## Structure and Governance

**C25** Is the housing provider registered with the national regulator of social housing?

100%

Yes

29 HA responses

**C26** What is the most recent regulatory grading/status?

As of September 2022, all bLEND borrowers have a compliant grading. Out of 29 borrowers, two have a grading below the highest possible, one with a G2/V1, the other a G2/V2. Ongo was recently upgraded to G1/V1 by the Regulator.

29 HA responses

**C27** Which Code of Governance does the housing provider follow, if any?

The housing association are following the Code of Governance within the nations they operate in.

| Governance Code:                                 | Number following governance code: |
|--------------------------------------------------|-----------------------------------|
| Community Housing Cymru 2018                     | 1                                 |
| National Housing Federation 2020                 | 21                                |
| Community Housing Cymru 2021                     | 5                                 |
| National Housing Federation 2015                 | 1                                 |
| Scottish Federation of Housing Associations 2020 | 1                                 |

29 HA responses

**C28** Is the housing provider Not-For-Profit?

If not, who is the largest shareholder, what is their % of economic ownership and what % of voting rights do they control?

100%

Yes

29 HA responses

C29

Explain how the housing provider's board manages organisational risks.

bLEND borrowers follow robust risk management procedures, with their risk registers and frameworks overseen by Boards as well as some form of Audit or Risk Committee. All borrowers emphasised regular maintenance of risk registers, to reflect new operational and strategic risks. Some borrowers highlighted the provision of training for the Board on risks.

28 HA responses

C30

Has the housing provider been subject to any adverse regulatory findings in the last 12 months (data protection breaches, bribery, money laundering, HSE breaches etc) - that resulted in enforcement or other equivalent action?

97%

No

One borrower was downgraded in the year. The Borrower received a Governance downgrade to a rating of G2 (still compliant with governance requirements but requiring some improvements) following self-referral to the Regulator relating to compliance with statutory health and safety performance. An action plan was implemented to address these shortcomings in compliance and Board oversight and the recommended changes are now embedded in the organisation.

29 HA responses

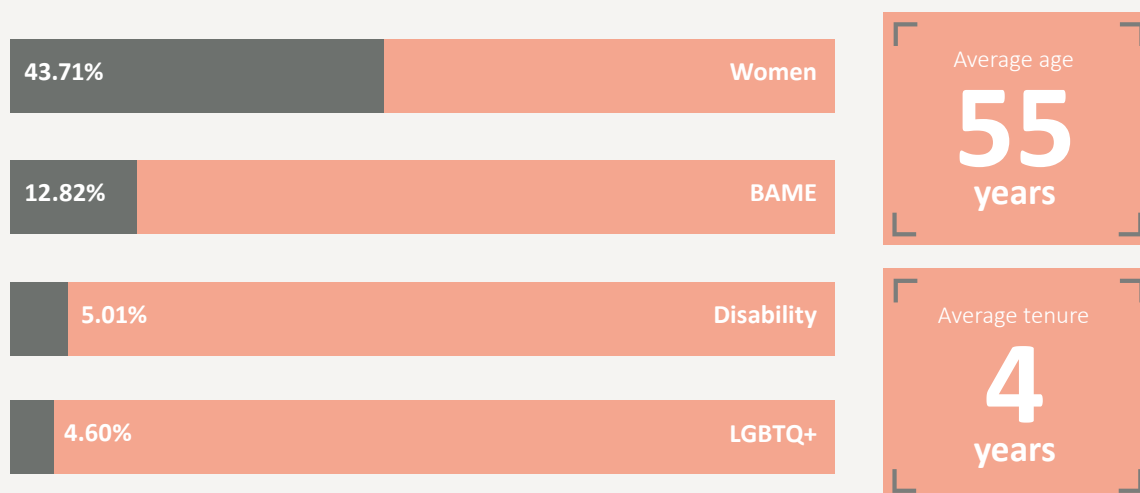
## Board and Trustees

C31

What are the demographics of the board? And how does this compare to the demographics of the housing provider's residents?

One borrower could not provide average tenure due to the whole Board being new from a merger within the last 18 months. Some borrowers did not collect data on the diversity of the Board beyond gender.

It has not been possible to provide an aggregated outlook on how board demographics compare with residents.



29 HA responses

C32

What % of the board and management team have turned over in the last two years?

30%

Board

14%

Management

One borrower was not able to provide figures due to the whole Board being newly appointed after a merger within the last 18 months.

27 HA responses

C33

Is there a maximum tenure for a board member? If so, what is it?

|         |    |        |
|---------|----|--------|
| 6 years | 17 | 58.62% |
| 9 Years | 12 | 41.38% |

Some borrowers have a six-year limit but allow for nine in exceptional circumstances.

29 HA responses

C34

What % of the board are non-executive directors?

96%, with the responses ranging between 82% and 100%.

One borrower's governance structure has trustees as opposed to non-executive directors.

29 HA responses

C35

Number of board members on the audit committee with recent and relevant financial experience.

All borrowers bar one confirmed that at least one member of their board who are on the audit committee have relevant financial experience. One HA said its independent member had relevant experience for committee but was not on the board. Some associations reported having between two and six members with relevant finance experience, including chartered accountants, finance directors and members with banking, investment and consultancy experience, including in one instance ESG experience.

29 HA responses

C36

Are there any current executives on the remuneration committee?

100%

said No

One borrower gave no response as they did not have a remuneration committee, and are not obliged to have one by regulation.

28 HA responses

**C37****Has a succession plan been provided to the board in the last 12 months?**

|     |    |        |
|-----|----|--------|
| Yes | 21 | 72.41% |
| No  | 8  | 27.59% |

*29 HA responses***C38****For how many years has the housing provider's current external audit partner been responsible for auditing the accounts?****3.5****Years on average**

The range was range was between 1 and 16 years.

*29 HA responses***C39****When was the last independently-run, board-effectiveness review?**

60% have had a board effectiveness review within the last two years; only three borrowers have not had one in the last 3 years.

*28 HA responses***C40****Are the roles of the chair of the board and CEO held by two different people?****100%****Yes***29 HA responses***C41****How does the housing provider handle conflicts of interest at the board?**

All borrowers required board members to complete a register of interests annually, which is used as a reference for the start of Board meetings when a member must declare any conflict of interest. Depending on the declaration the member may then be obliged to not participate in discussion, to recuse themselves, or in extreme cases to resign.

*29 HA responses*

## Staff Wellbeing

C42

Does the housing provider pay the Real Living Wage?

22

(75.86%) of borrowers said yes.

29 HA responses

C43

What is the median gender pay gap?

6%

Two borrowers reported negative gender pay gaps, while six reported no pay gap at all. The highest reported pay gap was 30%. Three borrowers were unable to provide a figure.

27 HA responses

C44

What is the CEO median-worker pay ratio?

5.6 : 1

The pay ratio ranged from 2.9 to 10.3.

26 HA responses

C45

How does the housing provider support the physical and mental health of their staff?

Housing associations, as social organisations, take particular care to ensure the physical and mental health of staff. Over 60% of respondents said they provided training to staff for physical and mental health issues, as well as external healthcare packages, while others emphasised the use of regular events and staff communications to cover mental and physical health awareness, as well as flexible working being a core part of supporting staff. One association said it provided interest free loans for the purchase of IT equipment for staff homeschooling their children during the Covid lockdowns.

|                               |    |
|-------------------------------|----|
| Health training               | 17 |
| External healthcare providers | 19 |
| Comms and events              | 12 |
| Staff surveys                 | 5  |
| Flexible working              | 7  |
| Homeschooling loans           | 1  |

28 HA responses

## CASE STUDY: PLATFORM

This year Platform restructured its HR department to create a dedicated employee relations and wellbeing team for overseeing the physical and mental wellbeing of staff. The team deliver weekly updates and initiatives to colleagues, and provide guidance to colleagues and managers, monitored through employee engagement and wellbeing surveys sickness absence monitored through employee engagement and wellbeing surveys, sickness absence monitoring and health and safety incident reporting. Monthly KPIs are reported to the executive and board.

A number of wellbeing practices and support mechanisms are made available including:

- Comprehensive occupational health services
- Employee Assistance Programme provision
- Healthcare cash plans
- Mental health first aid training and coaching
- Mandatory health and safety training
- Leave arrangements, such as bereavement leave and urgent domestic leave
- Regular health checks for our workforce
- Opportunities for flexible working

In addition to the above, the group holds regular wellbeing events throughout the year. All employees are encouraged to take part and activities have included helping people to learn a new language, getting outside for a walk and sharing stories of how colleagues have been supporting their local communities.

C46

What is the average number of sick days (both long and short term) taken per employee?

# 10.23

The responses revealed an ambiguity in the interpretation of this criteria. Covid was also reported to be affecting the long-term leave figures, which should be taken into account when interpreting the aggregated figure.

*27 HA responses*

## Supply Chain

**C47**

**How is social value creation considered when procuring goods and services?**

The consideration of social value in supply chains and procurement is approached in a number of ways across the sector. HAs demonstrated differing levels of engagement. For many this was focused simply on including questions in the procurement process and considering responses in the decision-making process.

*24 HA responses*

**C48**

**How is environmental impact considered when procuring goods and services?**

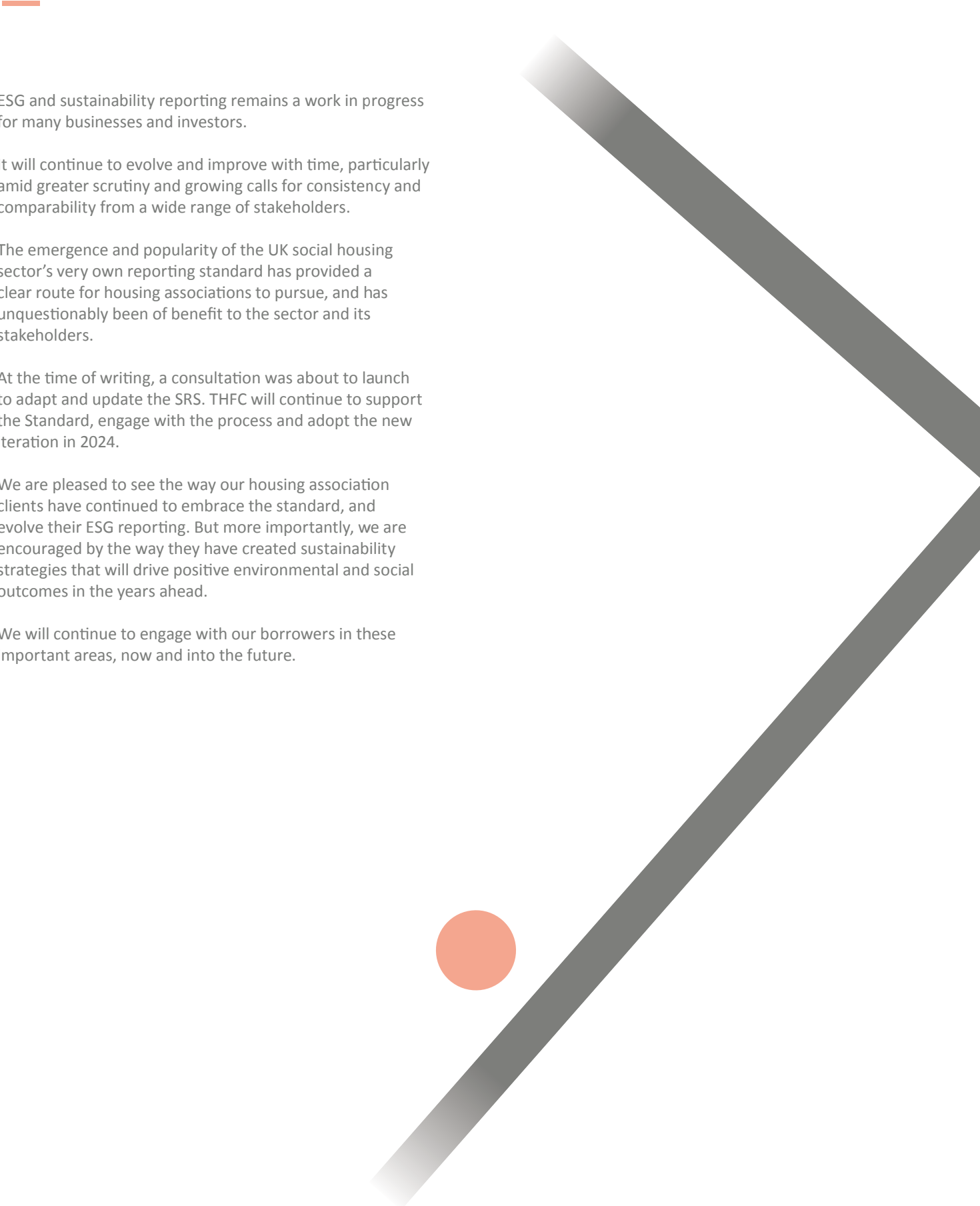
The consideration of environmental impact in supply chains and procurement is a relatively new challenge for the social housing sector. HAs demonstrated differing levels of engagement. For many this was focused simply on including questions in the procurement process and considering responses in the decision-making process.

*23 HA responses*

## CASE STUDY: ATEB

Ateb's procurement policy incorporates weighted qualitative questions on both social value and ESG, which inform the evaluation stage of procurement decision making. These questions cover what social benefits the supplier may bring to the area, such as local employment, apprenticeships, community or educational initiatives or support for local business growth, as well as questions on emissions reduction and circular economy promotion. The winning supplier's commitments are discussed during contract reviews on an ongoing basis.

# In Conclusion



ESG and sustainability reporting remains a work in progress for many businesses and investors.

It will continue to evolve and improve with time, particularly amid greater scrutiny and growing calls for consistency and comparability from a wide range of stakeholders.

The emergence and popularity of the UK social housing sector's very own reporting standard has provided a clear route for housing associations to pursue, and has unquestionably been of benefit to the sector and its stakeholders.

At the time of writing, a consultation was about to launch to adapt and update the SRS. THFC will continue to support the Standard, engage with the process and adopt the new iteration in 2024.

We are pleased to see the way our housing association clients have continued to embrace the standard, and evolve their ESG reporting. But more importantly, we are encouraged by the way they have created sustainability strategies that will drive positive environmental and social outcomes in the years ahead.

We will continue to engage with our borrowers in these important areas, now and into the future.



---

3rd Floor  
17 St. Swithin's Lane  
London  
EC4N 8AL

Visit : [www.blendfundingplc.com](http://www.blendfundingplc.com)  
Call : 020 7337 9920  
Email : [info@blendfundingplc.com](mailto:info@blendfundingplc.com)