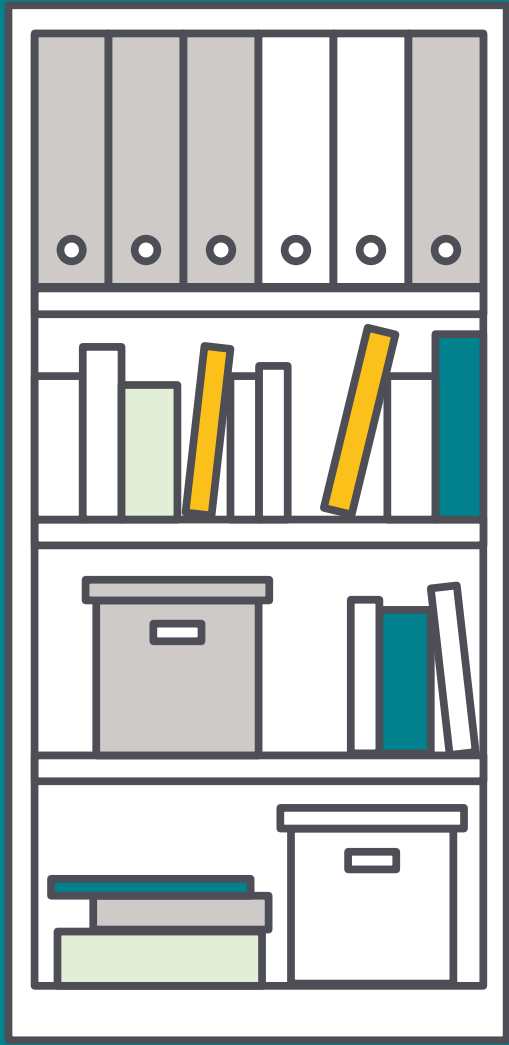




# Environmental, Social and Governance report (ESG report)

2020/21



# Environmental, Social and Governance report

2020/21

“ **When we formed in 1935 as The North Eastern Housing Association we stated that our intention was to be driven by a social and ethical purpose.**

More than 85 years on, now as Home Group, with **55,000** properties and **113,000** customers across the UK, those drivers are as strong today as they were then.

As an early adopter of the Sustainability Reporting Standard for Social Housing, we are delighted to be able to share our Environmental, Social and Governance (ESG) activity over the past year, with customers, colleagues, investors, long-standing partners and key stakeholders.

We hope you enjoy this report and we welcome all feedback.”

**Steve Hallowell**  
Director of treasury and  
investor relations



# Our report structure

"The UN Sustainable Development Goals (SDGs) are a set of common global goals that demand investors, government, business and society to do more to end poverty, protect the planet and ensure people enjoy peace and prosperity" (UN, Transforming our world: the 2030 agenda for sustainable development, September 2015).

The three high level areas of this report "Environment, Social and Governance" each include information from a set of themes aligned with the UN Sustainable Development Goals.



## UN Sustainable Development Goals



| ESG area             | Theme                       | UN sustainable development goal        | Page reference |
|----------------------|-----------------------------|--|----------------|
| <b>Social</b>        | Affordability and security  | No poverty<br>Reduced inequalities     | 8              |
|                      | Building safety and quality | Sustainable cities and communities     | 10             |
|                      | Resident voice              | Sustainable cities and communities     | 12             |
|                      | Resident support            | Sustainable cities and communities     | 18             |
|                      | Placemaking                 | Sustainable cities and communities     | 24             |
| <b>Environmental</b> | Climate change              | Climate action                         | 30             |
|                      | Ecology                     | Life on land                           | 34             |
|                      | Resource management         | Sustainable cities and communities     | 36             |
| <b>Governance</b>    | Structure and governance    | Peace, justice and strong institutions | 40             |
|                      | Board and trustees          | Peace, justice and strong institutions | 42             |
|                      | Staff wellbeing             | Decent work and economic growth        | 45             |
|                      | Supply chain management     | Responsible production and consumption | 50             |



**Social**





# Affordability and security



This theme seeks to assess the extent to which the housing provider provides long-term homes that are genuinely affordable to those on low incomes.

**Home Group properties**  
 98% of Home Group's general needs and affordable homes have rents that are lower or equal to Local Housing Allowance (LHA). This amount is based on the area in which claimants live and the size of dwelling appropriate for their household.

|  | At 1 April 2020     | New homes completed in 2021 |
|--|---------------------|-----------------------------|
| <b>Social rent</b>                                       | <b>34,572 / 68%</b> | <b>133 / 24%</b>            |
| <b>Affordable rent</b>                                   | <b>7,083 / 14%</b>  | <b>155 / 28%</b>            |
| <b>Supported housing</b>                                 | <b>4,302 / 8%</b>   | <b>71 / 13%</b>             |
| <b>Housing for older people</b>                          | <b>1,583 / 3%</b>   | <b>0%</b>                   |
| <b>LCHO (Low cost home ownership)</b>                    | <b>2,884 / 6%</b>   | <b>195 / 35%</b>            |
| <b>Care homes</b>  | <b>254 / 0%</b>     | <b>0%</b>                   |
| <b>Private rented sector (including mid-market rent)</b> | <b>489 / 1%</b>     | <b>0%</b>                   |

## Fixed term tenancies

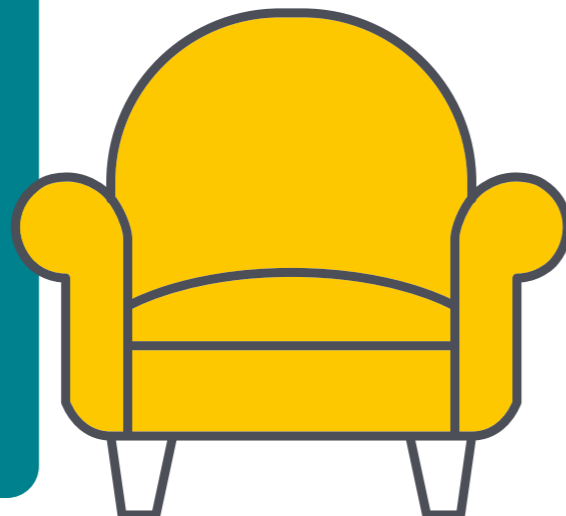
12% of Home Group's general needs tenancies in England are fixed term.

Fixed term tenancies are not used in Scotland, supported services or older persons properties.

All Home Group fixed term tenancies are for five years or if a starter tenancy five years plus one probationary period.

Home Group Board made the decision that from March 2020 lifetime tenancies would be our primary offer for general needs homes (although, fixed term may be offered if it is consistent with a local authority strategy).

In 2021 we implemented a refreshed ethical property disposals policy. Our overriding priority through any disposal is to better enable delivery of our customer promise for all customers.



The table below shows analysis for the ten local authority areas where we have the most homes:

|                                   | Average weekly LHA (£) | Average weekly Home Group rent (£) | Home Group rent discount (%) |
|-----------------------------------|------------------------|------------------------------------|------------------------------|
| <b>West Cumbria</b>               | <b>106.02</b>          | <b>88.62</b>                       | <b>16%</b>                   |
| <b>Tyneside</b>                   | <b>115.82</b>          | <b>84.22</b>                       | <b>27%</b>                   |
| <b>Sunderland</b>                 | <b>104.01</b>          | <b>82.02</b>                       | <b>21%</b>                   |
| <b>Durham</b>                     | <b>94.76</b>           | <b>78.44</b>                       | <b>17%</b>                   |
| <b>Teesside</b>                   | <b>101.77</b>          | <b>84.60</b>                       | <b>17%</b>                   |
| <b>North West London</b>          | <b>302.35</b>          | <b>129.03</b>                      | <b>57%</b>                   |
| <b>North Cumbria</b>              | <b>108.07</b>          | <b>89.27</b>                       | <b>17%</b>                   |
| <b>Bradford &amp; South Dales</b> | <b>113.53</b>          | <b>93.00</b>                       | <b>18%</b>                   |
| <b>York</b>                       | <b>155.52</b>          | <b>100.15</b>                      | <b>36%</b>                   |
| <b>Harlow &amp; Stortford</b>     | <b>208.03</b>          | <b>117.52</b>                      | <b>44%</b>                   |



# Building safety and quality

This theme seeks to assess how effective the housing provider is at meeting its legal responsibilities to protect residents and keep buildings safe.



## 99.1% of homes have an up to date gas inspection and service certificate.\*

During the Covid-19 pandemic we followed government and Health and Safety Executive (HSE) guidance allowing us to work with customers to defer their inspection and service where there was risk of Covid-19 transmission, especially where customers were vulnerable and shielding or isolating. We resolved these when it was safe to do so.

## 100% of homes have a fire risk assessment.\*

We complete regular fire risk assessments for our 1964 buildings that require them, at intervals defined by our risk classification. We work with our partners to deliver the follow on works required to make sure our customers have safe homes.

## Decent Home Standard (DHS)\*

99.9% of our eligible properties meet DHS (48,525). There are two categories of properties which do not meet DHS:

- Planned works: there were 25 properties included in our planned investment programme for 2021/22
- Thermal insulation: there were 25 properties requiring thermal insulation works for which we are procuring a contractor to carry out the required works on 2021/22

## Scottish Housing Quality Standard (SHQS)\*

We currently have 69 properties which do not meet the SHQS. 64 of these relate to properties identified for demolition and five are a result of customer refusals.

\*as at 31 March 2021





# Resident Voice



This theme seeks to assess how effective the housing provider is at listening to and empowering residents.



Customer engagement is one of Home Group's priorities. Almost everything we do is based on listening to customers and acting on their feedback. They are key to ensuring we are delivering what they need.

We use an 'Insight to Action' model where customers choose from a wide range of sources to feedback and determine our strategy, plans and continual improvement. We have a customer engagement team to support customers to make robust feedback and recommendations and to scrutinise our actions. The customer engagement team covers community engagement and involvement, insight and complaints.

We are an early adopter of the National Housing Federation's Together with Tenants Charter, which we used to create our enhanced customer promise, designed in partnership with customers.

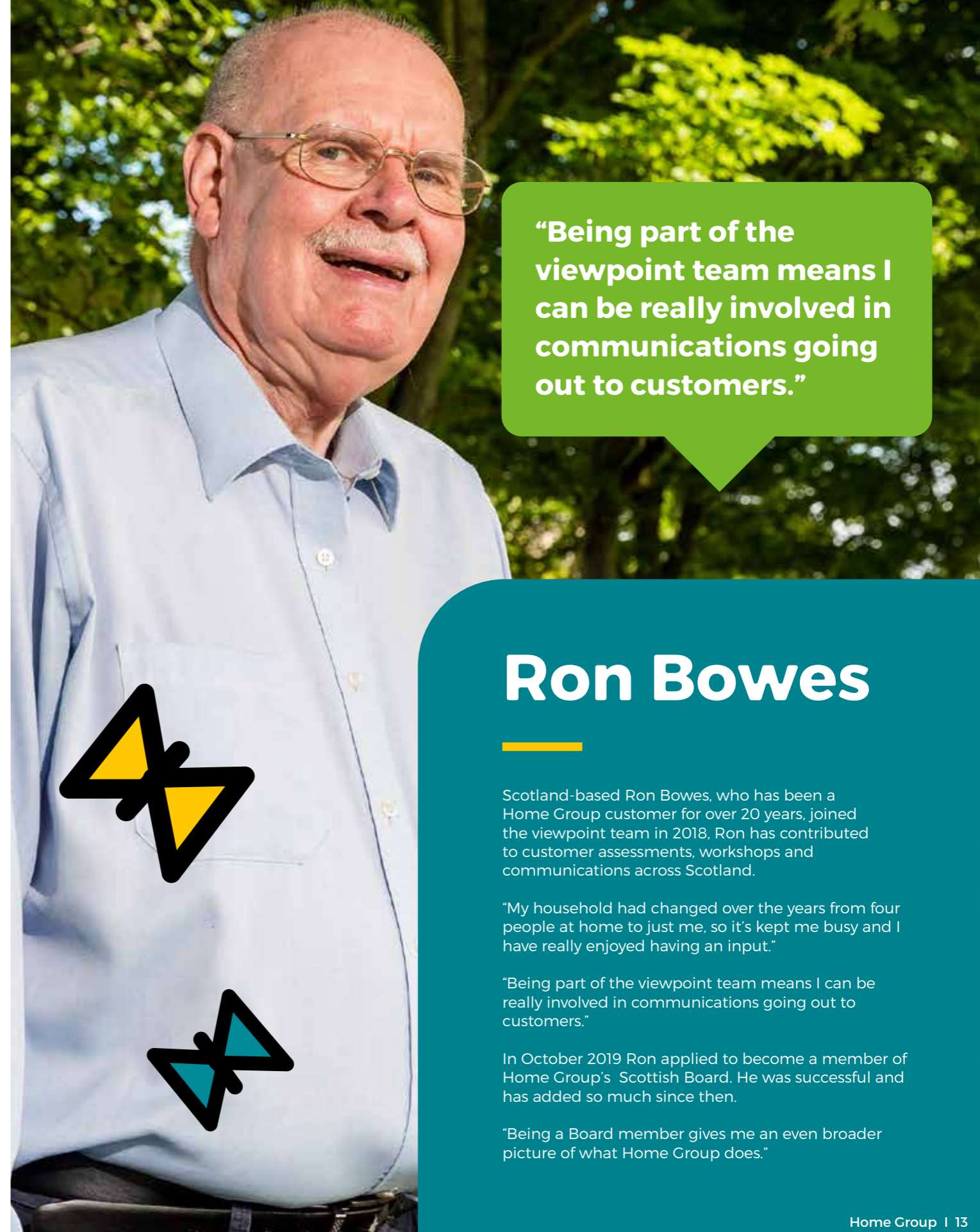
## What arrangements are in place to enable the customers to hold management to account for provision of services?

There are multiple opportunities for customers to hold management, at all levels, to account.

We have two customer Board members with full voting rights. Covid-19 significantly changed the way we involved customers but we still managed to engage close to 4,000 customers digitally, in ten areas of the organisation, including scrutiny, procurement, recruitment and complaints.

In addition, customers attend every Board meeting to share their experiences directly with the Home Group Board.

## Case study



**“Being part of the viewpoint team means I can be really involved in communications going out to customers.”**

## Ron Bowes

Scotland-based Ron Bowes, who has been a Home Group customer for over 20 years, joined the viewpoint team in 2018. Ron has contributed to customer assessments, workshops and communications across Scotland.

“My household had changed over the years from four people at home to just me, so it's kept me busy and I have really enjoyed having an input.”

“Being part of the viewpoint team means I can be really involved in communications going out to customers.”

In October 2019 Ron applied to become a member of Home Group's Scottish Board. He was successful and has added so much since then.

“Being a Board member gives me an even broader picture of what Home Group does.”



**Between April 2020 and March 2021 we asked 3,786 customers their views, listened to what they said and acted on their ideas.**

Our customer forums meet quarterly, with attendance from senior leadership welcomed. Output from these meetings are shared with Board members and customers are invited to the Board to discuss key items in person.

In addition, our regional scrutiny groups, our viewpoint teams feed questions and information from their local areas and groups to a representative at customer forum. They also work with our local managers to make a difference in their communities.

There are over 30 ways to get involved at Home Group, although the number keeps growing. We have a variety of specialist scrutiny groups run by customers. Actions are given to relevant managers and responses are recorded on a 'you said, we did' document which is given to customers to close the feedback loop.



**Scrutiny and governance**



- Involved **40** customer forum members in **4** meetings at **26** sessions
- **12** customer assessors reassessed **2** supported services and **6** neighbourhoods against the customer promise, speaking to **94** customers
- **6** local customer consultations following major incidents or complaints involving **120** customers
- **137** viewpoint team members took part in **57** Viewpoint meetings
- **16** customers involved in **6** grounds maintenance scrutiny meetings

**Equality and diversity**



- **21** life swap members delivered **25** life swaps to **419** customers, colleagues, stakeholders and contractors
- Captured **21** role model stories
- Customers from learning disability services created **7** easy read documents at **21** meetings
- **26** customers involved in the creation of the Fair Access Review

**Public affairs and external events**



- **4** customers spoke at the Kings Fund digital event on assistive technology
- **22** customers fed into Healthwatch consultation on NHS partnership services
- **15** customers from Home Group and other housing providers shaped LGBT+ inclusion across the North west at **8** Rainbow Roofs meetings for HouseProud north west

**Digital consultations**



- Members contributed to **39** consultations and **23** Covid-19 check in surveys

**Recruitment, Induction and Training**



- **30** customers involved in recruiting colleagues into **28** roles
- **45** customers involved in induction of estate liaison officers
- **83** customers involved in designing and delivering training

**Procurement**



- **109** customers involved in procuring **7** new services and contacts

**Communication**



- **22** customers involved in **3** Homelife (our customer facing magazine) editorial panels







## Measuring satisfaction

For many years we have measured satisfaction using a sample of customers who have had a repair or gas service completed within the previous month and are contacted by phone.

The overall satisfaction score is then made up by a weighted calculation of satisfaction with three areas of the service:

Overall satisfaction with repairs service - **40% weighting**

Overall satisfaction with gas service - **25% weighting**

Satisfaction with customer support centre repairs logging - **35% weighting**

| Year    | Customer Satisfaction (CSAT) score |
|---------|------------------------------------|
| 2020/21 | 91%                                |
| 2019/20 | 95%                                |
| 2018/19 | 95%                                |

We measure customer satisfaction in a number of ways. As well as overall customer satisfaction, we also measure customer experience and we have also implemented a pilot for separate surveys on repairs satisfaction. This is used in real time at different states of the repairs process - and complaints satisfaction.

Our surveys include a 'service recovery' option which means that customers can request a call-back about any issues they have raised. Early results show that customers feel this is a positive and proactive step.



### In the last 12 months, how many complaints have been upheld by the Ombudsman?

|         | Number of HOS referrals | % of total complaints | Service failures upheld | Maladministration upheld |
|---------|-------------------------|-----------------------|-------------------------|--------------------------|
| 2020/21 | 25                      | 0.8%                  | 8                       | 2                        |

During the last year we have worked with customers to relaunch our customer led complaints scrutiny group. We've set up a lessons learned accountability Framework which covers the following key actions:

- We learn lessons from complaints
- Customers have the opportunity to scrutinise complaints and make recommendations
- Learning is shared across the organisation





# Resident support

This theme seeks to assess the effectiveness of the initiatives that the housing provider runs to support individual residents.

Resident support takes on many forms within Home Group – from supporting customers in-order-to enhance their skills, build aspirations and/or gain employment, to assist in better managing their finances and help increase their income, to supporting their physical and mental wellbeing.



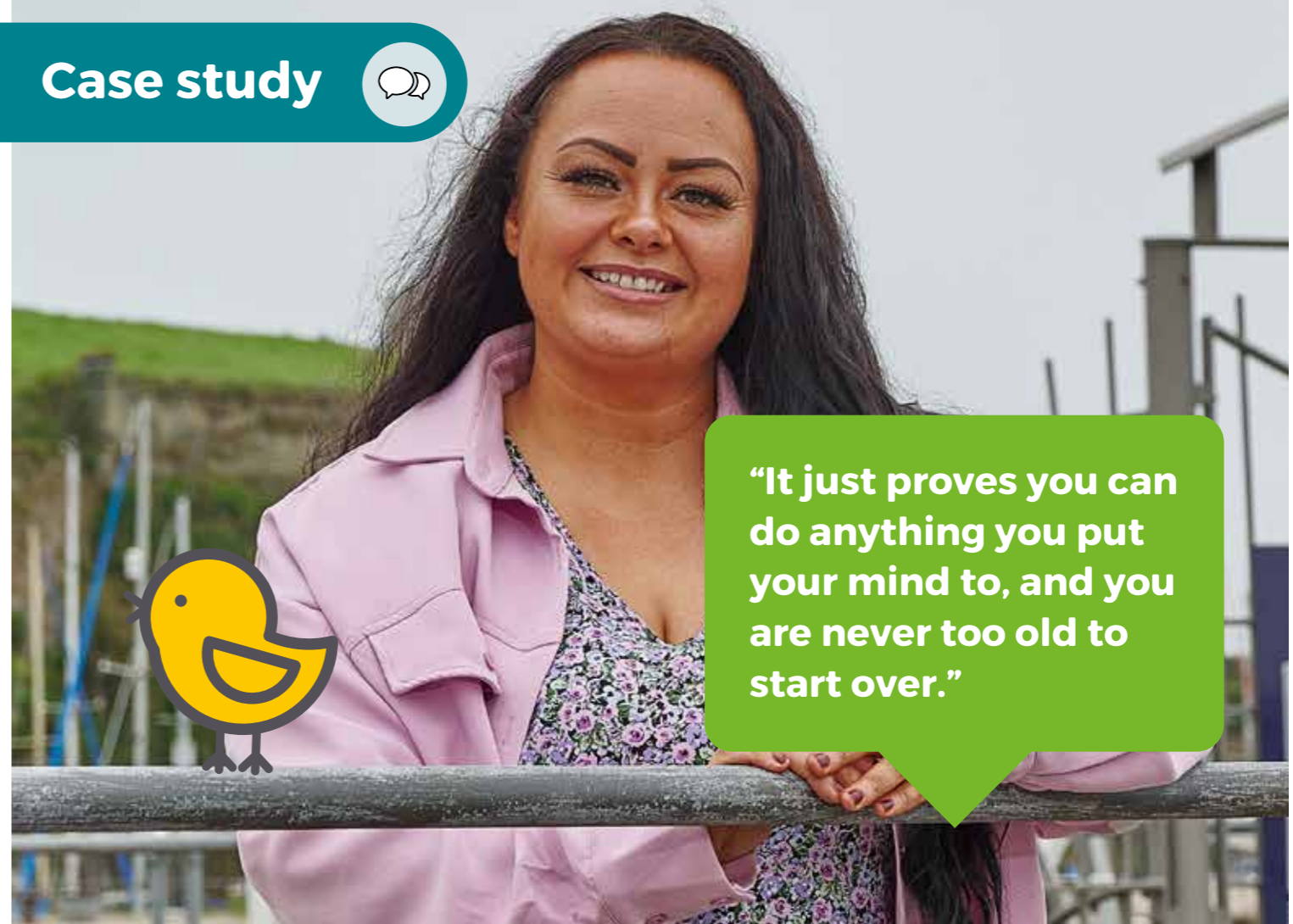
## Apprenticeships

Each year Home Group employs around 120 apprentices. 70 of these annual apprenticeships are exclusively for Home Group customers who have been long term unemployed. More than 60% of these apprentices tell us that they feel they would not have been offered a job or an apprenticeship elsewhere.

We invest over one million pounds per annum in employment costs for our customer apprentices and over £200,000 in their learning. Across our wider programme we deliver 22 different apprenticeship types that range from Level 2 (GCSE level) right through to Level 6 and 7 (Degree and Masters level).

- **64%** of our apprenticeships are filled by disadvantaged and diverse groups
- **80%** of our apprentices stay in jobs with Home Group.

## Case study



**“It just proves you can do anything you put your mind to, and you are never too old to start over.”**



## Katie Fitzsimons

Katie Fitzsimons, of Whitehaven, Cumbria, was named Most Outstanding Apprentice 2021 after excelling in her role this year for Home Group.

Working as an apprentice housing manager, Katie, who is also a customer, won the Home Group award after showing her willingness to go above and beyond to support others during the pandemic.

Katie said: “I realised I could actually make a difference to people’s lives and help in ways I never had the power to do before; from understanding where to signpost customers to other organisations, to collecting food hampers for customers in need and dropping them off at their homes. Growing up in a council estate, I understand the struggles because I have been there myself as a young single mother.”

Despite now thriving in her role, Katie, 35, almost didn’t attend the initial interview at Home Group as she was worried about being too old for an apprenticeship and felt she didn’t stand a chance.

“It just proves you can do anything you put your mind to, and you are never too old to start over.”

Katie has since secured a full-time role with Home Group.





## Home Achievement Programme

The Home Achievement Programme (HAP), is Home Group's unique, specialist training programme, helping customers to work towards achieving an accredited qualification in a range of varying areas tailored to their needs. Run for over 10 years, HAP is included as standard in all of our accommodation and community-based services but can also be delivered as a stand-alone service.

### The main areas of focus are:

- Health and wellbeing
- Employability
- Social responsibility
- Promoting independence.

The programme is modular and credit-based, allowing for a targeted and person-centred learning path. Customers work with our specialist team to identify areas of individual need and are supported through the process. The programme, accredited by One Awards, gives individuals the opportunity to learn new skills, build confidence and improve their overall wellbeing. It also supports customers to secure housing and employment. Around 750 customers per year take part in the training programme.

## Case study



# Claire\*

Claire\* left prison with nowhere to go, no qualifications and poor job prospects.

"I was sofa surfing, drinking and taking drugs. Things had to change." Claire found new accommodation with Home Group and signed up for the Home Achievement Programme. "I completed two modules: 'drink and drugs and self-esteem' It really put me on the right path and gave me the urge to learn even more."

Claire felt more confident and applied for a Home Group apprenticeship. "I've got a great job. I'm back with my son, have a great social network and my own house. My life has changed so much."

\*Not real name



## Easing the financial burden

A significant number of customers are facing one, or in some cases, several issues caused by financial pressures.

Our financial inclusion team has special advisors trained to give free one to one support in areas such as rent arrears, bedroom tax, housing benefit, Universal Credit and redundancy support, through to energy advice, savings and discount schemes, utility bill support and legal advice.

The team also work with external referral partners who have even more specialist support and advice for customers if needed, in areas such as fuel poverty and energy efficiency.

### In 2020/21 the financial inclusion team:

- Received **4,050** customer referrals
- **87%** of customers were in arrears at referral
- Around **380** customers received additional lump sum payments totalling **£537,000** – averaging **£1,413** per customer
- Over **900** customers saw their personal income per annum increase to a total of **£3.92m** – averaging **£4,368** per customer
- Almost **330** customers received grant payments totalling **£113,000** – averaging **£347** per customer

On average, the improvement in mental wellbeing reported by our customers using these services is up **30.5%**, and the increase in quality of life saw a **33%** increase. It is estimated that the social value generated as a result of these increases equates to **£5,657** per person.

During the several lockdowns caused by Covid-19 some 33,000 wellbeing calls were made to customers.

These calls were in addition to a supportive approach to arrears where customers were offered payment plans and support from the financial inclusion team.

## Fuel poverty

We have a dedicated team of financial inclusion experts. Over the past year we have also partnered with Connect for Help which has resulted in more than £300,000 in debt reduction or income maximisation for those in fuel poverty.

### In 2020/21 we:

- Proactively called 7,300 customers who we considered to be at risk of fuel poverty
- Called customers and offered fuel vouchers for those struggling to pay their energy bills
- Piloted a scheme to offer free electric heated clothes airers to customers in electric heated properties without outside drying space
- Moved our fuel poverty project into business as usual to ensure it remains a focus year-round. This will include calling every customer to ask how they are managing with energy bills
- Continue to lobby Government on five key asks including improving the winter fuel payment, removing standing charges on meters and prioritising smart meter roll out to social housing customers
- Are looking at focussed repair maintenance and planned works where fuel poverty is more likely







# Placemaking

This theme seeks to highlight the wider set of activities that housing providers undertake to create well-designed homes and places that meet local needs and provide great places for people to live and enjoy.

For well over a decade, placemaking has played a significant part in our new build developments, and particularly our regeneration programme. The London School of Economics' regeneration framework, which acts as a yardstick by which not only physical, but social and environmental regeneration programmes should be measured was based on Home Group's Rayners Lane regeneration in London.

One of our goals is 'building the right homes, in the right places'. This cuts across our plans for the delivery of social homes, affordable homes, our innovative flexible rent programme, and homes for outright sale, through our own brand Persona Homes.

Wherever we build we take account of geography, demographics, people, communities, and crucially, need, inside and outside the home.







# Regeneration at South Oxhey

South Oxhey Central is an estate in Hertfordshire, developed in 1951 out of the aftermath of WWII with quantity not quality in mind, and no regard for what customers needed to flourish as a community. In 2015, Home Group started a regeneration of the estate, to be carried out in collaboration with customers, supported by partners Countryside Properties and Three Rivers District Council. The £200m regeneration project included 645 new social, affordable and outright sale homes, as well as retail space, public realm and a commuter hub.

We carried out an extensive public consultation exercise, with customers the key stakeholder, but with significant input from local councillors, business owners and other community leaders. This two-way process allowed those involved to shape the development and ensure it delivers a

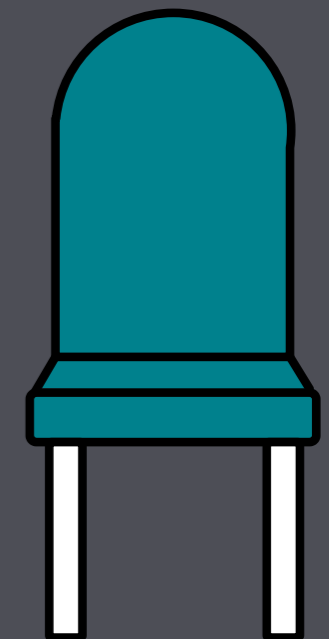
high-quality physical regeneration of South Oxhey Central along with amenities and partnerships that enhance relations and build aspirations.

Members of the community are still overseeing and playing an active role in the development through the South Oxhey Community Board. Phase one and two are complete, and the final phase will be completed by 2025.

Customer surveys and focus groups have been carried out throughout the re-development and feedback has been overwhelmingly positive.

## South Oxhey Central benefits

- EPCs have improved to a universal B rating for all flats and houses, previously a D rating or worse. This will not only improve all homes energy efficiency and reduce carbon emissions but also lower the energy consumption and bills for all customers
- Working relationship with local charity, Ascend, has provided education and employment support to the local community. South Oxhey project team have run incentives with Ascend such as Dig Deep, a gardening project designed to help long-term unemployed locals get back into work
- Local school events such as construction events for teenagers, a drawing competition for primary school - where selected drawings were designed onto phase 2 construction hoarding - as well as supporting schools with small repairs and improvements
- Local labour on construction has been approximately a quarter of the entire labour force throughout the project to date
- Working with Joe Brennan Training to recruit local people into construction apprenticeships throughout each phase of the build - some of whom have gone on to fully paid subcontractor work with the contractor, on-site.





# Environmental







# Climate change

This theme seeks to assess how the activities of the housing provider are impacting on climate change, and how they are mitigating the physical risks of climate change.



## Home Group and the environment

### What energy actions have we undertaken in the last 12 months?

We're acutely aware of the need to reduce our carbon footprint, and are fully behind the UN's goal to stabilise the amount of human-induced greenhouse gases in the atmosphere.

Over the past year we have committed significant investment and developed a 30-year strategic plan to help us to drive towards our sustainability goals (which support the UN's goal and the UK Government's 2050 net zero target).

During this time, we will massively reduce our carbon footprint, while helping our customers, partners and suppliers to reduce theirs.

Underpinning our approach to sustainability is the certification of our ISO 14001:2015 Environmental Management System. In December 2020, we achieved recertification with no non-conformances.

Within the first year of our plan being rolled out we have made significant progress.

We have started a major net zero retrofit pilot scheme in the north west, which looks at the most effective way to retrofit at the scale needed to ensure our 55,000 homes reach their optimum Energy Performance Certificate (EPC) ratings.

This pilot follows a unique two-year research project called Gateshead Innovation Village, in which we built 42 homes using several different types of modern methods of construction in-order-to find the most effective and environmentally friendly way to build homes to scale for the long term.

The research project, supported by leading academics and the Building Research Establishment, also looked into alternative heat sources, such as ground source heat pumps, so as to be best placed for the major energy transition that is upon us.

Earlier this year Home Group, along with other registered providers Abri, Anchor Hanover Group, the Hyde Group and Sanctuary Group, formed The Greener Futures Partnership - a pioneering partnership based on the shared ambitions to lower emissions, reduce fuel poverty and improve living conditions for customers by creating sustainable, affordable, healthier and safer homes.

The partnership will improve the energy efficiency of their combined 300,000 homes for more than 600,000 customers, while creating new standards for sustainability across the sector. The expectation is, after the first year, more housing associations will join the partnership, strengthening the sector's voice in the wider debate on net zero, while also improving its procurement muscle.

This year Home Group agreed a deal with major energy provider SSE, which will see us use renewable electricity throughout our UK corporate offices. Over **2,500** meters will be converted from brown to green energy.

A key focus for us has also been on engaging with our customers and supporting them in a range of ways to be more energy efficient and to think more about sustainability.

We have run a number of communication campaigns on topics ranging from correct ventilation and efficient heating through to recycling, biodiversity and sustainable travel.

We also recently launched an external net zero campaign aimed at ensuring Government address some of the key issues facing the challenges of reaching net zero by 2050. They include support for the massive shift in skills needed to deliver the colossal energy transition to heat homes.

We have also been campaigning on the need to ensure the general public are aware of the technology, the cost implications and the support available for such a change, in order for them to enter the marketplace with confidence.

This past year has seen us begin our long journey towards net zero at pace. It has given us the momentum to keep that pace going and ensure we reach our goals, but more importantly, those of Government and the UN.



## What are our Energy Performance Certificate (EPC) ratings?

EPC ratings evaluate the energy performance of the homes we build and maintain.

| All stock   | New build 2020-21* |       |       | Existing to 31/3/20 |        |       |
|---|--------------------|-------|-------|---------------------|--------|-------|
|   | EPC Band           | Stock | %     | EPC Band            | Stock  | %     |
| Scoring breakdown   |                    |       |       |                     |        |       |
| EPC rating A = 92-100 Standard Assessment Procedure (SAP) points (most efficient) | A                  | 0     | 0     | A                   | 77     | 0.2   |
| EPC rating B = 81-91 SAP points.  | B                  | 507   | 91.6  | B                   | 4472   | 10.6  |
| EPC rating C = 69-80 SAP points.  | C                  | 10    | 1.8   | C                   | 25730  | 60.9  |
| EPC rating D = 55-68 SAP points.  | D                  | 18    | 3.2   | D                   | 11075  | 26.2  |
| EPC rating E = 39-54 SAP points.  | E                  | 18    | 3.2   | E                   | 856    | 2.0   |
| EPC rating F = 21-38 SAP points.  | F                  | 1     | 0.2   | F                   | 49     | 0.1   |
| EPC rating G = 1-20 SAP points (least efficient)                                  | G                  | 0     | 0.0   | G                   | 5      | 0.0   |
|   | Total              | 554   | 100.0 | Total               | 42,264 | 100.0 |

\* As part of our development programme this year we converted an historic and listed primary school. This created the D-F energy rated homes in the above. We continue to work post-handover with customers and partners to improve the energy performance of these homes.

### Streamlined energy and carbon reporting (SECR)

In FY 20/21 our overall carbon footprint was **694 tCO<sub>2</sub>e**. This is a reduction of around 40% from last year. Our intensity ratio (total number of homes with DHS/SHQS Rented & Supported against our footprint) is **0.01432**.

Whilst our carbon footprint figure has declined due to the pandemic, we have also increased our focus and resource to reducing this carbon footprint and we have made great progress in targeting and achieving CO<sub>2</sub> improvements. We continue to use the data gathered to understand trends, impacts and areas where we can make targeted improvements.

#### Methodology

Data used to calculate and convert tCO<sub>2</sub>e for all carbon streams comes from the following business usage areas: gas, F-gas (Fluorinated gases) leakage, electricity, rail, air, mileage claims, water, electrical Transmission & Distribution (T&D) and lease van mileage.

Where gaps in data existed, we have used best practice to estimate realistic figures. These estimations used industry standards, Suss Housing SHIFT recommendations and previous data trends to produce the most accurate figures. All carbon calculations have been conducted using Greenhouse Gases (GHG) Protocol methodologies in line with the Streamlined Energy and Carbon Reporting (SECR) regulations 2019.

In line with Environmental Reporting Guidelines (SECR) 2019, our internal carbon scopes have been broken down as:

- Scope 1 (Direct emissions): Activities owned or controlled by your organisation that release emissions straight into the atmosphere. They are direct emissions. Examples of scope 1 emissions include emissions from combustion in owned or controlled boilers, furnaces, vehicles; emissions from chemical production in owned or controlled process equipment.

- Scope 2 (Energy indirect): Emissions being released into the atmosphere associated with your consumption of purchased electricity, heat, steam and cooling. These are indirect emissions that are a consequence of your organisation's activities but which occur at sources you do not own or control.
- Scope 3 (Other indirect): Emissions that are a consequence of your actions, which occur at sources which you do not own or control and which are not classed as scope 2 emissions. Examples of scope 3 emissions are business travel by means not owned or controlled by your organisation, waste disposal, or purchased materials or fuels.

| Measure  | Scope | tonnes CO <sub>2</sub> e |
|--|-------|--------------------------|
| Emissions from combustion of gas   | 1     | 212                      |
| Emissions from air refrigerant leaks (F-gas)                               | 1     | 4                        |
| <b>Scope 1</b>   |       | <b>216</b>               |
| Emissions from purchased electricity (location based)                      | 2     | 186                      |
| <b>Scope 2</b>   |       | <b>186</b>               |
| Emissions from combustion of fuel for transport (rail, air, car/van miles) | 3     | 276                      |
| Emissions from electricity consumed in transmission & distribution (T&D)   | 3     | 16                       |
| <b>Scope 3</b>   |       | <b>292</b>               |
| <b>Total tonnes CO<sub>2</sub>e</b>  |       | <b>694</b>               |

Intensity ratio: 0.014

(total gross emissions per property owned and managed - location based electricity)

### Mitigating climate risks

Mitigating the risks of overheating and flooding across our housing portfolio is an integral part of Home Group's sustainability plan.

We are working with both internal and external partners to continuously improve our understanding of where these climate factors pose a risk and we are investing in programmes of work designed to mitigate these risks through retrofit projects and customer engagement and education.

We are also continuously actively engaging with manufacturers and all relevant bodies to implement the most effective flood resilient and overheating components and design standards.

When designing new developments, flood risk and overheating are key components in our housing and estate design. We also maximise the benefits of these programmes such as designing sustainable urban drainage systems to provide other ecosystem services such as biodiversity net gain or sense of place for our customers.

### Talking to customers about ventilation, heating and recycling

Our customers play an important role in helping us to become a more environmentally sustainable and responsible organisation. We want properties that are the most environmentally sustainable they can be and our customers have a vital role in running them in the most efficient way.

Engagement and education with our customers on correct ventilation, efficient heating, recycling, biodiversity and sustainable travel continue to be key themes in our customer relations through both active estate-based programmes and communications like our quarterly Homelife magazine for customers. The rate and content of our environmental sustainability engagement and education is independently analysed and audited by ISO14001:2015 and SHIFT assessments.







# Ecology

This theme seeks to assess how the housing provider is protecting the local environment and ecology.

## Space and promoting biodiversity on or near homes

Biodiversity net gain, flood management and carbon neutrality are integral parts of our environmental sustainability planning. We believe by maximising ecosystem services derived from our natural capital we can produce a more environmentally sustainable green landscape for our customers, the climate and biodiversity.

We are **investing in land surveys** across our portfolio which will allow us to understand the size, quality and complexity of our green spaces alongside gaining an invaluable understanding of their topography.

We will use this information to improve our land management, improve biodiversity levels, incorporate carbon sequestration on our land via tree planting and improve our estates for our customers.

## Reducing pollutants

When tendering and setting our contracts for our development, maintenance and facilities management services environmental performance is a key component in selecting partners. The reduction of pollutants is a key area of focus within these contracts and we monitor, audit and engage with these partners to continuously drive pollutants out of our supply chain and operations.





# Resource management

This theme seeks to identify the extent to which the housing provider has a sustainable approach to materials in both the construction and management of properties.

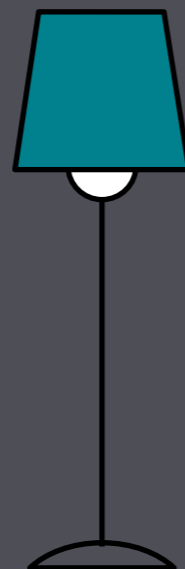


## Sustainability in the supply chain

We take sustainability seriously and expect our partners and suppliers to do the same. Through our tender processes we assess the environmental policies of applicants and will frequently qualitatively assess their sustainability experience and suggested approach to the proposed contract. In addition, we have taken the following action in specific areas:

1. We aim to ensure that the products we buy for our homes and offices have as little environmental impact as possible, from recycled paper and Forest Stewardship Council (FSC) certified wood products to low flow taps and showers. Every time we purchase goods and services we consider any associated sustainability matters.
2. In the repairs and maintenance area:
  - a. Green appointments - dynamic resource scheduling to reduce the carbon footprint.
  - b. Collaboration with other housing associations in the same region - partnering up to avoid using multiple resources inefficiently in the same area.
3. Working with key supply chain partners to establish projects to make our homes more sustainable through renewable technology.
4. Move to renewable green energy in all our directly procured areas.

Overall, we are developing a supply chain sustainability plan - supporting the organisation's drive towards net zero.



## Waste management

We actively promote the waste hierarchy and, alongside providing recycling facilities in all offices, actively educate and engage with colleagues and customers about the importance of recycling.

By working with suppliers that provide us with recyclable and recycled products we are improving our ability to utilise the most environmentally friendly products in the most sustainable way.

We have a robust environmental policy which incorporates waste management and have centralised our waste services nationally in order to obtain greater control and visibility on how our waste is managed and processed.

We monitor our diversion from landfill and recycling rate monthly and through annual independent ISO14001:2015 and SHIFT benchmarking audits we provide performance-related data and targets to drive improvements organisation wide.

## Water management

Water management across both our office portfolio and housing stock is an important part of our organisational environmental management. Through engagement and education of both our colleagues and customers we actively seek to increase awareness on the importance of sustainable water usage.

We invest in water saving devices, such as low flush WCs and rainwater harvesting, in our office our new developments and retrofitted housing stock.

Water usage and sustainable water components in offices and housing stock is monitored via our environmental management system where targets and trends are verified and independently audited annually by both our ISO14001:2015 assessors and via Suss Housing as part of our SHIFT benchmarking accreditation.



# Governance







# Structure and governance

This theme seeks to assess the housing provider's overall structure and approach to governance.

Home Group Ltd is a registered society, registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014 (registered number 22981R). It has charitable status but is exempt from registration with the Charity Commission.

Home Group Ltd is a non-profit Registered Provider of Social Housing registered with the Regulator of Social Housing (RSH) (registered number L3076).

Home Group Ltd is the parent organisation in Home Group and has four trading subsidiaries:

- Home in Scotland Ltd**, a charitable Registered Social Landlord registered with the Scottish Housing Regulator undertaking Home Group's business in Scotland;
- Home Group Developments Ltd**, a private non-charitable company which undertakes new build construction of affordable housing and homes for sale on the open market;
- North Housing Ltd**, a private non-charitable company which acts as a vehicle to facilitate joint venture activity across the Group;
- Live Smart @ Home Ltd**, a private non-charitable company managing market and mid-market rented products.



**G1:V1**

**Home Group has retained its G1:V1\* status from the RSH in its latest In-Depth Assessment (IDA) in June 2021.**

The Home Group Board has adopted and is compliant with the requirements of the National Housing Federation (NHF) Code of Governance 2015 and has approved the adoption of and is working towards full compliance with the NHF Code of Governance 2020 for the financial year 2021-22.

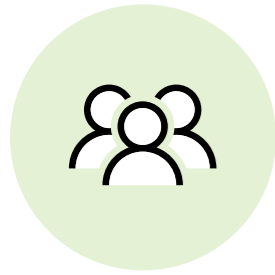
The Home Group Board is committed to adhering to high standards of corporate governance and has adopted and is compliant with the NHF Code of Conduct 2012. Home Group has also adopted the NHF Code on Mergers, Group Structures and Partnerships 2015.

Under our Risk Management Framework, the Home Group Board is responsible for ensuring that Home Group has a robust approach to the management of risk. Detailed scrutiny and evaluation of risk is delegated to the Audit Committee which receives regular reports on the status of the strategic and operational risk registers. Our risk management strategy was externally audited in October 2019 with a finding of substantial assurance.

We have not been subject to any adverse regulatory findings in the last 12 months that have resulted in enforcement or equivalent action.

\* As part of our regulator assessment, we are given a rating for governance and financial viability - G1/V1 is the best rating).





# Board and trustees

This theme seeks to assess the quality, suitability and performance of the board and trustees

Details of our Board and executive team members can be found on our website [here](#)

Our Board and executive team demographics are:



## Gender

**Home Group Board**  
7 Male / 5 Female  
**Executive team**  
4 Male / 2 Female



## Disability

**Home Group Board**  
2 out of 12  
**Executive team**  
1 out of 6



## Average age

**Home Group Board**  
60  
**Executive team**  
53



## Ethnicity

16.7% of our executive team identify as multicultural.  
8.3% of our board identify as multicultural

The **Group Board** has ten non-executive directors (83% of the Board are non-executive including two customers, Chris and Indra) and two executive directors (the Chief Executive and the Chief Financial Officer). The roles of the Chairman of the Board and the Chief Executive are held by two different people.

Non-executive directors are appointed for two three year terms, which may be extended by three further one year terms up to a maximum of nine years in total in accordance with our Rules and our chosen Code of Governance.

Succession planning is discussed at every meeting of our Governance Committee and a Board Skills Matrix is used to inform recruitment decisions. The average length of service of our current non-executive board members is just under four years. 25% of our Group Board members and 16.7% of the Executive Team have left in the last two years.

The **Home Group Board** annually assesses its own effectiveness and regularly assesses its skills. A governance review is carried out annually by the Governance Committee and Board to assess compliance with our Code of Governance.

The last external review of board effectiveness was carried out in 2018 and we will undertake an external review of our governance arrangements, including board effectiveness in 2021/22.

The **Audit Committee** is made up of five non-executive directors, including one independent member who does not sit on the Home Group Board. Two of the members currently have recent and relevant financial experience.

Our **Governance Committee** which is responsible for executive remuneration is made up of all non-executive members.

Our external audit partner at the start of the year was KPMG. However, following a successful tender exercise in 2020 Deloitte have recently been appointed as our new external audit partner for an initial term of three years. Deloitte audited our financial statements for the year ended 31 March 2021.

Board/committee and executive team members are required to complete an annual declaration of interests which are published on our website and to inform the Group of any changes to their interests during the year.

Conflicts of interest are a standing agenda item at the start of every Board and committee meeting and are managed in accordance with our Code of Conduct. Only two members of the Home Group Board are permitted to serve on the boards of Registered Providers outside the Group to minimise any resulting conflicts of interest.



# Staff wellbeing



At Home Group, we are committed to taking an energised approach to wellbeing to attract, recruit, retain, develop and engage colleagues. We do this by working collaboratively with our colleague forum to empower, educate and enable all colleagues to help make Home Group an even healthier place to work. We continuously review our wellbeing approach to ensure our offer is fit for purpose, in line with best practice and delivers brilliant wellbeing tools and support to all colleagues.

The impact on colleague wellbeing whilst living and working through a pandemic has been immense and here at Home Group we've made it an even greater priority to do all we can to support colleagues and develop further our colleague wellbeing offer.

This theme seeks to assess how staff are supported and how their wellbeing is considered.



## We have an enhanced wellbeing offer to support our colleagues, including:

- **Dedicated wellbeing hub on our intranet** – hosting numerous support tools, information, external links, recordings and a wellbeing events calendar
- **Mental Health First Aiders (MHFA)** – there are over 200 trained MHFA's within Home Group, we've refreshed the offer making it easier for colleagues to access 'in the moment' mental health support from a suitably trained colleague when needed
- **Peer support groups** – we have a mental health allies group on our workplace communications platform, colleagues can support each other and share their experiences
- **Employee Assist and Occupational Health** – we work with an external supplier to provide round the clock support to our colleagues, promote the service offering and actively review the usage taking action to enhance the offer where needed
- **Weekly message from our CEO** – an individual email and a video on workplace – which is a round up of all the important information that has been shared over the week and what to look out for in the coming weeks. These communications help support our colleagues mental wellbeing, as they are being kept in the loop with business information and decisions that have a direct impact on them – it helps to alleviate any anxieties they may have with decisions that are being made
- **Promotion of key wellbeing events** – we actively highlight national health awareness campaigns and encourage our colleagues to share their own lived experiences. This educates our colleagues on a variety of conditions and how they can support others around them whilst creating a sense of belonging to those who have these conditions
- **External accreditations** – we are a signatory to Mindful Employer, Disability Confident and the National Suicide Prevention Alliance, which allows us to check our practices against best practices and provide additional support and resources to our colleagues
- **Wellbeing( Investors in People)** – we have achieved platinum standard
- **Average number of sick days taken per colleague** – in the year ending 31st March 2021 the average number of sick days per Home Group colleague was 8.8 days





**We continue to make advances in this area, some of our noteworthy accomplishments are as follows:**

- **Mandatory wellbeing brilliant conversations** – These are for every colleague within the organisation and managers are provided with a template detailing specific questions to provide some structure to the wellbeing discussion – managers provide a summary of the themes, which are analysed and reported to our executive and senior leaders to agree next steps and appropriate actions to enhance the wellbeing support offer
- **Mental health support tool kit** – a resource that brings together all the relevant tools to support colleagues and managers with all things mental health related, it's digital and easy to navigate and is continually updated with new content
- **Being me at home passport** – this is a 'tell us once' document, it allows colleagues to disclose any health conditions they may have and what support they possibly need, without having to constantly share this information if they move around the business
- **My wellbeing plan** – supports colleagues to stay well at work and can be used to discuss a physical or mental health condition they may like support with
- **My stress support plan** – supports colleagues to understand their stress triggers and what adjustments may be useful to support them to cope with their stress
- **Digital Wellbeing Conference with internal and external speakers** – the event focussed on four key themes, movement, money, mind and munch. We held a number of sessions on line such as cook-along, yoga and meditation, which were recorded and hosted on the wellbeing hub for colleagues to access as and when they needed

There is great engagement from colleagues for all of the wellbeing activity and support tools and we regularly canvass feedback in the form of pulse surveys, in the moment feedback after an event and our Great Place to Work survey tells us we've got it right when it comes to colleague wellbeing and to 'continue doing what we're doing' and 'more of the same'



## In our annual Great Place to Work survey

The overall 'Wellbeing' category scored **80%** this year, which was **+5%** on last year and **+10%** on the external benchmark.





# Home Group's approach to pay

We passionately believe that embedding equality in everything that we do enables our colleagues to be at their best, to realise their potential and to deliver outstanding service to our customers.



We are proud to have been voted **7th in the Great Place to Work survey (Super Large Employer)**, **4th in the UK for a Great Place for Women to work** and recognised as **18th in the Stonewall Top 100 employers (2020)**, reflecting the effort we put in to promote diversity. We very much welcome the legislative reporting requirement for organisations to publish details of their gender pay gap and support the drive for ethnicity pay gap reporting to become mandatory which is why we are publishing this information alongside our gender pay gap.

Our pay gap results show some progress; our bonus pay gap has reduced significantly, our gender pay remains below the most recent UK national average figures and we have a greater proportion of females to males in our organisation, unlike many other firms. This is the first year we've reported our ethnicity pay gap externally and we recognise there is some work to be done in this area; **17.54%** of eligible colleagues had not declared their ethnicity and we need our colleague ethnicity data to be accurate so that we can make sure we're investing the right resources in the right places to close that gap.

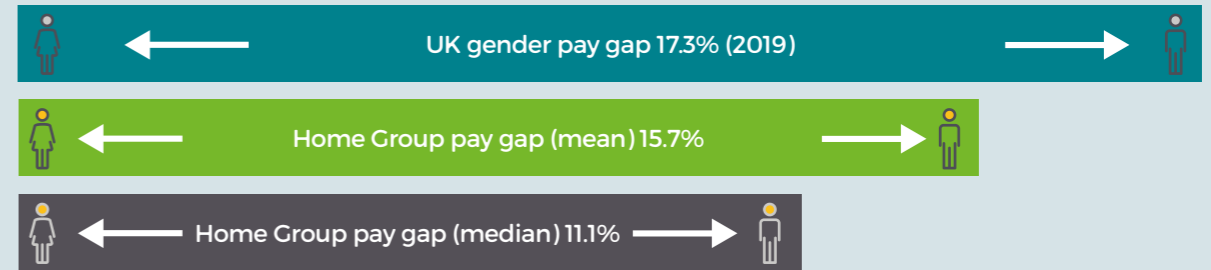
During the past year we have continued to have a Director who is accountable for diversity in the workplace, celebrated promotions through our targeted development programmes as well as continuing to have gender and ethnicity represented at shortlists for recruitment and promotions, we are

also reporting earlier to allow us to take targeted action sooner to reduce any gaps. We've also taken some specific steps to help combat our ethnicity pay gap: we've recently signed up the Race at Work Charter, put additional learning and development in place for colleagues, launched new networking groups and promoted allyship with events in place to drive this forward. However, we recognise that there is much more we can and will do and we use our results to drive further improvements, helping us to reduce the gender and ethnicity pay gaps and develop all of our colleagues, regardless of how they identify.

## Home Group is a living wage employer



## Gender

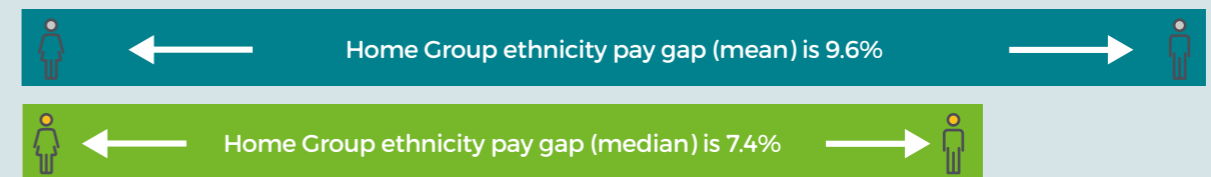


We employ **2645** people

**64%** are female and **36%** are male



## Ethnicity:



We employ **2645** people

**73.5%** identify as white, **8.9%** as multicultural and **17.5%** did not declare their ethnicity



## CEO worker pay ratio

The CEO: worker pay ratio following the BEIS methodology shows ranking from low to high. Using option A methodology.

Remuneration of employees ranked from lowest to highest, identifying those employees in 25th, 50th and 75th percentiles.

Remuneration includes FTE earnings, bonus and employer pension contributions.

Any organisation-wide colleague bonuses are determined by our colleague forum, without management involvement.

| Year    | 25th Percentile Pay Ratio | Median Pay Ratio | 75th Percentile Pay Ratio |
|---------|---------------------------|------------------|---------------------------|
| 2020/21 | 11.5:1                    | 9.8:1            | 5.8:1                     |





# Supply chain management

This theme seeks to assess if the housing provider procures responsibly.

## Customer involvement

We recognise that many of the goods, services, and works that we procure impact upon our customers and their experience of Home Group as their landlord. For this reason, where a contract has a direct customer impact, we will do our best to involve customers in the procurement process. This involvement can range from feedback on existing services and involvement in specification creation, to active participation in the tender evaluation process. An example of this would be the recent procurement process to appoint a repairs and maintenance contractor for our Scotland region where customers actively participated in the market engagement exercise, supplier bidder day and evaluated tender responses.

On the new build development side of the organisation we use customer feedback to influence future development activity with customers involvement in the design process, the investment management process and by giving post occupancy feedback.



## Community benefit

Beyond the provision of housing, creating thriving communities is central to Home Group's mission. Our business delivers a wide range of projects, which support vulnerable people to overcome social exclusion, material and aspirational poverty. We like our business partners to align with us in the delivery of this work, supporting not only Home Group customers, but also the wider communities in which we work together.

Through our tender processes, on appropriate contracts, we frequently ask bidders to tell us how, in delivering the contract, they propose to support Home Group's community initiatives financially (e.g. committing a portion of the contract turnover), and non-financially (in-kind contributions such as apprenticeships, volunteering, training).

Bidders' responses to these questions are scored as part of the tender evaluation and ultimately influence the outcome of the process. Once commitments are made at bid stage, care is taken to ensure that they are fulfilled by incorporating them into the contract and monitoring as part of the contract management process. A recent example of this would be on the project to develop our new head office where, as part of the tender, a commitment to deliver £100k of community benefit was secured from the successful developer. To manage the delivery of this a community benefit working group was established, with representation from Home Group, the developer and their contractor partner. Proposals are being received from community organisations which are evaluated by the working group with successful bids being built into the plan. Progress is reported monthly to the Principals meeting attended by senior representatives from each organisation.

**Understanding and evaluating the impact that the supply chain has on the local area and local economy is an important factor considered with all of our key contracts. On each of these we seek to maximise the community benefit impact of the contract whilst ensuring the best value for Home Group. Our approach varies by contract but frequently includes:**

- Social value resources and champions included within the requirements
- Social value plans to be created within the first 6 months of a contract start
- Contract management to incorporate monitoring of outcomes

**Where it makes sense, we look to use the social value commitments secured from our supply chain to support Home Group's own social value initiatives. Examples of this include:**

- Apprenticeship commitments - We ask bidders to commit where possible to apprenticeship programmes and support customer apprenticeships
- Work experience programme - training and on the job experience in the work that our contractors do
- Employment opportunities commitments - in relation to all contract employment opportunities, all Home Group customers who meet the minimum criteria will be offered a guaranteed interview with some of our supply chain partners
- Community projects and volunteering - we ask suppliers that their contract team will provide a minimum of two days of volunteering support per annum towards Home Group social value initiatives



## Socially responsible sourcing

As an organisation we believe that we have a duty to act in the best interests of society as a whole. Further examples of considering social responsibility in the way that we procure are:

- **Living wage** - we are part of the Living Wage Foundation, and commit to ensuring that all new and existing roles are compliant with the Living Wage including those in the supply chain
- **Equality, diversity and inclusion** - We value and celebrate diversity and treat everyone fairly and with respect. We do not tolerate bullying, harassment or intimidation of any individual or group, and we oppose all forms of discrimination, recognising that discrimination creates barriers to achieving equality for all people. Specifically, we will not treat anyone less favourably because of their age, disability, gender identity or expression, trans identity, marriage or civil partnership, pregnancy or maternity, race, religion or belief, sex, or sexual orientation. We require those working with us or supplying services to us, to share our values and commitments, and to work to the same principles

We will challenge those who do not uphold our values or who go against our principles on equality and diversity and will re-consider our continued relationship with any such person or organisation. Within our tender processes we seek to understand applicant organisation's equality, diversity and inclusion policies and if they are not already doing so, secure commitments to work with us to proactively manage equality, diversity and inclusion within their organisation. We are committed to support our supply chain in this area providing access to resources, training and our experience in this field.

We recognise the benefits that engaging with local SME businesses can bring to both our organisation and the local economy. As such we endeavour to make opportunities to work with Home Group accessible to SME organisations. Examples of our work in this area include:

- We proactively structure our contract opportunities to ensure that where appropriate contracts are split into lots to make them more accessible to SMEs
- Providing SME support - we have voluntarily adopted the Supplier Diversity and Inclusion Code of Conduct and will support SMEs to build capacity and complete our Partner Registration Process
- We deliver sessions for SMEs on how to access our opportunities and how to be successful through our procurement processes
- We commit to providing a minimum of 10% of contractor spend via SMEs.





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**[www.homegroup.org.uk](http://www.homegroup.org.uk)**

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