



Environmental, Social and Governance Report

March 2021



Contents

Introduction	3
Sustainability reporting standard	4
United Nations sustainable development goals	4
Report structure	5-6

Social

Affordability and security	7-8
Building and safety quality	9
Resident voice	9-10
Resident support	11
Placemaking	11-12

Environmental

Climate change	13-14
Ecology	14
Resource Management	14

Governance

Structure and governance	15
Board and trustees	15-16
Staff Wellbeing	17
Supply chain management	17

Introduction

As a social housing provider we aim to make a difference to our communities and customers. We recognise the part we can play in decarbonisation and sustainability to create a better future for us all.

We are pleased to present our first Environmental, Social and Governance (ESG) report, highlighting our strengths in these areas and how we make a positive impact on our communities and customers.

We are committed to providing great homes, sustaining strong communities and building a successful future. Our business strategy is known as Plan A, there is no Plan B just like there is no Planet B.

We work together and pull in the same direction to help others and make positive improvements to peoples' lives and our planet.

It is essential that we remain attractive to investors and this ESG report brings together our performance in key areas and assists in informing investors.

These objectives are further enhanced by our emerging Sustainability strategy "Planet A" which shows our commitment to taking climate and ecological action to reduce the environmental impact of our homes and operations to enhance the experience of our customers.



Sustainability Reporting Standard for social housing

The Sustainability Reporting Standard was developed to enable social housing organisations to report their ESG performance in a transparent, consistent and comparable way.

This allows investors to consider ESG performance as part of their credit process. This is key to us, as attracting new investors will deliver new finance and therefore help deliver our strategic objectives, particularly Building and Acquiring Sustainable Homes and Providing Quality Sustainable Homes.

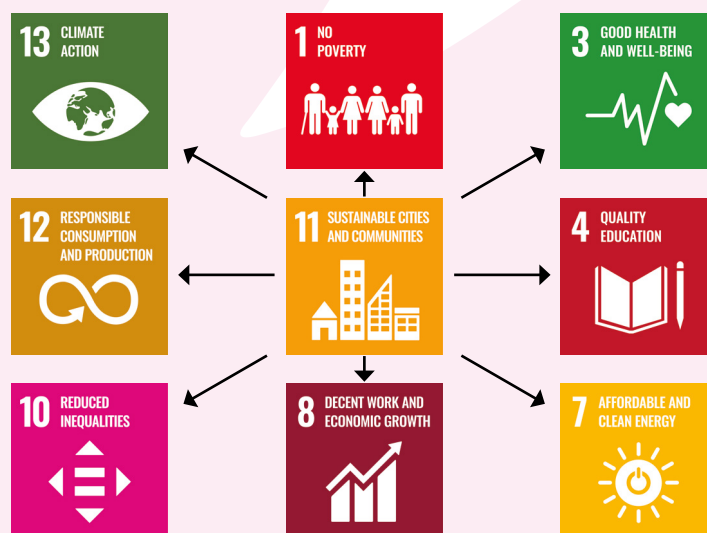
Affordable housing is recognised as a major contributor to communities and helps in delivering Sustainable Development Goals (SDG's).

United Nations sustainable development goals

SDG's were adopted by all UN member states in 2015 and provide common goals that are recognised as necessary for Investors, Governments, businesses and general society to do more to end poverty and protect the planet. Supporting our customers and communities is embedded in our strategy and links to several of the SDG's opposite:



**Social housing contributes to several of these
SDG's in particular:**



Report structure

Our report is aligned to the different themes contained within the Sustainability Reporting Standard for Social Housing. These themes, and their link to SDG's are;

ESG Area	Theme no.	Theme Name	Description	UN SDG
Social	T1	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. The theme is made up of five criteria including the tenure mix of new and existing properties, the security of tenure and fuel poverty.	1, 10, 11
	T2	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. The theme is made up of three criteria, disclosing gas safety checks, fire risk assessments and meeting Decent Homes Standards.	11
	T3	Resident voice	This theme seeks to assess how effective the housing provider is at listening to and empowering residents. The theme is made up of three themes that cover board scrutiny, complaint handling and resident satisfaction.	11
	T4	Resident support	This theme seeks to assess the effectiveness of the initiatives that the housing provider runs to support individual residents. The theme is made up of two criteria that cover what support is provided and how successful it is.	11
	T5	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. The theme is made up of one criterion, a space for the housing provider to give examples of their placemaking or placeshaping work.	11

ESG Area	Theme no.	Theme Name	Description	UN SDG
Environmental	T6	Climate change	<p>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. This theme considers current practice, as well as the changes being made to improve performance in the future.</p> <p>This theme is made up of six criteria, including the distribution of EPC ratings, emissions data, climate risk mitigation plan and environmental strategy.</p>	7, 9, 13
	T7	Ecology	<p>This theme seeks to assess how the housing provider is protecting the local environment and ecology.</p> <p>The theme is made up of two criteria around managing pollutants and increasing biodiversity.</p>	15
	T8	Resource management	<p>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.</p> <p>The theme is made up of three themes that cover sourcing materials, water management and waste management.</p>	11, 13
Governance	T9	Structure and governance	<p>This theme seeks to assess the housing provider's overall structure and approach to governance.</p> <p>The theme is made up of six criteria covering the regulator, code of governance, risk management and ownership.</p>	16
	T10	Board and trustees	<p>This theme seeks to assess the quality, suitability and performance of the board and trustees.</p> <p>The theme is made up of eleven criteria including demographics of the board and the experience and independence of the board.</p>	16
	T11	Staff wellbeing	<p>This theme seeks to assess how staff are supported and how their wellbeing is considered.</p> <p>The theme is made up of five criteria including salary information, additional support for staff and average sick days.</p>	8, 16
	T12	Supply chain management	<p>This theme seeks to assess if the housing provider procures responsibly.</p> <p>The theme is made up of two criteria assessing how social value and environmental impact are considered.</p>	11, 13

Social



T1 Affordability and security

C1 – Affordability and security.

We compare our average social and affordable rents to private rental market data. Our average rents are disclosed to the Regulator of Social Housing in our annual Statistical Data Return (at 31 March 2021) and the market rent data is obtained from the Office for National Statistics Private Rental Market Summary Statistics in England (April 2020 to March 2021 dataset).

Our main area of operation is County Durham where our rents are on average 72% of the median market rent. In Darlington and Stockton on Tees the properties we own are mostly new build houses with an affordable rent set at 80% of the market rent at the time of letting. As these homes are new build properties the rent set is closer to the median market rent shown below. This is because that median rent includes older privately rented homes with lower market rents.

Local Authority Area	Number of houses	Our Median Rent	Median Market Rent	% of Market rent
County Durham	8,383	£77.89	£108.23	72%
Darlington	59	£99.97	£108.99	92%
Stockton-on-Tees	16	£107.66	£127.95	84%

C2 – Share of homes (by tenure).

Affordability is a major part of the key objective of supporting sustainable tenancies. Our tenancies are mostly let at social and affordable rents as shown below:

Tenancy type	Number of units	%
General needs (Social rent)	7,058	83.30%
Affordable rent	1,370	16.20%
Intermediate rent	30	0.35%
Shared Ownership	16	0.15%
Total	8,474	100%

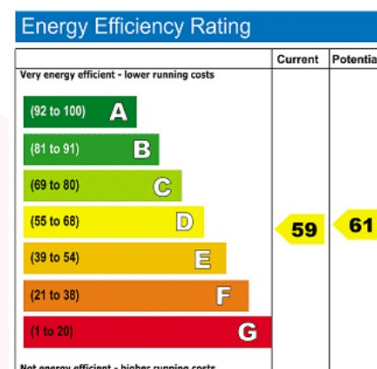
C3 – Share of new homes (by tenure).

Building and Acquiring Sustainable Homes is a fundamental part of Plan A. During 2020/21 we invested £22.034m in new developments including homes under construction at the financial year end. Our ambitious development programme was affected by the pandemic and resulted in the following new build homes being completed during the year:

Tenancy type	Number of units	%
General needs (Social rent)	2	2.5%
Affordable rent	78	97.5%

C4 – How are we trying to reduce the impact of fuel poverty on residents?

We recognise that other costs such as heating impact on the affordability of homes. We address this by referring customers to local authorities' Warm Homes teams that can help with arranging winter fuel support, securing better tariffs and getting fuel debt reduced or even written off.



Our target is to achieve an average SAP rating of 75 for our homes by 2030. At March 2021 we were well on the way to achieving this target with 61.81% of our housing stock already at or above EPC band C and an average SAP score of 69 across our homes. We have undertaken works, such as adding external wall insulation to our properties to make them more energy efficient, thereby reducing heating costs for customers.

We plan on continuing to invest in our homes to improve their energy efficiency. We will be submitting a bid for funding from the Social Housing Decarbonisation Fund, which if successful, would assist in funding works that focus on a "fabric first" approach.

C5 – Percentage of Homes with a 3-year fixed term tenancy or longer.

At 31 March 2021 1.1% (98 tenancies) were on a fixed term tenancy with less than three years remaining. We have recently decided to only offer assured (lifetime) tenancies and are engaging with our existing customers to move anyone currently on a fixed term tenancy onto an assured tenancy; this will give customers added tenancy security.



T2 Building and safety quality

C6 – Percentage of homes with an in date accredited gas safety check.

The safety of our customers in their homes is a top priority and we take our regulatory obligations very seriously. We use approved contractors to perform repairs and servicing with compliance reported to Board quarterly.

We had 99.98% of properties with a valid gas safety certificate. Two homes at year end did not have a valid certificate due to problems in achieving access to the properties. Gas safety checks for these properties were completed shortly after March 2021.

C7 – What percentage of buildings have an in-date fire risk assessment?

100% of relevant buildings had an in-date Fire Risk Assessment, which are completed annually.

C8 - What percentage of homes meet Decent Homes Standard?

100% of our homes meet the Decent Homes Standard.

T3 Resident voice

C9 - What arrangements are in place to enable residents to hold management to account?

We have a solid foundation for customer voice enabling significant and meaningful engagement and involvement from our customers. We use a "continuous conversation" to make sure our customers' voices are heard and constantly analyse transactional data to identify customer led service improvements. This includes reviewing trends in service use, complaints and satisfaction surveys.

A key strategic objective is to "respond quicker to customer needs" and we do this by building trust and relationships with customers. We listen to customers' views and resolve issues quickly.

Customers are invited to co-design scrutiny programmes each year based on our performance and scrutiny panels of customers are formed to have a closer look at services. In 2020-21 our Board included two tenant members and we generated 52 individual customer voice interventions, involving 1,864 customers and producing 51 meaningful service improvements across the organisation.

Our Customer Voice and Involvement Policy is aligned with the "Together with Tenants Charter", "Charter for Social Housing Residents" and "National Housing Federation Code", all of which advocate accountability and transparency.

Our Annual Report to Tenants has been co-designed with customers to include the performance data they wish to see and is agreed by customers and published on our website. Quarterly performance is available to tenants on our web pages and "we listened, we acted" informs customers where their feedback and involvement has improved services.

C10 – How do we measure resident satisfaction and how has this changed over the last 3 years?

We measure resident satisfaction through a number of performance measures that are reported to Board. These include:

Percentage of complainants satisfied with the way their complaint is handled	98.47%
Percentage of tenants satisfied that their views are being listened to and acted upon	100%
Percentage of customers satisfied with the overall customer experience	91.81%
Net promotor score (how likely customers are to recommend us)	54.8

We continue to listen to our customers to improve customer satisfaction. The sector as a whole has seen a reduction in performance due to

increasing resident expectations ([see link below](#)) and the Covid-19 national lockdowns. However, we have generally managed to maintain customer satisfaction levels when compared to three years ago.

Our Annual Report to Tenants, which is available on our website, shows our achievements and areas for improvement in satisfaction.

C11 – In the last 12 months how many complaints have been upheld by the Ombudsman?

We had no complaints upheld by the Ombudsman between April 2020 and March 2021.



[Housemark - Tenant-Satisfaction-Measures-first-look-at-the-sector December-2021](#)

T4 Resident support

C12 – What support do we offer to residents?

We offer a variety of support to our residents following our Community Investment Strategy which is aligned to our “Plan A.” Support is identified through community plans (housing and community data) and customer voice. Key areas of support include financial wellbeing, health and wellbeing and climate change.

We offer a specialised benefits advice service to help customers increase their income. During the year we helped customers to claim an extra £1.13m in benefits.

We operate our own employability scheme (Livin Futures) to help residents to gain employment. Livin Futures is a partnership that delivers work and training support that goes above and beyond the average and helps our tenants get into work. There are many ways we help, from free training opportunities to matching local job vacancies and improving job hunting skills. During the year to March 2021 we achieved:

- **438 tenants supported**
- **190 jobs secured**
- **27% reduction in rent arrears**
- **£3.9m social value created**

We operate a community grant funding scheme which our communities and partners can access to tackle issues specific to those communities.

We work with partners to ensure residents are engaged in projects and can lead on community development and regeneration.

Residents are supported through a dedicated tenancy support service which has a targeted approach to focus on mitigating the risk of tenancy

failure and enabling customers to overcome systemic and personal barriers to independent living.

During 2020/21, 246 tenants engaged with the Tenancy Support Team and 446 had an adaptation installed in their home. 98.31% of customers told us that their health and wellbeing had improved following our support or intervention.

T5 Placemaking

C13 – Examples of our engagement in placemaking or placeshaping activities.

We are proud to support our customers and communities, helping them with their housing needs. We have many examples of our successes on our website.

York Hill Estate, Spennymoor, County Durham.

A case study in the 2021 [No Place Left Behind report](#), is the York Hill estate which we transformed over a number of years up to 2017. Two bedroomed flats in the area were selling for £15,000 and social rental demand was non-existent. With no “regeneration” grants or cross subsidy through new build market sales, redevelopment was not an option. Part of our solution at York Hill was a retro-fit programme delivering 110 modern, warm homes across tenures, with investment in the external environment. We invested £7.6m, transforming all homes by constructing pitched roofs, installing external wall insulation and adding modern facilities such as utility rooms, in-curtilage parking and patio doors. York Hill is now the highest demand community in Spennymoor and home ownership has increased from 32% to 62%, with the first homes selling in only 12 days, compared to a local average of 124 days. House prices have significantly increased across the estate and void rent loss is negligible.

**Junction 7, The ARK, Newton Aycliffe,
County Durham.**

With all our community buildings closed during the pandemic, the ARK remained open so that Junction 7 (a crisis intervention charity) could continue to deliver a much-needed foodbank service. From March 2020 to April 2021, they supported 300 different families

Our Community Regeneration service helped Junction 7 secure £25,000 of external funding to provide regular support to 30+ vulnerable residents with a weekly shopping and 'garden buddy' service to combat isolation. The funding also targets older, isolated residents which would see the regular delivery of over 100 afternoon teas and activity sets (gardening, craft, quizzes, recipes), three times a month.



Environmental

T6 Climate change

C14 – Distribution of EPC (existing homes).

EPC rating for existing homes is as follows:

EPC rating	%	No. of homes
% Homes rated A	0%	0
% Homes rated B	6.64%	563
% Homes rated C	55.17%	4,674
% Homes rated D	37.84%	3,207
% Homes rated E or worse	0.35%	30

C15 – Distribution of EPC ratings (new homes).

EPC rating	%	No. of homes
% Homes rated B	100%	80

C16 – Scope 1,2 and 3 greenhouse gas emissions.

This is our first attempt to record emission data and is based on the SHIFT accreditation of which we achieved the "Silver" standard.

- Scope 1 emissions 181.87 tonnes of CO₂
- Scope 2 emissions 355.8 tonnes of CO₂

We are developing a new carbon reporting methodology aligned to Green House Gas Protocol and Streamlined Energy and Carbon Reporting requirements to be in place for 2022 and are beginning detailed work to account for scope 3 emissions.

C17 – What energy efficiency actions have we taken in the last 12 months?

We have implemented a new EPC data management system and commenced a smart thermostat pilot to reduce customers heating bills. In addition, we installed 12 new electric vehicle charging points in our head office car park.

Work done to customers' homes includes:

- Heating upgrade to two blocks of flats
- Window replacement and thermal cladding to 53 properties
- Loft insulation top up to 270 homes

We are currently developing actions and targets to improve the energy efficiency of our buildings through energy efficient interventions and behavioural change.

C18 – How are we mitigating against risks (i.e. flood risk and risk of homes overheating)?

The majority of our homes (95.76%) are located in low-risk flood areas and 97.9% of our homes are protected from overheating. However, we recognise further work is needed in this area. Our Planet A strategy includes commitments to ensure our homes and properties are fit for the future. This is a commitment by us to act against the risk that climate change poses to our buildings and customers, understanding the impact of extreme weather events and the mitigations we need to take against this.

C19 – Do we give residents information about correct ventilation, heating and recycling etc?

Customers are given advice on their heating systems and we publish a guide on our website on how to keep homes free from damp and mould.

An objective of our "Planet A" strategy is to support tenants to live more efficiently.

Through this objective we will provide tenants with information on how to run a greener home. We will widen our financial inclusion offer to enable tenants to make greener consumption choices. This will be achieved by engaging and investing in local partners to work with tenants to maximise the uptake of greener living opportunities.

We will monitor this through a series of performance measures including the number of tenants engaged, number of tenants consuming less energy, number of customers sufficiently heating their homes and investment in local partners.

T7 Ecology

C20 – How are we increasing green space and promoting biodiversity?

We have approximately 45 hectares of greenspace.

Through our Planet A objective of “Creating climate resilient places and natural environments” we will survey the green estate, develop Biodiversity Action Plans, set Biodiversity Net Gain targets and work with communities and partners to deliver the biodiversity enhancements needed.

We will measure this by:

- % Biodiversity Net Gain increase from baseline
- Increase in hectares of green biodiverse space
- m2 wildflower meadows
- Number of volunteers involved, and
- Number of apprenticeships created

C21 – Do we have a strategy to actively manage and reduce pollutants?

We currently adhere to all required HSE and environmental legislation with processes in place to ensure our contractors and partners adhere to these requirements.

We are developing and implementing an Environmental Management System (EMS). Identifying, managing and reducing our environmental impacts will be key actions of the EMS in future years.

T8 Resource management

C22 – Do we have a strategy to use or increase the use of responsibly sourced materials for all building works?

We currently ensure responsibly sourced materials are used where legislation requires for timber in new build homes and repairs and maintenance work. We currently do not have a strategy but are reviewing and updating our procurement policy to align with our Planet A strategy. This will enable us to increase the volume of sustainably sourced materials we use in all our building works.

C23 – Do we have a strategy for waste management incorporating building materials?

Our main contractor for repairs and maintenance, and by far the greatest source of our waste generation, is Mears plc who are ISO14001 accredited. They have strong waste management systems in place and work to ensure there is a high level of recycling.

We are currently in the process of analysing the data for all contractor waste management processes so that we can report on waste generation and recycling.

C24 – Do we have strategy for good water management?

This is an area on which we need to improve as there is currently no policy around good water management. This is being addressed in our Planet A strategy where we commit to implement best practice to reduce the impact of our operations on the environment.

We acknowledge the precious resource that water is and the carbon impact of clean water. It will be included in our resource reduction plan and a water focused staff training/ learning module as part of our Planet A - Environmental Sustainability staff knowledge and learning project that will be delivered through a range of digital workshops.

Governance



T9 Structure and governance

C25 – Are we registered with the Regulator of Social Housing?

Yes

C26 – What is our most recent viability and governance rating?

The Regulator of Social Housing reconfirmed our G1 V1 judgement after an In-Depth Assessment in December 2020.

C27 – Which Code of Governance do we follow?

NHF Code of Governance: promoting excellence in Governance (2015 edition).

C28 – Are we Not for Profit?

Yes

C29 – How do we manage organisational risks?

Our Board retains ultimate responsibility for ensuring an effective risk management framework is in place. Strategic risks are considered quarterly by our Audit & Risk Committee before Board receive an update on the risk register and additional information on a strategic risk selected by the committee.

C30 – Have we been subject to adverse regulatory findings in last 12 months.

No

T10 Board and trustees

C31 – What are the demographics of the Board compared to our customers.

The demographics of our Board compared to our customers (lead and joint tenants) is:

Board Diversity	At 31 March 2021	Our customer profile
Gender (% female)	50%	59%
Ethnicity (% BAME)	0%	2%
Average Tenure	4 years 3 months	N/A

C32 - What percentage of Board and management team have turned over in the last 2 years?

There have been no resignations from the board or the management team during the two years to 31 March 2021 with one new board member being appointed.

C33 – Is there a maximum tenure for a Board member?

Nine years unless agreed by the Board that a longer appointment is in the best interests of the organisation. As at 31 March 2021 all Board members had served less than nine years.

Our Board have agreed to adopt the NHF Code of Governance 2020 with transitional arrangements in place for Board members already in their second three-year term. These Board members will be allowed to complete one more three-year term, whilst new Board members, or those members serving their first three year term, will complete six years' service.

C34 – What percentage of Board are non-executive directors?

As at 31 March 2021, 100% of the Board were made up of non-executive directors.

C35 – Number of Board members on Audit & Risk Committee with relevant financial experience.

Our Audit & Risk Committee has six members all of whom are also Board members. They draw on a broad range of skills from local government, the NHS and the third sector. The Chair of the Committee is a qualified accountant with over 25 years' experience of running a successful management consultancy business.

C36 – Are any current executives on the Remuneration Committee?

No.

C37 – Has a succession plan been provided to Board?

No - Succession planning is considered where a recruitment need is identified. Succession plans in respect of required Board member recruitment have been considered by the HR & Remuneration Committee and Chief Executive recruitment has been considered by the Board during 2021.

C38 – How many years has our external audit partner been responsible for our audit?

Beever and Struthers have been responsible for external audit for four years.

C39 – When was the last independently run board effectiveness review?

The last independent review of board and committee effectiveness was completed in July 2019 by external consultants.

C40 – Are the roles of chair of the Board and CEO held by 2 different people?

Yes.



C41 – How do we handle conflicts of interest at board level?

Board members are required to complete an annual declaration of interest and inform us if there are any changes to their interests during the year in line with the Code of Conduct. In line with our Probity Policy, all meeting participants are required to declare any conflicts of interest at the start of the meeting and are required to declare any further interests that become apparent during discussions. The presumption is that the conflicted individual will withdraw from the meeting for that particular item. However, at the discretion of the Board, and depending on the nature and severity of the identified item, conflicted parties may be invited to remain in the meeting but not participate/vote on decision.

In the event of a fundamental or ongoing material conflict being proven, the Board may consider whether the person concerned should continue to be a Board member.

T11 Staff wellbeing

C42 – Do we pay the Real Living Wage?

Yes, we have been doing this since 2016.

C43 – What is the gender pay gap?

Our gender pay gap was 9.76%. We continue to work to support female employees and ensure that diversity and inclusion is embedded in our organisation.

C44 – What is the CEO – worker pay ratio?

Using the Department for Business Energy and Industrial Strategy methodology our CEO to median worker pay ratio is 4.6 : 1.

C45 – How do we support the physical and mental health of our staff?

One of our strategic objectives is to enable employees to flourish. We know that employees are key to successfully delivering Plan A and we adopt a one team ethos.

We offer support through a confidential 24-hour employee assistance programme helpline. This helpline allows employees and their families to access qualified and experienced counsellors that can give both practical and emotional support to deal with personal problems that might adversely impact on health and wellbeing.

We also offer a wide range of other benefits that support employees with physical and mental health issues such as occupational health assessments, stress risk assessments and a range of employee benefits such as reduced rate gym membership, discounts at health food shops and the cycle to work scheme. During the pandemic we have worked with local Credit Unions to offer financial wellbeing advice to employees.

C46 – Average number of sick days per employee.

For 2020/21 the average was 4.58 days.

T12 Supply chain

C47 – How is social value creation considered when we procure goods and services?

As part of our procurement process, we ask several due diligence questions to ensure we appoint a supplier that aligns to our needs. This includes questions on health and safety arrangements, equality and diversity, modern slavery and people trafficking.

When assessing social value creation, we allow flexibility in our procurement to achieve the correct balance between social value creation and other criteria that is important to us.

C48 – How is environmental impact considered when procuring goods and services?

As part of our procurement process, we also perform due diligence on suppliers' environmental obligations.

This is an area we expect our suppliers to improve in as our focus on environmental issues and decarbonisation increases.



livin.co.uk



wearelivin



@weare_livin



0800 587 4538



contactus@Livin.co.uk

Download free today - search Livin in your app store

