



Environmental, Social and Governance Report 2023

Publication October 2023, our first against 'The Social Housing Sustainability Reporting Standard'



Introduction

In SLH Business Strategy 2020-25, the Board made a commitment to demonstrate performance via ESG reporting. SLH produced its first ESG report in August 2022 and summarised some of the key achievements within the accounts. There was no funder requirement to do so but the Board had pushed for this development as part of the last treasury exercise and desire to inform stakeholders on progress and delivery before this becomes a mandatory requirement. SLH has invested in E, S and G data analysis so this was a natural development, particularly in articulating our business objectives around Growing, Greening & Transforming which are intrinsically linked to ESG.

During 2022/23 we have completed an external Sustainable Homes for Tomorrow Index (SHIFT) environmental assessment and 2021/22 & 2022/23 data had been entered into HouseMark's ESG module to enable benchmarking. In March 2023 SLH became an 'adopter' of 'The Social Housing Sustainability Reporting Standard'. This now provides the basis for ongoing reporting including our first report against the formal standard in 2023. For further information, beyond ESG, then please review the 2023 Annual Report & Financial Statements and the 2023 Customer Annual Report available on the SLH website: **Performance & Vfm - South Lakes Housing**.

Growing, Greening & Transforming



About South Lakes Housing

SLH exists to improve the provision and quality of affordable homes in the South Cumbria and North Lancashire area and the service which customers receive. We are pleased that the regulator continues to recognise the effective governance of South Lakes Housing retaining our G1 rating. Our G1 governance rating and the viability rating of V2 reflects that we are successfully managing increased risk to deliver our ambitious plans.

SLH provides good quality homes in one of the most beautiful and highly sought after areas in the country.

The organisation's SLICE values are;

- **Sustainability** - Reducing our impact on the environment and conduct our business in a socially responsible and ethical manner.
- **Learning** - Learn from our mistakes and successes. Seek and provide honest feedback. Open to personal change and continuous improvement.
- **Inclusivity** - Committed to creating an inclusive culture where we treat our customers, colleagues and stakeholders with respect, honesty, empathy and fairness.
- **Challenge** - Challenge what we do, seek out and test new approaches and ideas, collaborate with others and share our learning. Listen to our customers' needs and challenges.
- **Excellence** - What we do, we strive to do well, to deliver a great customer experience/outcome.



SLH Business Strategy

The need for quality affordable homes has never been greater, with many working families unable to afford market homes. A rapidly ageing population, fuel poverty and flood prone areas provide the backdrop to our priorities for action.

Our purpose **Quality Homes, a platform for life** has been central to our planning for the future. We are ambitious about the lasting impact we will have on improving customer experience, their homes, neighbourhoods, energy efficiency, affordability and a new supply of quality homes. Like many social, community-based housing

associations we are grappling with the challenges of meeting growing housing need, decarbonising an ageing housing stock, and mitigating against the real risk of future flooding. This, in addition to the core expectations of keeping our homes safe and maintained to a good quality.

Our business strategy for 2020-2025 focuses on 3 key strategic themes; **Growing, Greening** and **Transforming**.



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Our Behaviours

We've looked at good practice from other organisations and colleagues from across SLH have developed our behaviours framework. By living these behaviours every day, our colleagues, managers and senior managers are living our shared SLICE values and helping to deliver our vision of **'Quality Homes, a platform for life'**.

- **Genuinely care** - Cares about delivering high quality services for our customers, colleagues and stakeholders.
- **Take responsibility** - Takes ownership for delivering high-quality outcomes.
- **Have respect** - Respects diversity; listens to and has empathy for colleagues and customers.
- **Be adaptable** - Responds flexibly to get things done.
- **Work together** - Works collaboratively across teams and services to deliver.
- **Be curious** - Curious about new approaches and ways of working.
- **Make it happen** - Prioritises work, uses initiative and is solutions focused.
- **Always improving** - Continually learning and always looking for ways to improve.

SLH Sustainability Strategy

Social housing accounts for a significant amount of the UK's housing emissions and SLH owns over 3,300 homes, including 12 sheltered housing schemes with communal facilities, community centres and a fleet of vans and utilises a main office and two depots. We recognise that to be truly sustainable we need to think about the social, economic and environmental impact we create. One of the Business Strategy challenges that we are aiming to achieve is for all our homes to be Energy Performance Certificate (EPC) rating Band C or above by 2025, which is in advance of the government target of 2030 (for 'fuel poor' homes).

To deliver our vision we are prioritising five key action areas that support our objectives and create the most impact in terms of maximising sustainability outcomes. We will set interim targets and measure progress annually through the course of the strategy and at key strategic dates in 2025, 2030 and 2040 on our journey to Net Carbon Zero. The key focus areas within this strategy include improving the energy efficiency of our homes and reducing our carbon footprint through: Engagement and Culture Change, Carbon Reduction & Energy Efficiency, Neighbourhood and Biodiversity, Sustainable Resources & Sustainable Offices & Operations.



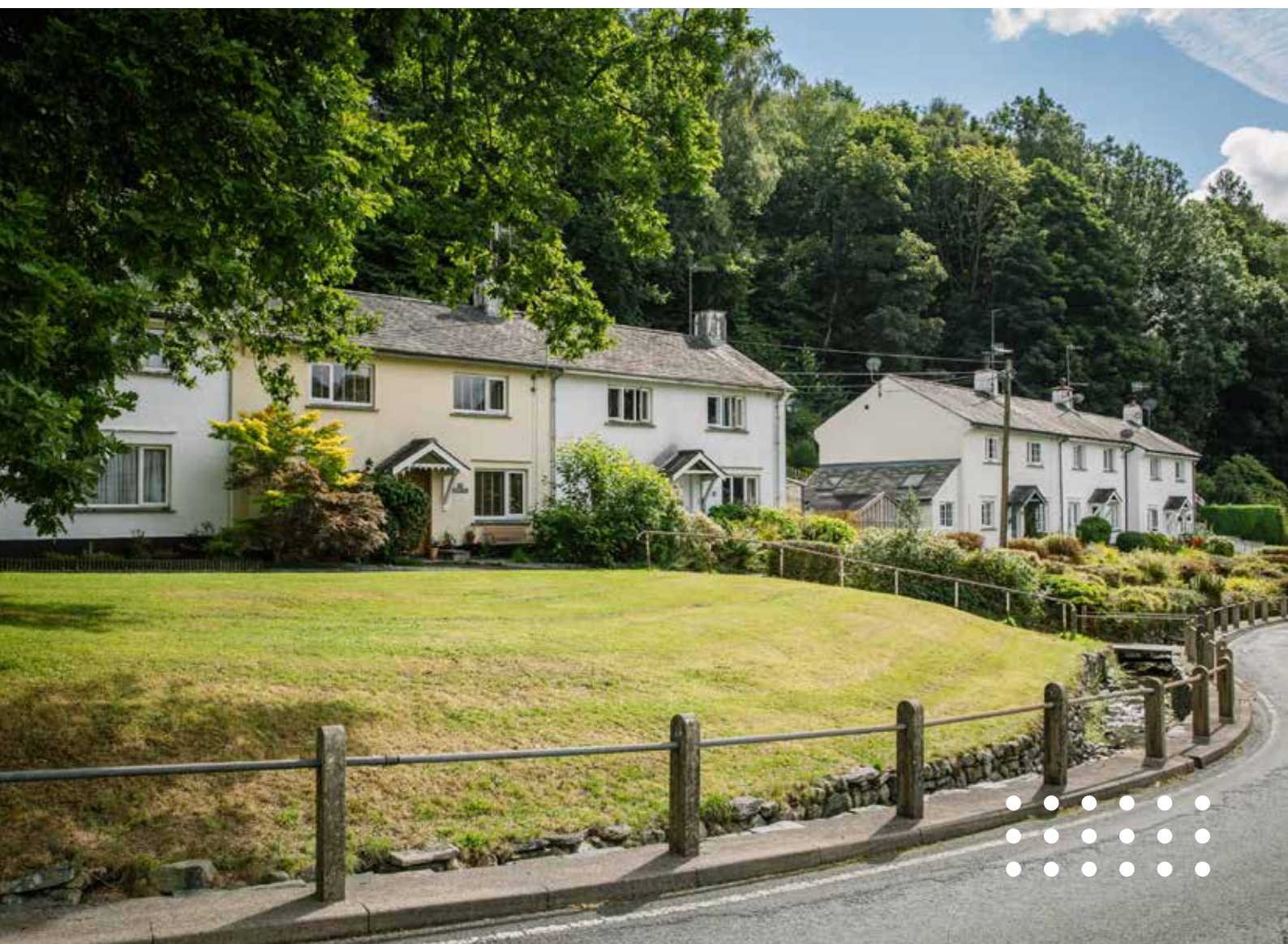
Our Behaviours

PlaceShapers

We are a PlaceShaper, part of a national network of more than 100 place-based housing organisations. We are a collective of collaborators, change-makers and policy-shapers. We are a voice for our members and a voice for our communities because many voices can make a bigger difference than one. Together, we go beyond housing.

Homes for Cathy

We are also members of the 'Homes for Cathy' Group which is a national alliance of housing associations across the UK helping to raise awareness of the needs of homeless people.



2022/23 in Numbers

3,300 homes

- 2,627 Social rented general needs homes
- 420 Social rented homes for older people
- 161 Affordable rented homes
- 15 Intermediate rented homes
- 77 Shared ownership homes

We also provide services to 275 Leaseholders as part of our freehold duties.

£5.58m

Invested in improving customers' homes through major repairs. With a budget of **£8.9M** for 2023/24.

£109k

Spent on accessibility adaptations.

£9M

Invested in developing **79** new affordable energy efficient homes, including our first Passivhaus scheme.

£626k

Spent on improving energy efficiency in homes, with a further successful **£3.5M** grant secured.

G1/V2

RSH regulatory gradings - G1 Governance and V2 Financial Viability - both compliant grades.

68%

Overall customer satisfaction with SLH as their landlord, with satisfaction of repairs at **73%** and safety of their home at **76%**.

116

Full Time Equivalent staff.

3

New Board Members recruited to enhancing the diversity on the Board. There are 12 Board Members and a variety of methods to ensure customer voice in deliberations.

SLH provides good quality homes in one of the most beautiful and highly sought after areas in the country.



photo @Steven Barber

UN Sustainable Development Goals (SDG)

Making a positive contribution to the communities in which we operate is embedded in our Purpose: **‘Quality Homes, a Platform for Life’**, our Values and Behaviours. It is also well embedded within our Business Strategy: Growing, Greening & Transforming 2020-2025 and *‘Let’s Make it Happen’* culture change programme.

This is further evidenced through our sustainability, social value and resident engagement work including welfare assistance, financial inclusion support and community activities. This work, coupled with building and maintaining good quality homes across tenures, built to modern specifications that support sustainability and the journey to net zero, aligns to several UN Sustainable Development Goals (SDGs)



The Social Housing Reporting Standard

The structure of this report is aligned to the specific themes outlined in The Sustainability Reporting Standard (SRS) for Social Housing. Within each theme we have reported against individual criteria. The table below provides details of the themes and the specific SDGs to which they relate.

There are 48 criteria divided up into thirty “Core” criteria (30) and eighteen “Enhanced” (18) criteria.

“Core” criteria is the most important criteria that must be completed.

“Enhanced” criteria might initially be too challenging or time consuming for some housing providers to report on. These will become aspirational criteria that will be reported on in later years.

ESG Area	Theme #	Theme Name	SDG Goal	
Social	T1	Affordability and Security	11	Sustainable Cities and Communities
			10	Reduce Inequality
	T2	Building Safety and Quality	11	Sustainable Cities and Communities
	T3	Resident Voice	11	Sustainable Cities and Communities
	T4	Resident Support		
	T5	Placemaking		
Environmental	T6	Climate Change	13	Sustainable Cities and Communities
	T8	Resource Management	15	Sustainable Cities and Communities
	T3	Resident Voice	12	Sustainable Cities and Communities
Governance	T9	Structure and Governance	16	Peace, Justice and Strong Institutions
	T10	Board and Trustees		
	T11	Staff Wellbeing	8	Decent Work and Economic Growth
	T12	Supply Chain Management	12	Responsible Consumption and Production

Statement of SLH compliance against The Social Housing Reporting Standard

SLH has self-assessed against version 1.24 of the standard. The organisation is compliant with all 30 'core' criteria (100%) and 9 of the 18 'enhanced' criteria (50%). The areas that are highlighted for further attention are summarised below with more detail included within the evidence sections.

Social

There are no areas highlighted as non-compliant

Environmental – climate change, ecology and resource management

There is work to do in relation to the sustainability strategy and action plan, across 7 areas;

- C18 mitigating risks of homes overheating
- C19 providing residents with advice about ventilation, heating and recycling
- C20 increasing green space and promoting biodiversity on or near new homes
- C21 managing and reducing pollutants
- C22 using responsibly sourced materials for all building works
- C23 strategy for waste management
- C24 strategy for good water management

Governance – supply chain

There are 2 areas that are partially compliant with further action required around;

- C47 social value creation when procuring goods and services
- C48 environmental impact when procuring goods and services





Social



Theme 1: 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.

Criteria 1.

Type of Criteria: Core

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

- 1) Rent compared to Median private rental sector (PRS) rent across the Local Authority
- 2) Rent compared to Local Housing Allowance (LHA)

SLH Evidence

Ensuring that rents are affordable is one of our key objectives to support our Growing Business Strategy theme. The Board receives assurance on this annually prior to setting rents. On average, we charge just over half of the rents levied within the private sector markets.

- 1) PRS- 55.48%
- 2) LHA- 68.09%

Criteria 2.

Type of Criteria: Core

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

- General needs (social rent)
- Intermediate rent
- Affordable rent
- Supported Housing
- Housing for older people
- Low-cost home ownership
- Care homes
- Private Rented Sector
- Other

SLH Evidence

Stock type	Amount	%
General needs SR	2627	79.61%
Intermediate rent	15	0.45%
Affordable rent	161	4.88%
Supported Housing	0	0.00%
Housing for older people	420	12.73%
Low cost home ownership	77	2.33%
Care homes	0	0.00%
Private rented sector	0	0.00%
Other	0	0.00%
Total	3300	100.00%

**Criteria 3.****Type of Criteria: Core**

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

- General needs (social rent)
- Intermediate rent
- Affordable rent
- Supported Housing
- Housing for older people
- Low-cost home ownership
- Care homes
- Private Rented Sector
- Other

SLH Evidence

Stock type	Amount	%
General needs SR	13	16.46%
Intermediate rent	0	0.00%
Affordable rent	33	41.77%
Supported Housing	0	0.00%
Housing for older people	0	0.00%
Low cost home ownership	33	41.77%
Care homes	0	0.00%
Private rented sector	0	0.00%
Other	0	0.00%
Total	79	100.00%

Criteria 4.**Type of Criteria: Core**

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

SLH Evidence

Addressing fuel poverty is a commitment within the SLH Sustainability Strategy 2022-27 and as part of the Long-Term Financial Plan. The main action to tackle fuel poverty is via the 'Warmer, Greener Homes' programme incorporating investments to improve energy efficiency performance. As part of the Warmer, Greener Homes programme we are delivering energy advice assistance to residents. This will include a home energy advice visit from Cold to Cosy Homes to support residents in understanding how they can reduce their energy consumption and keep homes warmer.

SLH does not currently monitor levels of fuel poverty amongst its customers, although an assessment of affordability, including fuel costs, is undertaken when assessing customers suitability to rent our homes. This data quickly becomes obsolete as customers incomes and fuel prices change over time. The fuel poverty charity, National Energy Action (NEA), accept that fuel poverty is difficult for landlords to measure, with emphasis being placed on maximising SAP ratings and facilitating clients to maximise income which is exactly our focus at SLH.

**Criteria 5.****Type of Criteria: Enhanced**

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

SLH Evidence

Security of tenure is a key differentiator between social housing and the private sector and evidence suggests this security makes a huge difference to people's lives and ability to find work, access informal and formal local support networks and services and build family lives. Good practice in the housing sector is now to offer long term tenancies to general needs residents where possible.

The vast majority of tenancy agreements are on long term agreements e.g. assured tenancies etc (93.7%).

There are 200 new tenants on starter tenancies (6.2%). The majority will convert on their anniversary.

There are just two tenancies (0.1%) that are on a fixed term tenancy agreement, both on 5 year agreements.

77% of current tenants have been in their homes for over 3 years.



Theme 2: 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 compliance with the Decent Homes standards.

Criteria 6.

Type of Criteria: Core

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

SLH Evidence

At the end of 2022/23, **99.86%** of our homes had an up-to-date gas certificate (four tenants faced legal action to gain access to their homes).

Criteria 7.

Type of Criteria: Core

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

SLH Evidence

We have carried out fire risk assessments in **100%** of our communal areas.

Criteria 8.

Type of Criteria: Enhanced

What % of homes meet the national housing quality standard?

SLH Evidence

We have invested £5.58m of improvements in our homes during 2022/23 and have retained 100% compliance with the Decent Homes Standard. 39 homes are 'discounted' from the standard, in accordance with the regulation, due to customer refusals.



Theme 3: 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.

Criteria 9.

Type of Criteria: Core

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

SLH Evidence

The Board have commissioned a review of resident engagement to ensure a strong customer voice within the organisation, across a range of levels and methods. The plans will be progressed with the Tenants' Committee and other involved residents during 2023/24.

Customer experience is a top priority at SLH and there are a range of arrangements to involve residents. This can be by engaging in events or panels, to listen and shape what we deliver and improve our services and neighbourhoods. We have many different approaches for residents to engage with us including Tenants' Committee, Tenant Scrutiny Groups, our online & telephone customer surveys, our annual Customer Satisfaction Survey, estate walkabouts and at Board level. There are also online sessions and the community facebook group.

Criteria 10.

Type of Criteria: Core

How does the housing provider measure Resident Satisfaction and how has Resident Satisfaction changed over the last three years?

SLH Evidence

A survey of tenants revealed that 68% are satisfied overall with SLH as their landlord, with satisfaction of repairs at 73% and safety of their home at 76%. The survey methodology is new so past comparisons are not 'like-for-like'.

TLF Housing were appointed (TLF 'The Leadership Factor') to run this year's survey which provides a baseline using the final technical requirements document from the Regulator of Social Housing (TSMs – Tenant Satisfaction Measures). The fieldwork was delayed from the usual September/Oct fieldwork period as we wanted to align with the TSM requirements. The 22/23 survey fieldwork was conducted from 23rd November to 9th December and resulted in 690 responses (566 by email, 76 by post, 48 by SMS). Research indicates satisfaction in perception surveys tends to be c10-15% lower than when they rely on mainly electronic responses so past surveys are not comparable.



Criteria 10. (cont'd)

Type of Criteria: Core

How does the housing provider measure Resident Satisfaction and how has Resident Satisfaction changed over the last three years?

The Board has agreed with the Tenants' Committee, a Customer Experience Strategy & Action Plan to improve this position. The target for 23/24 is 75% (rising to 80% in 24/25). The targets reflect continuous improvement and outcomes arising from investments made e.g. '*Let's Make it Happen*' culture change programme and the delivery of critical actions included within the Asset Management Strategy & Action Plan, repairs improvement plan (including the important 'repairs follow-on' project etc), digital offer, neighbourhood plans, complaints learning loop and grounds maintenance contract review 24/25. The repairs service is critical to overall satisfaction with an improvement project underway entitled 'repairs customer experience'.

Criteria 11.

Type of Criteria: Enhanced

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

How have these complaints (or others) resulted in change of practice within the housing provider?

There have been 0 Housing Ombudsman investigations concluded in 2022/23.

Key lessons/ changes implemented in 22/23 in response to complaints:

- Customer First – '*Let's Make it Happen*' culture change programme facilitated by MGI Learning
- Better contractor communication- weekly building safety reporting meetings have been established
- Damp & Mould action group formed – improving our approach to damp and mould following HOS spotlight report
- Monitoring of planned works-renewal, identifying follow-on works after 4 weeks



Theme 4: 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 is it?

Criteria 12.

Type of Criteria: Core

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

SLH Evidence

Information, support services and signposting to other services is available to customers on the SLH website via the **Cost of Living Hub - South Lakes Housing**

The Income Team continue to provide a customer centric service focused on supporting customers to maximise their income and pay their rent. This has included the introduction of Customer Support through a Hardship Fund.

Our Independent Living schemes offer specialist support to help older and vulnerable people to live independently for longer, do more of the things they love and to feel safe and connected.



Theme 5: 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.

Criteria 13.

Type of Criteria: Enhanced

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

SLH Evidence

The following actions were undertaken in 2022/23

Existing homes and neighbourhoods

- Re-established Estate Walkabouts – quarterly with local residents and stakeholders. Developed and published Neighbourhood Plans, in consultation with residents and using feedback from walkabouts.
- Worked closely with the Police on safer streets initiative at Helm Close, Orrest Drive and in Staveley, undertaking door knocking, providing assurance and asking for residents to report any issues and held joint drop-in sessions.

Regeneration & new supply

- Redevelopment proposals for the former low demand sheltered housing scheme at Yewbarrow Lodge which have been submitted for formal planning approval after extensive community and partnership collaboration.
- Passivhaus scheme at Lune Walk in Halton. A collaboration with Lune Valley Community Land Trust, Lancaster City Council and Homes England. At the launch event, Guest speaker, Professor Mike Berners-Lee said, *“We urgently need to build more energy efficient housing less dependent on the car if we are to tackle the many environmental crises facing the world. It is so important to get housing right, this is such a positive development. It’s depressing to see most new houses go up, all those four-bedroom, detached houses, miles from any infrastructure, with everybody using a car...”* “I would love to be living in a place like this...you can get low energy housing, be able to swim every morning in the river, cycle into your city and have infrastructure on your doorstep including this lovely building here.”



Environmental



Theme 6: Climate Change

This theme seeks to assess how the activities of the housing provider are impacting on climate change. This theme considers current practice, as well as the changes being made to improve performance in the future. The theme is made up of eight criteria, including the distribution of EPC ratings and heating sources, emissions data, capacity for renewable energy production, and environmental strategy.

Criteria 14.

Type of Criteria: Core

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

SLH Evidence

EPC Rating	Count of EPC Value	%
0	30	0.93%
A	15	0.47%
B	194	6.02%
C	1583	49.12%
D	1261	39.13%
E	45	1.40%
F	12	0.37%
G	4	0.12%
No data	76	2.36%
Not applicable	3	0.09%
Grand Total	3223	100.00%

N.B. Rented homes only

Criteria 15.

Type of Criteria: Core

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

SLH Evidence

EPC Rating	Count of EPC Value	%
A	11	23.91%
B	31	67.39%
C	4	8.70%
Grand Total	46	100.00%

4 homes that were rated C are part of the Passivhaus scheme. We recognise that the EPC assessment tool is not compatible with Passivhaus, which is a higher standard. We anticipate that this will improve once the revised EPC / SAP assessment criteria comes into play. Further information about this has been published by the Passivhaus Trust Guidance (passivhaustrust.org.uk)

**Criteria 16.****Type of Criteria: Enhanced**

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

SLH Evidence

Data has been validated and produced by an independent source (SHIFT) and data shows:

Scope 1 emissions- 367.64 tonnes CO₂e

Scope 2 emissions- 88.84 tonnes CO₂e

Scope 3 emissions- 9,066.19 tonnes CO₂e

Criteria 17.**Type of Criteria: Enhanced**

What energy efficiency actions has the housing provider undertaken in the last 12 months?

SLH Evidence

In the last twelve months we have delivered a range of different energy efficiency works to our homes.

The 2022/23 capital major repairs included £0.6m invested in existing homes to improve energy efficiency in furtherance of the SLH Greening strategic theme of all homes achieving Energy Performance Certificate (EPC) band 'C' by April 2025 (except 1 hard to treat rural property). This has been through a fabric first approach to the homes. Focussing on ensuring we have good insulation, roof and walls. Energy efficient lighting through the homes and once that is complete starting to fit solar PV to reduce energy costs.

The cost of energy efficiency investment planned for 2023/24 and 2024/25, in addition to continuing maintaining Decent Homes Standard planned major repairs, is £3.7m and £6.0m.

Criteria 18.**Type of Criteria: Enhanced**

How is the housing provider mitigating the following climate risks:

- Increased flood risk
- Increased risk of homes overheating

SLH Evidence**Flooding**

During Storm Desmond in December 2015 around 60 SLH homes flooded causing £2.4M in losses. All affected homes have received flood resilience works since the flooding, an investment of c£460k. The Environment Agency's (EA) £76M Kendal Flood Management Scheme is due to complete by the end of 2023/24 which will see river-based properties protected by high walls/glass panels. This will mean that around one third of our properties at risk will be mitigated, we have worked with EA on community consultation and design.

There is a Flood Action Plan in place which includes training, maintaining relationships with insurers, providing advice to households in higher risk areas, and developing a programme of flood resilience works and ensuring new homes are developed with flood resilience.

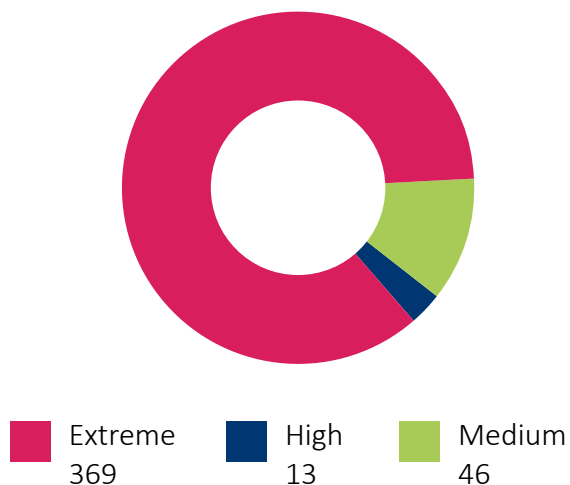


Criteria 18. Cont'd

Cluster breakdown

Number of properties and their flood risk within each cluster

Total number of properties within each flood risk



Overheating

This is an enhanced part of the standard. At the moment we are doing no active work on reducing the risk of overheating. Through our environmental improvement works we will continue with planting trees and other natural mitigation around our homes to support the reduction in overheating. As part of our suite of advice leaflets, we will look at the benefits of developing an advice leaflet for the reduction in overheating in our homes.

Risk Score	No. Clusters	No. Properties
Extreme	46	369
High	2	13
Medium	6	48



Criteria 19.

Type of Criteria: Enhanced

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

SLH Evidence

This is an enhanced part of the standard. We are in the process of developing a package of resources that support residents with advice for living in their homes.

All the homes going through the Warmer, Greener Homes programme are receiving a ventilation plan and any work needing doing on those homes will be completed as part of the works.

We are starting with energy advice linked to the Warmer, Greener Homes programme. We will develop resources around recycling, water management, carbon footprint and other advice that will reduce their environmental impact.



Theme 7: Ecology

This theme seeks to assess how the housing provider promotes ecological sustainability.

Criteria 19.

Type of Criteria: Enhanced

How is the housing provider increasing Green Space and promoting Biodiversity on or near homes?

SLH Evidence

This is an enhanced part of the standard. Over the year we have developed a guiding principles document that will steer all future open space and green space developments.

Healthy outdoor spaces guiding principle



These guiding principles support the benefits that outdoor spaces can provide for residents, nature and wildlife. We are using these guiding principles in developing our environmental improvement works for the upcoming years.

Criteria 21.

Type of Criteria: Enhanced

Does the housing provider have a strategy to actively manage and reduce all pollutants?

If so, how does the housing provider target and measure performance?

SLH Evidence

This is an enhanced part of the standard. We currently don't have a strategy for managing and reducing pollutants.

We plan to develop this strategy, policies and procedures over the upcoming years.



Theme 8: Resource Management

This theme seeks to assess the housing provider's approach to the management of natural resources.

Criteria 22.

Type of Criteria: Enhanced

Does the housing provider have a strategy to use or increase the use of responsibly sourced materials for all building works?

If so, how does the housing provider target and measure performance?

SLH Evidence

This is an enhanced part of the standard. We currently don't have a strategy for sourcing sustainable materials.

We record what percentage of responsibly resourced material for SHIFT assessment, but this is more anecdotal than measured.

Criteria 23.

Type of Criteria: Enhanced

Does the housing provider have a strategy for waste management incorporating building materials?

If so, how does the housing provider target and measure performance?

SLH Evidence

This is an enhanced part of the standard. We currently don't have a strategy for waste management.

We record what percentage of our waste is re-used or re-cycled for our SHIFT assessment. But this is an anecdotal measurement rather than a measured response.

Criteria 24.

Type of Criteria: Enhanced

Does the housing provider have a strategy for good water management?

If so, how does the housing provider target and measure performance?

SLH Evidence

This is an enhanced part of the standard. We currently don't have a strategy for water management.

We aim to develop a water strategy over the upcoming year to look at water use and water saving.



Governance



Theme 9: Structure and Governance

This theme seeks to assess the inherent characteristics of the organisation and any risks or benefits that may flow from this.

Criteria 25.

Type of Criteria: Core

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

SLH Evidence

South Lakes Housing is a Registered Provider with the Regulator of Social Housing. Registration number 4686.

Criteria 26.

Type of Criteria: Core

What is the most recent regulatory grading/status?

SLH Evidence

Governance G1, Financial Viability V2 (July 2023, following an In-Depth Assessment). Prior to November 2022 graded as G1/V1. The most recent report is here Current regulatory judgement: **South Lakes Housing (5 July 2023) - GOV.UK (www.gov.uk)**

Criteria 27.

Type of Criteria: Core

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

SLH Evidence

National Housing Federation Code of Governance 2020. The Board assesses compliance annually as part of certifying compliance within the annual accounts. The Board last reviewed compliance in August 2023.

Criteria 28.

Type of Criteria: Core

Is the housing provider Not-For-Profit?

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

SLH Evidence

Yes



Criteria 29.

Type of Criteria: Core

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

SLH Evidence

The Board and Committees are led by experienced board and executive level people. The Audit & Risk Committee provides the Board with assurance as to the effectiveness of the risk and internal control frameworks; financial reporting and accounting issues at SLH and oversees both internal and external audit functions.

The Board regularly reviews its composition to ensure that there is sufficient skills and experience in undertaking its strategic objectives and managing risk. Four positions were recruited to in September 2022, including in skills that were identified within the Board Composition Statement, including asset management and decarbonisation, customer experience and insight, business transformation and data.

The Board has overall responsibility for establishing and maintaining the whole system of internal control and reviewing its effectiveness. This includes;

- Financial Planning, Stress Testing & Mitigations.
- Risk Management Strategy.
- Risk Appetite Statement & Board Assurance Framework.
- Development Approval Framework.
- Health & Safety Compliance Reports.

The Top 10 risks monitored by the Board include;

1. Asset management – maximising return on assets
2. Asset management – building safety
3. Flooding (and insurance)
4. Climate change / Energy efficiency (carbon footprint, alternatives to gas boilers, EPC, funding & engagement)
5. Resources (to deliver the business strategy)
6. Organisational capacity (people)
7. Economic/political & affordability
8. Development and shared ownership
9. Service charges / leasehold (income recovery, consultation)
10. Cyber security

Criteria 30.

Type of Criteria: Enhanced

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

SLH Evidence

There have been no adverse regulatory findings in 2022/23.

The Audit & Risk Committee reviews compliance at quarterly meetings. This includes data protection, anti-money laundering, fraud, health & safety data etc



Theme 10: Board and Trustees

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

Criteria 31.

Type of Criteria: Core

**What are the demographics of the board?
And how does this compare to the
demographics of the housing providers
residents?**

Add commentary if useful.

NOTE: Comparison to area operated in has been removed.

SLH Evidence

As at the end of March 2023;

Board Demographics	Tenant Demographics
% of board that are women: 40%	% of residents that are women: 53%
% of Board who are BAME: 0%	% of residents who are BAME: 3.5%
% of Board that have a disability: 10%	% of residents that have a disability: 19%
Average age of board members: 56	Average age of residents members: 55.5
Averaged tenure of board: 3.3 years	

There is a current data project underway to improve tenant profiling data.

The Board agreed a Composition Statement in February 2023, setting out the ideal composition for the Board in accordance with the requirement of its Code of Governance. The Board will seek to reflect the communities it serves within its composition in terms of ethnicity and has a target of 10% ethnic minority representation. It also seeks to have a reasonable gender balance and has a target of 50:50. If the balance of gender falls outside of 60:40, then the Board will consider remedial action to move towards the desired target.

Criteria 32.

Type of Criteria: Core

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

Add commentary if useful.

SLH Evidence

Board turnover last 2 years: $6/11 = 54.5\%$

Management team turnover last 2 years: $2/5 = 40\%$

Overall: $8/16 = 50\%$

SLH adopted the NHF Code of Governance 2020 meaning that that board members usually retire after 6 years which reflects on the board turnover rate. The Executive Team was reorganised in 2021/22.



Criteria 33.

Type of Criteria: Core

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

SLH Evidence

The Board chosen code of governance is the National Housing Federation Code of Governance 2020. The Code states that terms office should not exceed more than six years. The Code of Governance guidance allows for this to be extended on an exception basis subject to an annual review for up to nine years. The Board approved to extend the term of the Chair, to be reviewed in 12 months from the 2023 Annual General Meeting, therefore, for transparency this has been explained in the Strategic report of the accounts.

Criteria 34.

Type of Criteria: Core

What % of the board are non-executive directors?

SLH Evidence

100%

Criteria 35.

Type of Criteria: Core

Number of board members on the Audit Committee with recent and relevant financial experience.

SLH Evidence

There were 3 members of the Committee with relevant financial experience.

Criteria 36.

Type of Criteria: Core

Are there any current executives on the Remuneration Committee?

SLH Evidence

No.

Criteria 37.

Type of Criteria: Core

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

SLH Evidence

Yes, the Board approved a Succession Plan in February 2023. This will include a review of customer voice within the governance structure during 2023/24, recruitment to the Chair of Audit & Risk Committee, recruitment to an independent board member and independent member of the Audit & Risk Committee. The Development Committee will also benefit from a co-optee with specialist development skills. The Board will also review the Chair position later in 2023/24.



Criteria 38.

Type of Criteria: Core

For how many years has the housing provider's current external audit partner been responsible for auditing the accounts?

SLH Evidence

11 years.

There is a tender planned for 2023/24.

Criteria 39.

Type of Criteria: Core

When was the last independently-run, board-effectiveness review?

SLH Evidence

David Tolson Partnership conducted an external board effectiveness review in 2021 and the main actions arising have all been completed. These include;

- Establishing the role of a Senior Independent Director/ Deputy Chair.
- Amending the Committee Structure with the Remuneration and Governance Committee being disbanded.
- Defining the authority levels delegated to the Development Committee.
- Rules changed to remove any local authority nomination rights to the Board and Shareholding.

Criteria 40.

Type of Criteria: Core

Are the roles of the chair of the board and CEO held by two different people?

SLH Evidence

Yes.

Criteria 41.

Type of Criteria: Core

How does the housing provider handle conflicts of interest at the board?

SLH Evidence

Conflicts of interest are declared at the start of all Board meetings.

There is a Board Member declarations register setting out any relationships and potential conflicts. The Board is asked to update this on an annual basis, and to declare any new conflicts prior to entering into a transaction/relationship/ partnership. Any member with a close contact leaves the Board meeting during any relevant discussion/decision. If a conflict cannot be managed then Board members will be asked to stand down.

There is a comprehensive policy framework in place and includes; Anti-Fraud, Bribery & Corruption Policy, Whistleblowing Policy, Probity Policy, Gifts & Hospitality Policy and Code of Conduct.



Theme 11: Staff Wellbeing

This theme seeks to assess how the housing provider supports employees, including equal opportunities and equal pay.

Criteria 42.

Type of Criteria: Core

Does the housing provider pay the Real Living Wage?

SLH Evidence

Yes, we are registered on the Living Wage.org website.

Criteria 43.

Type of Criteria: Core

What is the median gender pay gap?

SLH Evidence

The SLH gender pay gap is 0.8%.

This is much better than the median UK 14.9% (TUC analysis February 2023).

Criteria 44.

Type of Criteria: Enhanced

What is the CEO:median-worker pay ratio?

SLH Evidence

The CEO to median worker pay ratio is 3.57.

TUC research shows median CEO pay at 109 times the median UK full-time worker in 2022.

Criteria 45.

Type of Criteria: Enhanced

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

SLH Evidence

Mental Health

We provide Mental health awareness training to all colleagues. 7 colleagues have mental health first aider training and they are promoted as main contacts with in the business for mental health issues, they have been trained to signpost colleagues that may be in mental distress to the relevant professionals.

Colleagues can also raise a request through their Simply Health benefit (employment assistance programme) and talk to a qualified psychiatrist from Health Assured.

Physical Health

We promote and encourage colleagues to make healthy food choices such as healthy lunch box ideas and healthy recipes. Fruit provided in office once a month as part of Fruit Pursuit.



Criteria 45. (cont'd)

Type of Criteria: Enhanced

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

There is a range of information and advice on the Learning Management System (LMS) with access to exercise advice, healthy eating, tips for managing stress etc.

There is also health and safety courses available for preventing workplace accidents such as manual handling, hand arm vibration etc. Health monitoring is also in place for colleagues whose jobs make them more at risk of exposure to health impacts e.g. spirometry monitoring, skin surveillance, and audiometry. Some referrals have been made to GPs and Occupational Health.

Criteria 46.

Type of Criteria: Enhanced

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

SLH Evidence

In 2022/23 average sickness level was 6.51. This compares to 12 days in 2021/22 and our 2022/23 target of 8 days. The overall average sickness rate was 5.7 days in 2022, according to the ONS (3.6 days public sector and 2.3 days private sector).



Theme 12: Supply Chain Management

This theme seeks to assess the housing provider procures responsibility and sustainable in accordance with national policies and priorities.

Criteria 47.

Type of Criteria: Enhanced

How is Social Value creation considered when procuring goods and services?

SLH Evidence

SLH seeks to deliver Social Value through its procurement practices as we believe that this is essential to the local communities that we serve and operate within.

Social Value is incorporated into all procurements over £100K with the aim of lowering this threshold figure over time. The SLH Procurement Strategy 2022-24 includes an action to improve management information so that SLH has full visibility of SLH spend with local, small and medium enterprises and with voluntary sector groups. We will also seek to establish a single view of spend for all our suppliers and develop mechanisms to record the numbers of local residents employed and trained through our contracts.

A number of contractors are involved in community engagement activity throughout the year, often taking part and providing funds.



Criteria 48.

Type of Criteria: Enhanced

How is Environmental impact considered when procuring goods and services?

SLH Evidence

The SLH Procurement Strategy 2022-24 includes a commitment to support initiatives that deliver a positive economic, social and environmental impact.

At the start of the process a review of the market will be undertaken including an assessment of sustainable criteria (social, economic and environmental) which is approved by the relevant stakeholders and informs the procurement process.

There is a clear commitment to 'limit any negative effect of our activities but bring changes and support initiatives that deliver a positive economic, social and environmental impact.' As we undertake regulated procurement, 'we will attempt to evaluate the major impacts on the environment and the communities around us and engage our suppliers in developing mutually sustainable developments'.

The SLH Sustainability Strategy 2022-27 includes key actions around;

- Carbon Reduction & Energy Efficiency.
- Sustainable Offices & Operations.
- Sustainable Supply Chain.



You can contact Customer Services at customerservices@southlakeshousing.co.uk or telephone **0300 303 8540** if you require any further information detailed in this ESG report.

Registered Office Address

Bridge Mills Business Centre,
Stramongate, Kendal LA9 4BD

Tel: 0300 303 8540

Email: customerservices@southlakeshousing.co.uk

Kendal office opening times

Monday to Friday 8.45am – 5.00pm.