

Environmental, Social and Governance Report 2023



Because good homes
make everything possible





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We're delighted to present our third Environmental, Social and Governance (ESG) Report.

Our 2023 ESG report details our performance in line with the Sustainability Reporting Standard for social housing, which encompasses 12 core themes and 48 criteria split across three sections: Environmental, Social, and Governance. The report provides detailed references to these themes and criteria, offering comprehensive information on how we ensure compliance with each. The report identifies our social value and environmental impact, as well as the governance principles we adopt and intend to strengthen further.

Our revised 2021-2024 Sustainability Strategy has further enhanced our plans to becoming more environmentally sustainable. This year we have taken significant steps relating to our targets of ensuring all homes reach the energy performance certificate (EPC) Band C, at a minimum, by 2030; and we are Net Zero carbon as an organisation, by 2050. With over 20,000 homes under management this represents a significant financial and logistical challenge. But it's a challenge that we are steadfastly committed to facing head-on and overcoming. Moreover, we have successfully bid for almost £9.8 million from the Government's Social Housing Decarbonisation Fund (SHDF) which will be match funded by our own investment. This will be used toward improving 2,043 homes by making them healthier and easier to heat.

Our commitment to our social purpose remains unwavering. Throughout the past year, we've been working to strengthen our service to residents and continue to offer additional support through our Charitable Fund. We are committed to further building on this foundation and nurturing our connections with individuals and the communities in which we operate.

Publishing our ESG report annually with a consistent reporting approach ensures that we are holding ourselves accountable. We have a great deal to accomplish, and this presents a genuine opportunity to make positive changes for our residents, colleagues, and the wider community. With a strong belief that we are heading in the right direction, we are resolutely focused on embedding ESG into our processes and achieving our goals.



Peter Benz
Executive Director of Finance
at Network Homes

How do we measure our performance?

We measure our performance against business consultancy, The Good Economy's Sustainability Reporting Standard metrics and the United Nation's Sustainable Development Goal metrics, most notably on:

Environmental

- Number and proportion of homes utilising renewable energy sources
- Number and proportion of all homes achieving EPC 'C' rating or better
- Number and proportion of homes built in the year achieving EPC 'B' rating or better.

Social

- Number of affordable (sub-market) new homes built
- Proportion of all new rented homes occupied by those in 'priority need' or given 'reasonable preference', as determined by the relevant local authority's nomination process
- Proportion of all new homes which are an affordable housing product
- Average rent on rented new build homes as a proportion of Local Housing Allowance (LHA).



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Affordability & security

C1. For properties that are subject to the rent regulation regime, report against one or more affordability metric: 1) Rent compared to median private rental sector (PRS) rent across the local authority. 2) Rent compared to Local Housing Allowance (LHA)

Network Homes owns and manages both regulated and non-regulated homes. Regulated homes rent is set and reviewed in line with the Rent Standard. “Social Rents” are set using the Government’s approved formula based on relative value of the property, relative local income, and size of the property. “Affordable rent” is based on the local market rent and is set up to 80% of market rent for an equivalent property based on size and location.

The main determinants for setting new or re-let rent are (1) Formula Rent Calculator, (2) Hometrack – approved by The Royal Institution of Chartered Surveyors (RICS) and, (3) Local Housing Allowance data available on GOV.UK website. The affordability assessment is on two broad categories of stock: General Need and Housing for Older People (GNOP); and affordable rent. Our average rent for GNOP units will be compared with the median Private Rental Sector (PRS) rent. Similarly, reasonableness of affordable rent will be examined by comparing our average affordable rent with median PRS rent and the Local Housing Allowance (LHA). Private rental prices paid by tenants in the UK rose by 4.4% in 12 months to January 2023 and annual rent increases for GNOP and affordable rent for 2022/23 is limited to September CPI + 1% (4.1%). LHA rates for 2022/23 continue to align with the rate which came into force on 1 April 2020. The review is restricted to 14 local authorities where Network Homes has 100 or more GNOP and affordable rent units.

1. GNOP average rent compared to median PRS rent

The average GNOP rent across all local authorities with bedrooms combined is 43% of median PRS rent (2022: 42%). This suggests an average discount of 57% across all 14 local authorities for all bed sizes. The highest discount is maintained at City of Westminster at 69% (2022: 70%). The lowest discount is also maintained at East Herts at 46% (2022: 50%).

Analysis based on bedroom sizes across all local authorities demonstrates that properties with four or more bedrooms offer the highest discount at 77% across all local authorities with an average rent of 23% (2022: 23%). The studios provide an average rent of 62% (2022: 60%), with a resultant discount of 38% (2022: 40%).

2. Affordable average rent compared to median PRS rent and LHA rent

The average affordable rent across all local authorities with bedrooms combined is 67% of median PRS rent (2022: 67%). The average discount is 33% across all 14 local authorities for all bedroom sizes, unchanged from 2021/22. The highest discount is maintained at City of Westminster at 46% (2022: 45%). The lowest discount is at East Herts at 23% (2022: 26% at London Borough of Barnet).

The average affordable rent is 77% of the LHA across all local authorities and bedroom sizes, giving a discount of 23% (2022: affordable rent was 74% of LHA with 26% discount). The highest average affordable rent of the LHA is maintained at Westminster at 86% (2022: 83%). The lowest is also maintained at the London Borough of Tower Hamlets at 63% (2022: 60%).

Analysis based on bedroom sizes across all local authorities demonstrates the average affordable rent of the median PRS rent for properties with four or more bedrooms offer the highest discount at 66% with an average rent of 34% (2022: 69% and 31% for discount and average rent respectively). The studios’ provide an average rent of 93% with a resultant discount of 7% (2022: 92% and 8% for average rent and discount correspondingly). For comparison of average rent to LHA for all local authorities, the studios average rent is 91% of the LHA (2022: 87%) and properties with four or more bedrooms is 55% of the LHA (2022: 53%). This offers a discount of 9% and 45% respectively (2022: 13% and 47%).

3. Average rent comparison between London Region and Outer Region – London Borough of Brent and East Herts

The London Borough of Brent and the Hertfordshire district of East Herts are two local authority areas where Network Homes has a significant amount of stock for GNOP units and affordable units. Below is how average rents for GNOP units and

affordable units compare to median PRS rent and LHA for the two local authorities.

3.1 GNOP average rent compared to median PRS rent

In a similar manner to the wider analysis for the 14 local authorities, the properties with four or more bedrooms for Brent and East Herts offer the highest discount at 67% and 63% with an average rent of 33% and 37% respectively (2022: Brent discount was 67% and 64% for East Herts). The studios at Brent offer the lowest discount in the bedroom category with an average rent of 85% and a discount of 15% (2022: average rent of 83% and 17% discount).

3.2 Affordable average rent compared to median PRS rent & LHA rent

Average affordable rents of median PRS rent: the one plus bedroom properties offer the highest discount for both Brent and East Herts. The average rent is 38% and 50% which provides a discount rate of 62% and 50% respectively (2022: Brent average rent was 39% and East Herts 48%). The one-bedroom properties at East Herts offer the lowest discount at 27% with an average rent of 73%, while the one-bedroom and two-bedroom properties in Brent provide the same discount at 20% with an average rent of 80% (2022: one-bedrooms for Brent and East Herts offer the lowest discount at 20% and 28% with an average rent at 80% and 72% respectively).

Average rent compared to LHA rent: the four plus bedroom properties for both Brent and East Herts offer the highest discount at 57% and 32% with average rent of LHA at 43% and 68% respectively (2022: Brent discount is 59% and East Herts is 35%). Meanwhile, the one-bedroom properties at Brent provide the lowest discount at 17% with an average rent on LHA at 83% (2022: Brent 1-bedroom properties discount at 20%). While East Herts two-bedroom properties offer the lowest discount at 13% with an average rent on LHA at 87% (2022: East Herts two-bedrooms discount at 17%).

4. GNOP average rent compared to rent caps

For all 14 local authorities and bed sizes combined, the average rent is 81% of rent caps with a ‘headroom’ of 19%. The average rent of bedsits and 1-bedroom properties is 75% of rent cap and offers the highest ‘headroom’ of 25%. While the average rent of four-bedroom properties

is 86% of rent cap, with the lowest 'headroom' of 14%.

5. Estimated annual discount per home

The estimated discount on GNOP rent and affordable rent is based on the difference between the average rent, median PRS rent, and LHA rates. The approximate discount based on the PRS median rent for GNOP units is approximately £13,471 per annum, per home with an annual total of circa £124 million (2022: £12,752 per annum, per home, with a total of circa £116 million).

Estimated average discount based on PRS median rent for Affordable units is approximately £8,278 per annum, per home with an annual total of circa £21 million (2022: £7,832 per annum, per home, with a total of circa £19 million).

Predicted discount for affordable rent, based on the difference between average rent and LHA rates, is £3,151 per annum, per home with an annual total of circa £7 million (2022: £3,562 per annum, per home, with a total of circa £8 million). If all applicable factors are considered, the actual discount is certainly higher than these estimates. We're committed to the continuous improvement of our data and analysis in this area.

C2. Share, and number, of existing homes (homes completed before the start of the previous 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 rental sector.

At the end of March 2023, Network Homes either owned or managed 20,619 social housing units out of a total of 21,176 homes (97%), this is inclusive of social rent, social leasehold, supported housing, housing for older people, key workers, and affordable housing units. The remaining units are a combination of non-social leasehold, build to rent, and London Living Rent units.

C3. Share, and number of new homes (homes that were completed in the previous 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 rental sector.

In the last year Network Homes developed 207 units investing £151.5 million in property development during the year (see table below).

Tenure	2022/23 Units
Social rent	-
Affordable rent	35
London Affordable rent	44
Shared Ownership	82
London Living Rent	46
Care homes	-
Private sales	-
Total	207

C4. How is Network Homes trying to reduce the effect of fuel poverty on residents?

The main causes of fuel poverty are energy inefficient homes, high energy bills, and low income, which we are addressing through various initiatives. This includes the long-term objective to improve the efficiency of our homes by bringing all our properties up to a minimum EPC 'C' rating by 2030 and Net Zero by 2050.

We've successfully bid for almost for almost £9.8 million towards improving 2,043 homes by making them healthier, easier to heat, and more environmentally friendly. The money comes from the Government's Social Housing Decarbonisation Fund (SHDF) set up by the Department for Energy Security and Net Zero to provide match-funding to social landlords nationwide to bring under-performing homes up to EPC 'C'. The match-funding will be used for external wall insulation, renewals of double-glazing and doors, as well as loft and underfloor insulation. The improvement works start this year and should be completed by 2026.

Our website provides information on energy conservation, switching to smart metering, and how to use thermostats and timers more effectively, as well as fuel poverty advice. Energy advice is also included in our 'Network Life' newsletter to residents.

C5. What % of rental homes have a 3-year fixed tenancy agreement (or longer)?

Network Homes has taken the decision

to transfer our fixed-term tenancies into secure tenancies to provide more security for our residents. Since January 2022, we have converted 1,121 fixed-term tenancies (51.6%). The remaining 1,049 fixed-term tenancies (48.3%) will be converted between April and October 2023.

Building safety and quality

C6. What % of homes with a gas appliance have an in-date accredited gas safety check?

On 31st March 2023, we were 100% compliant across 10,489 properties requiring a landlord gas safety record annually. All appliances are checked as part of our gas servicing process, and we have managed to maintain 100% compliance through robust access and legal procedures running on a 10-month cycle. We ensure that all operatives employed by our contractors are competent and that customer service and safety is at the heart of our service delivery.

C7. What % of buildings have an in-date and compliant Fire Risk Assessment?

On 31 March 2023, we were 100% compliant across 1,730 blocks requiring a fire risk assessment. Properties are carried out on either a one, two or three-year programme cycle. The frequency of inspection is determined by the risk associated with the building. We ensure that our industry leading contractor is competent to carry out the fire risk assessments and that they are engaged with the industry, keeping us updated on all relevant industry changes and developments.

C8. What % of homes meet the Decent Homes Standard?

For the properties with stock condition data, 100% of homes met the Decent Homes Standard. In cases where tenants have refused improvement works, social landlords can report non-decent homes as decent. Out of 16,656 properties, 168 fall into this category. There are a further 755 properties with insufficient data or no data available to calculate the Decent Homes Standards. We continue to make a concerted effort to access these properties with the intention of collecting data and bringing them in line with the Decent



Homes Standard. Additionally, we make allowances in our reactive maintenance budget to respond to any homes which fall into non-decency.

Resident voice

C9. What arrangements are in place to enable the resident to hold management to account for provision of services?

We provide a range of activities for residents to get involved and hold us to account. The full list of offers is on our website: <https://www.networkhomes.org.uk/get-involved/>. Our aim is to ensure there is an assortment of offers to suit residents' interests, availability, and skill sets. We encourage residents to challenge us, and feedback is used to shape the services we provide to them.

Our Local Panels, based in London and Hertford, operate at a strategic level, as part of our governance structure, with both Chairs also sitting on our Customer Service Committee. This reporting line ensures the feedback from the panels is taken into consideration by the Board when they are making decisions. The panels are consulted on all significant changes to strategies and policies which are likely to affect most residents.

We have a database of Involved Residents, who are regularly contacted to participate in feedback sessions to help us improve our services. The feedback received from all Involved Residents is reported into the Local Panels.

Throughout the year, we run several events and activities to engage with residents who may not already be involved with us. These include in-person and online events to ensure residents have a choice that works for them. We also conduct a mystery shopping exercise, focusing on services provided by the Contact Centre, as well as continuing work with the Readers Group, Young Ambassadors, Sustainability Ambassadors, Community Ambassadors, Digital Champions, Resident Quality Champions, and Continuous Improvement Panel.

C10. How does Network Homes measure Resident Satisfaction and how has resident satisfaction changed over the last three years?

Our method is based on the occasions when residents interact with us. We call

these 'transactions'. A transaction might be a call to our contact centre, getting a repair done, or moving into a new home. At the end of a transaction, we will often ask residents to tell us how satisfied they were with how we handled that transaction. We use a standard 5-point scale to score the answers and the results are expressed in percentage terms. For instance, it can be said that 84.6% of residents surveyed during the financial year 2022/23 were satisfied or very satisfied with the services provided by Network Homes.

We report on performance to our executive team, Board, and Customer Service Committee. We also involve residents in scrutinising performance and suggesting improvements, through our Resident Panels.

Overall resident satisfaction with Network Homes		
2022/23	2021/22	2020/21
84.6%	85.4%	88.2%

Although Network Homes has consistently recorded one of the highest resident satisfaction results compared to our G15 peers, the last three years has seen a steady decrease in the satisfaction levels recorded. We also report the measure of dissatisfaction score to ensure ongoing focus on minimising and preventing negative resident experiences despite our consistently high satisfaction scores.

C11. In the last 12 months, how many complaints have been upheld by the Housing Ombudsman. How have these complaints (or others) resulted in change of practice within the housing provider?

Between 1 April 2022 and 31 March 2023 there were 22 Ombudsman decisions received, some of which issued multiple determinations totalling 34.

Out of these, 17 determinations were found against Network Homes (in favour of the resident), they included:

- nine for service failures (lesser form of maladministration)
- eight for maladministration.

The nine underlying Service Failure cases covered the following areas:

- complaint handling delays
- damp and mould
- balcony leaks

- parking bay allocation
- lack of updates and communication.

The eight underlying maladministration cases covered the following areas:

- repairs to internal windows
- confusion over leaseholder repair responsibility (leak)
- failure to complete void repairs
- parking bay allocation
- handling of leaks from neighbouring property
- anti-social behaviour
- record keeping.

Lessons/improvements arising from failing:

The following policies have been updated and shared online to aid transparency:

- Complaints policy
- Compensation policy
- Habitual complainant policy and
- Complaint Handling Code self-certification.

We have changed our policy on mutual exchanges and reviewed our policies and processes to make sure they are compliant with the Ombudsman's latest iteration of the complaint handling code. Our Anti-Social Behaviour policy has been reviewed and updated to reflect the Ombudsman's feedback as well as issues identified by our Neighbourhood Team.

Additionally, we have agreed to review our "On it" pledge (which encourages all teams to provide a swift response to residents and colleagues) with various stakeholders within Network Homes to determine how we can refocus and drive through further improvements and better communications with staff and residents. We have also agreed to roll out a workshop to review the last six Ombudsman determinations. The aim of this is to identify where we can make change and reduce repeat complaints. If deemed a success, we will commit to completing a review each quarter moving forwards.

Resident support

C12. What support services does Network Homes offer to residents. How successful are these services in improving outcomes?

In April 2020, we launched the Charitable Fund which is managed through our Network Cares project team. The initial 2022 budget allocation was £140,000 but was increased to £167,000.

Over the winter period we saw an increase in requests from residents. In recognition of the overall increase in cost of living, we have increased the amounts provided for food and energy vouchers. As of 17 February 2023, we have provided £128,200 of support.

The support we provide is broken down in the table below.

We send an online survey to all residents supported through the Charitable Fund to deepen our understanding of how it impacts their financial situation, family life, physical and mental wellbeing, and making their house feel like a home. On the following page is some feedback from residents we have supported through our Charitable Fund.

The Charitable Fund also supports events in the communities we work in.

In June 2023, we were proud to donate £2,000 to the Hertfordshire Festival of Music - an annual summer festival of classical music with masterclass sessions and projects including Music in Mind, which is specifically for people with dementia, relaxed performances catering to those with autism, as well as an education project for primary school children. As part of our partnership, there were also special performances in some of our Older Person schemes in the area so residents could



Network Homes supports environmentally friendly community fridge in Sele Farm

We joined with partners to support an environmentally friendly community fridge in Sele Farm, Hertford. Known as the Hertford Pantry, it officially opened on Saturday 8 October 2022, featuring food collected from local shops and supermarkets which would otherwise be disposed of before its sell-by-date.

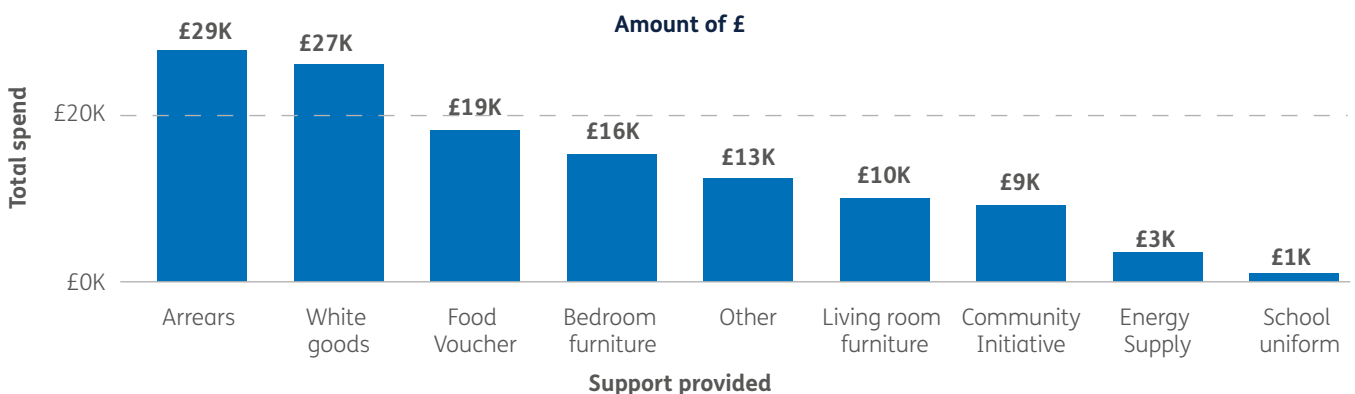
In the first week, the initiative provided food to 225 families and stopped 41

supermarket trays of food going to landfill. The idea behind community fridges is to offer a space which brings people together to eat, connect, learn new skills, and reduce food waste. Surplus food from supermarkets, local food businesses, producers, households, and gardens can be shared with those in need. The Hertford Pantry project was an extension of existing well-established local collection, distribution, and volunteer networks, and involved teaming up with 'Hertford'.

enjoy live classical music from the comfort of their scheme lounge.

Back in April 2023, a group of residents got in touch with us to say they wanted re-vamp their communal areas for summer and the Charitable Fund provided everything that was needed to ensure the work could be done easily and costing as little as possible for residents. Colleagues from Network Homes and

residents came together to make the best of their communal space. Working with residents who have ideas to improve their communities is a great way for us to engage with community leaders and empowers the local community to have more control over their local spaces. We will continue to work with residents who have ideas to see how else we can support them organising change in their communities.

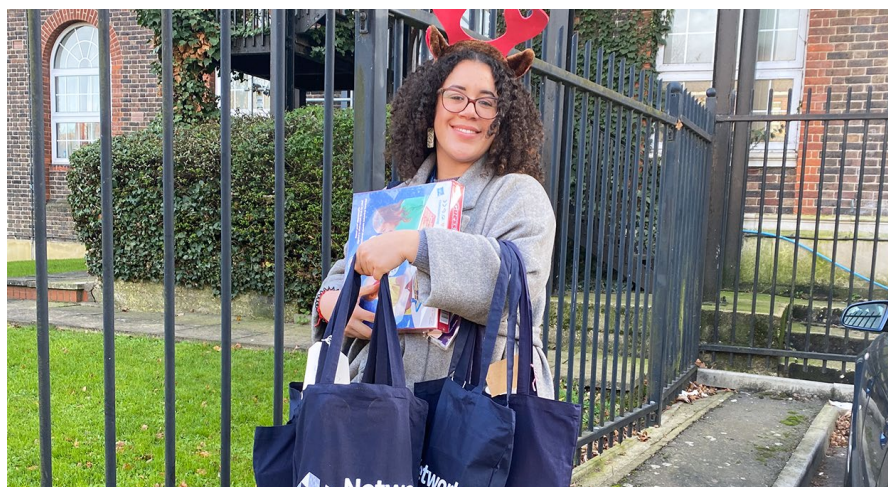




“Thank you so much for the support. I’ve been suffering really bad anxiety, worrying about how I’m going to keep my children warm this school break. Your help will make my children have a warm place this Christmas and will help us get through these cold times”

“Thank you for the £130 Tesco’s Food vouchers. I really appreciated your sympathy and care.”

“Great, thank you so much! You’ve been a Godsend.”



We spread festive cheer by delivering over 410 gift bags filled with presents for families across London and East Herts!

Thirty-nine colleagues and two members of our Local Panel for Hertford and Outside London gave Santa a run for his money knocking on doors at 24 locations to deliver presents to children living there.

In the run up to the big day, we gift bagged over 650 toys, games, and stocking fillers in record time! We ensured presents were well suited to all

genders and a wide range of age groups from 0 up to 17 years old.

The festive gifts were well received by residents who were grateful for the surprise! It was a great day full of lots of joy and many happy parents, grandparents, and guardians who were glad to see us out and about.

We worked with local community groups to donate all remaining gifts to children who have survived domestic abuse and Kaotic Angels, a Hertford-based charitable organisation who are collecting toys to give to children in local hospices and hospitals.

Placemaking

C13. Provide examples of case studies of where Network Homes has been engaged in placemaking or placeshaping activities.

We invited residents and members of the local community to celebrate the completion of a new children’s play area in Sele Farm, Hertford, on Sunday 27 November. It was officially opened by the Mayor of Hertford, Cllr Sue Barber, with a free outdoor concert performed by the Hertford Dramatic and Operatic Society (pictured). The play area includes a natural amphitheatre, play boulders, and new designated areas filled with plants and trees. It was designed by Groundworks UK, with construction completed by Land Unit Construction. We hope it will encourage children to be interested in nature and the outdoors. A newly formed resident gardening group work closely with Network Homes and the ground maintenance contractors, New Green, to support the

ongoing development of the play area and garden.

The completion of the play area marks the final piece of the regeneration jigsaw which has seen Network Homes and East Herts Council transform the former 1960s Ridgeway estate into a new neighbourhood of 120 new homes.

In April 2023, work began on the first phase of the major regeneration project at Northwick Park in Brent. Once complete, the first phase will deliver 654 affordable homes including London Affordable Rent, London Living Rent, Intermediate Rent (for key workers) and Shared Ownership. The overall regeneration of Northwick Park will provide 1,600 new homes, delivered over multiple phases. There will be extensive consultation with current residents before work on further phases begin.

The transformation of Northwick Park will bring significant improvements to existing community facilities. The community centre has almost doubled in size while

construction of the new Estate Office and a Resident Resource Centre has already been completed. The development will utilise brownfield land to provide new public amenity space, improved cycling, and walking routes, as well as shops, commercial space, 50,000m2 of student facilities, and a new nursery for local children. It will also improve access to open space within the development and through new links to the Northwick Park playing fields.



Environmental

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Climate change

In 2022, we completed our third Sustainable Homes Index for Tomorrow (SHIFT) assessment and achieved the SHIFT Silver standard with a score of 53.23, ranking us 13th out of 40 most recent SHIFT assessments at the time.

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

Our EPC ratings are calculated from our stock condition database and are collected as part of our condition survey by accredited Reduced Data Standard Assessment Procedure (RdSAP) surveyors. The surveys are recorded in RdSAP 2 005 formats and converted to RdSAP 2009/12 to produce SAP ratings for approximately 95% of our rented stock. We continue to update our RdSAP data with improvements made via our planned maintenance programmes. Since the establishment of our EPC data in 2014 our planned maintenance programmes have contributed on average to a 6.3 increase in SAP.

All our homes have an EPC rating. Any homes that were inaccessible when completing energy performance inspections had their EPC generated using cloning. This meant for such properties EPC ratings were based on the data available from neighbouring properties.

All void properties have an EPC rating conducted as part of our standard void property process. Any missing SAP ratings reside in our new build stock which we are in the process of surveying. 85% of our current EPC ratings were produced in 2014-15 stock condition survey with the remaining produced in the 2016 and 2019 surveys.

EPC Rating	% of Properties
A	0.21%
B	25.22%
C	41.99%
D	26.52%
E	5.60%
F	0.40%
G	0.05%
Grand Total	100.00%

% of homes without an EPC rating – 0.33%

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

In the last financial year, we have completed 220 new homes with 100% being EPC band B or above.

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

The Streamlined Energy and Carbon Report (SECR) Statement complies with the latest SECR Regulations delivered by Suss Housing through the SHIFT assessment and reports on the Green House Gas emissions and energy use for period 1 April 2022 to 31 March 2023. These results are taken from our latest SHIFT report.

The basic scope emissions can be calculated through the data on our SHIFT report. We have excluded supply chain data from scope 3, as recommended by SHIFT, as it is a different order of accuracy to the rest of the data.

Scope 1: 5,526.71 tonnes CO₂e

Scope 2: 2,485.93 tonnes CO₂e

Scope 3: 35,892.15 tonnes CO₂e

C17. What energy efficiency actions has the Housing Provider undertaken in the last 12 months?

We've successfully bid for almost £9.8 million towards improving 2,043 homes by making them healthier, easier to heat, and more environmentally friendly. The money comes from the Government's Social Housing Decarbonisation Fund (SHDF) set up by the Department for Energy Security and Net Zero to provide match-funding to social landlords nationwide to bring under-performing homes up to EPC C. We will match the funding provided to implement a retrofit planned maintenance programme which will involve a fabric first approach to our existing homes. This will initially be directed toward our worst performing properties and will be used for external wall insulation, renewals of double-glazing and doors, as well as loft and underfloor insulation. The improvement works start this year and should be completed by 2026.

We have also adopted a Net Zero road map which details how we aim to achieve Net Zero by 2050 along with the development of an Energy Efficiency and Affordable Warmth Action Plan.

C18. How is the Housing Provider mitigating the following climate risks: Increased flood risk, Increased risk of homes overheating?

Our Design Guide for new builds emphasises the importance of a "Passive First" approach to carbon reduction and climate risks by first considering:

- which way the building is facing
- insulation
- orientation of windows
- how well unwanted draughts are controlled or eliminated
- how well the building absorbs, stores, and releases heat.

All of which help mitigate the risks of homes overheating. It is estimated that 41.5% of homes are at low risk of overheating. For existing homes, our fabric-first approach to retrofitting is designed to optimise energy efficiency and overall comfort by prioritising the building's fabric components. One of the key elements of this approach is the implementation of controlled ventilation systems, which play a crucial role in enhancing indoor air quality and mitigating the risk of overheating.

In our efforts to mitigate the risk of flooding, we have implemented innovative and nature-based solutions to enhance the resilience of urban areas. One of the primary strategies we have adopted is sustainable drainage systems. We have de-paved certain areas and introduced additional green spaces, and green/blue roofs to temporarily store rainwater, reducing the pressure on conventional drainage systems and minimising flood risk. This has been achieved by combining de-paved areas, green spaces, blue/green roofs, and a well-designed sustainable drainage strategy. Our approach proactively addresses the challenges of increased flood risk while promoting a greener, more sustainable urban landscape.

C19. Does Network Homes give residents information about correct ventilation, heating, recycling etc. Please describe how this is done.

We send our residents documents containing information on managing their home such as on gas and electricity, repair responsibilities, fire safety, managing condensation and our Customer Charter.

Environmental

During the onboarding process, we complete home demonstrations, and provide residents with information on condensation prevention, and how the heating systems work. We also signpost them to the recycling bins/areas.

There is a dedicated advice section on our website which includes tips for saving energy, and information on the causes of damp, mould, and condensation, how to tackle it, and how we manage these issues.

Our Resident Engagement team have also held sustainability events for residents with specific discussions surrounding heating and recycling.



Ecology

C20. How is Network Homes increasing green space and promoting biodiversity on or near homes?

We are a founder and continuing member of the Green Spaces Advisory Board which is developing – and aiming to disseminate widely – good practice guidance on maximising biodiversity for social landlords, within existing funding envelopes. Once this guidance is finalised, we will look to implement relevant parts into our operations.

In December 2022, volunteers from Network Homes, Wates, and Brent Council alongside volunteer residents came together to plant a new ‘Miyawaki’ forest at King Edward VII Park in Wembley. They planted 600 trees at the 200 square metre site now known as the ‘Queen Elizabeth Platinum Jubilee Forest’. The Miyawaki

forest is the brainchild of Network Homes’ resident Nichola Rogers, with the project funded by Wates. Such mini forests are named after the Japanese botanist Dr Akira Miyawaki and is a method of using a range of native woodland species of trees that would occur naturally in that area by creating a diverse, multi-layered woodland. The trees are planted at very high densities and will be beneficial to wildlife in an area around the size of a tennis court.

“Projects like this create environmental awareness and bring attention to the many reasons why it’s so important to have more green spaces. Green spaces help fight biodiversity loss, filter general environmental pollution, as well as offsetting carbon emissions. It also provides a variety of mental and physical benefits for people too. It feels amazing to have manifested Brent’s first Miyawaki urban forest, I would love to create more urban forests in Brent and around London. I am truly grateful to have had

this opportunity and for the support of the amazing companies I worked with” – Nichola Rogers, Network Homes Sustainability Ambassador.

C21. Does Network Homes have a strategy to actively manage and reduce all pollutants? If so, how does you target and measure performance?

Network Homes has a reactive repairs service and we conduct inspections during property visits. All Surveyors have had the relevant training of hazards within our homes. Through our SECR completed through the SHIFT analysis we measure CO2 and GHG emissions following Scope 1, 2, and 3 (tonnes CO2e).

We follow procurement protocols and ensure our supply chain have all the necessary accreditations and ask qualitative questions about efficiency and waste management to manage and reduce all pollutants.



Volunteers plant 5,000 daffodils in Sele Farm

Volunteers from Network Homes Braved the cold on Wednesday 30 November to plant 5,000 daffodil bulbs around Sele Farm in Hertford. They spent the morning planting the bulbs just in time for them to grow into daffodils and bloom in spring to brighten up the local area.

Network Homes colleagues were joined by residents, and by Cllr Mary Brady, a councillor on Hertford Town Council

and East Herts Council, who was happy to muck in. Bulbs were funded from resident customers of the Sele Farm Co-op, which provided a community grant to Network’s Sele Community Hub.

The project contributed to our Giving Something Local scheme which sees us deliver a variety of activities to residents and communities ranging from gardening to IT drop-in sessions. Every employee of Network Homes gets up to two volunteer days per year in order to give something back to residents and communities.

Resource management

C22. Does Network Homes 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?

The Procurement team will be working over the next year to create a revised Employers Requirements with help from across the business to provide responsibly sourced materials for all buildings works.

We require responsibly sourced timber currently and are committed to minimising the environmental impact of our homes through these procurement activities.

Contract managers must collect environmental performance metrics from contractors and report on an annual basis.

C23. Does Network Homes have strategy for waste management incorporating building materials? If so, how do you target and measure performance?

Each site has a waste management plan as part of the CDM regulation for 2015, which we are required to comply

with along with building regulations and planning requirements. When we procure contractors to be on our framework, they are required to tell us about their waste management and what measures they have in place to ensure sustainability for their services and are scored on that basis. This is factored into which contractor is picked for each framework.

As part of the SHIFT assessment, we measure the waste and recycling amounts generated from our offices. From April 2022 to March 2023, the estimated total waste generated at our three main offices was 48.2 tonnes (200kg per FTE employee). Recycling data showed that 100% of waste recycled or diverted from landfill as non-recycled waste is used as RDF (Refuse Derived Fuel).

C24. Does Network Homes have a strategy for good water management? If so, how do you target and measure performance?

The SHIFT water efficiency estimator tool was used to calculate the water usage for Network Homes' head office at The Hive in Wembley. Water consumption is estimated to be 1,773.51m³, equating to 7.36m³ per employee.

Across our housing stock, we are working to reduce water consumption. Our New Build team are gathering information and setting targets for a sustainable water cycle.

At Wembley High Road, we're installing low-flow sanitary ware and appliances to help us meet our daily target of 105 litres per head. Most of our other schemes comply with this target.

The overall approach at Wembley High Road is to create a well-designed sustainable drainage system. The implementation of blue (395m²) and green (361m²) roofs increases capacity to attenuate run off water, discharging it completely over a 24-hour period. At street level, we will de-pave certain areas (85m²) and introduce soft landscaping to intercept surface runoff. A similar strategy is in place for Orion Park.



Governance

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Structure and governance

C25. Is Network Homes registered with a Regulator of Social Housing?

Yes.

C26. What is the most recent viability and governance regulatory grading?

Network Homes is a Registered Provider for social housing. As part of the Regulator for Social Housing (RSH) regulatory regime, it assesses compliance against the Governance and Financial Viability Standard.

We were last reviewed for compliance in June 2021 where our previously awarded rating of Governance (G) 1 and Viability (V) 2 was maintained.

This regulatory regime enables the RSH to assess our compliance with regulatory standards in terms of being able to meet financial obligations, our approach to value for money, and our governance arrangements.

All ratings go from 1 - 3. G1 is the top rating available demonstrating that Network Homes meets the RSH governance requirements. V2 is a compliant rating but reflects the fact that Network Homes faces risks which we need to be managed well due to our appetite for building large numbers of new affordable homes. These are the ratings that our Board have set for

us to achieve as they are in keeping with our appetite and strategic approach.

C27. What Code of Governance does Network Homes follow, if any?

Network Homes continues to comply with the requirements of the NHF 2020 Code of Governance. The Code is designed to help housing providers achieve the highest standards of governance and board excellence.

C28. Is Network Homes not-for-profit? If no, who is the largest shareholder, what is your % of economic ownership and what % of voting rights do they control?

Yes, we're not-for-profit.

C29. Explain Network Homes' board managed organisation risk.

Risk management within Network Homes is concerned with protecting the organisation's ability to achieve our objectives and ensuring that we have effective and sound practices in place to respond to risk. Risk management is therefore an essential part of our governance processes and forms part of our organisational management framework.

Our approach to risk management and internal control is designed to embed risk management into the ethos, culture, policies, and practices of the organisation so that risk management is an integral part of its governance, management and decision making.

The Risk Management and Escalation Policy is reviewed annually. It is presented to the Risk Panel followed by the Audit and Risk Committee for approval. At the annual Away Day, the Board reviews Network Homes' risk exposure and redefines its risk appetite. Risk registers are maintained on several levels within the business. Risks that are rated as 'high' are considered for escalation to the Corporate Risk Register.

As part of the 2022/23 Internal Audit programme, an external review was sought of our risk assurance framework – this was externally commissioned as our Internal Audit team are closely involved in our risk management process. This gave the highest ratings of 'substantial' design and 'substantial' execution. There were zero high priority recommendations, zero medium priority recommendations, and nine low priority recommendations. All these nine low priority recommendations were accepted by management and are now in the process of being implemented.

C30. Has Network Homes been subject to any adverse regulatory findings in the last 12 months (e.g. data protection breaches, bribery, money laundering, HSE breaches or notices) – that resulted in enforcement or other equivalent action?

We haven't. There have been no ICO rulings which are different to that which Network Homes has identified as the agreed and requisite action.



Diversity – Board/Committees v Residents

Board/Committee	#	Age Group	Gender	Gender different from birth	Marital Status	Disability	Sexuality	Ethnicity	Religion
NHL Board	9	35-44 – 10% 45-54 – 44% 55-64 – 22% 65+ – 22%	Female – 56% Male – 44%	None changed gender since birth	Married/ civil partnership – 78% Co-habiting – 11% Prefer not to say – 11%	No – 78% Prefer not to say – 11%	Heterosexual – 78% Gay or lesbian – 11% Don't know – 11%	67% White British 11% Mixed/Multiple ethnic group 11% Black/African/Caribbean/ Black British 11% Don't know	33% Christian 44% no religion 11% prefer not to say 11% don't know
NHL Residents	15,721	Blank 2.13% 18-24 – 1.64% 25-34 – 12.61% 35-44 – 17.80% 45-54 – 19.47% 55-64 – 20.53% 65+ – 25.62%	Female – 60.31% Male – 37.59% Unknown – 2.09%	N/A	Blank – 98.12% Co-habiting – 0.1% Divorced 0.06% Married 0.53% Single 1.18%	No – 93.59% Yes – 6.34% Unknown – 0.07%	Heterosexual – 59.96% No data – 39.18% Bi-sexual – 0.38% Gay man – 0.37%	30.29% White British 20.25% No data 11.62% Black or Black-British Caribbean 11.60% Black or Black-British African 7.55% White Other 3.91% Asian or Asian-British Other 3.42% Asian or Asian-British Indian 2.78% White Irish 1.72% Asian or Asian-British Bangladeshi 1.67% Mixed White and Black Caribbean 1.39% Black or Black-British Other 1.23% Asian or Asian-British Pakistani 0.97% Mixed Other 0.90% Mixed White and Black African 0.39% Chinese 0.29% Mixed White and Asian 0.02% Gypsy, Romany or Irish Traveller	41.4% No data 33.0% Christian 12.1% No Religion 10.7% Muslim 1.7% Hindu 0.6% Buddhist 0.3% Jewish 0.2% Sikh 0.1% Rastafarian

Board and trustees

C31. What are the demographics of the Board? And how does this compare to the demographics of your residents, and the area that you operate in? Add commentary if useful.

As of March 2023, we have 11 Board members and a further five non-board committee members who supplement the skills and experience of Committees. The Chair is an interim Chair.

In March 2023, the Board of Network Homes announced our intention to merge with Sovereign Housing Association in October 2023. A Common Board, made up of representatives from both organisations, will oversee the merged organisation from October 2023.

C32. What % of the Board AND management team have turned over in the last two years? Add commentary if useful.

In April 2022, the permanent Chair of the Board resigned to take up another position as the Chair of the Regulator for Social Housing and an interim chair was appointed from the members. Another retirement in November 2022 meant there were three vacancies on the Board, including the vacancy carried from previous years. Committee members were invited to express an interest in serving on the Board and Network Homes was delighted to welcome two non-board committee members as members of the Board.

C33. Is there a maximum tenure for a Board member? If so, what is it?

Under the National Housing Federation (NHF) 2020 Code of Governance, the recommended maximum is six years for any Board or Committee member, unless it is in the organisation's best interests to extend to a maximum of nine years. Network Homes has adopted this six year tenure rule, updating its succession planning accordingly.

C34. What % of the board are non-executive directors?

All our Board members are non-Executives besides our Chief Executive Officer, Helen Evans.

C35. Number of board members on the Audit Committee with recent and relevant financial experience

Our Audit and Risk Committee is comprised of six members; five are Network Homes Board members and one is a non-Board member, appointed for the skills and experience they bring to the Committee. All have recent and relevant financial and other requisite experience as identified as necessary for this Committee from the ideal skills review undertaken.

C36. Are there any current executives on the Remuneration Committee?

Our People Governance and Culture Committee fulfils the activities of a Remuneration Committee, considering and determining relevant remuneration matters. There are currently four members: three are existing Network Homes Board members, and one is the Chair of the Network Homes employee Information and Consultation Committee (ICC) and therefore an employee of Network Homes.

The ICC is our employee representation body, and it was considered appropriate by the Board to appoint the Chair of this representative group to this Committee to enable the views of our employees to be effectively heard and considered in decisions that impact upon them that may be taken by this Committee. This is therefore an executive function and position albeit the individual is not on the Executive Leadership Team (ELT). In accordance with our conflict-of-interest arrangements, this individual does not vote on matters that relate to their personal arrangements where there may be any actual or perceived interest.

C37. Has a succession plan been provided to the Board in the 12 months?

The succession plan is reviewed by the relevant Committee annually and more frequently when needed as part of any membership changes, skills assessment, or board effectiveness review.

The plan was last considered by the People Governance and Culture Committee in May 2022 and endorsed by the Network Homes Board in accordance with our scheme of delegations in May 2022.

C38. For how many years has Network Homes' current external audit partner been responsible for auditing the accounts?

Network Homes' external auditors are BDO who were reappointed in 2023.

C39. When was the last independently run, board-effectiveness review?

An independent governance review commenced in January 2022 following a procured tender process. 21st Century Housing Governance was successful in their tender and the outcome of this review was presented to the Network Homes Board and the People, Governance, and Culture Committee in May 2022.

C40. Are the roles of the chair of the Board and CEO held by two different people?

Yes.

C41. How does Network Homes handle conflicts of interest at the board?

We have a Declarations of Interest policy and procedure. All Board and Committee members are required to declare any actual, perceived, or potential interests upon joining the Board and at any time should any interest change, or new interest be established. An annual review of the interests declared takes place to ensure all declarations are up to date as well as every Board and Committee meeting having a standing item at the start of each meeting for all members to review and confirm any interests they may have in relation to the business on that agenda. Should an interest be raised or discovered, that member will not contribute or vote on the decision and may be asked to leave the meeting dependent upon the nature of the interest. The respective policy sets out the arrangements which is also part of the mandatory reading for all members. Each year, the Chair of the respective Board and Committee will review the interests declared from the membership of that Board/Committee to ensure that there are no interests declared which may impact or interfere with the matters delegated to or before that Board and Committee. The Company Secretary is formative in this process and advises the Board and Committees individually and collectively as to any interests arising. Independent legal advice will be obtained as required to assist in managing any issues arising.

Staff wellbeing

In October 2022, we conducted an internal engagement survey that revealed 90% of our colleagues feel proud to work for Network Homes, hitting our strategic objective of "building a great organisation".

C42. Does Network Homes pay the Real Living Wage?

All fixed term contract and permanent employees are paid above the Living Wage, as well as the London Living Wage. In April 2022, the Network Homes Board approved a cost of living pay increase for each colleague for the 2023/24 year. Our approach means that the largest proportional increases will go to people at the lower end of our pay range. This includes a larger pay increase for our Graduates and Apprentices to ensure that they are also paid the London Living Wage. All employees across London and Hertfordshire are paid the same rate, the lowest pay is £15.60 an hour.

C43. What is the gender pay gap?

Mean gender pay gap	
Male	£32.68
Female	£27.40
Median gender pay gap	
Male	£26.24
Female	£20.71

C44. What is the CEO-worker pay ratio?

The CEO pay ratio is calculated between the CEO's pay and the organisation median pay. This is by ranking the employee pay in lowest to highest order and breaking them into quartiles and we calculate the ratio using the medium quartile. In 2022/23 the median CEO-pay ratio was 5.59:1.

C45. How does Network Homes support the physical and mental health of your staff?

We're committed to providing a healthy working environment for our colleagues and supporting their physical and mental health. We adopt an organisational approach to physical and mental health and the commitment to staff wellbeing is embedded into our HEART values (Hungry, Embrace everyone, Accountable, Respectful, and Together).

There is a monthly wellbeing schedule that everyone is encouraged to join. The wellbeing initiatives vary and take into consideration our physical, mental, emotional, and social wellbeing. Recent themes have covered suicide prevention, grief awareness, 16 Days of Action Against

Gender Based Violence, LGBT+ Mental Health, and Back to Work Support. The activities available include Mindfulness, Yoga, Tai Chi, workshops and webinars, massages, nutrition and hydration discussions, drop-in talk sessions, and sharing personal stories. We have an active wellbeing channel and webpage that is updated weekly as well as a 'Health Assured' Employee Assistance Programme which provides a free 24-hour confidential helpline handled by an experienced therapist or advisor. We also have the Social Club which arranges theatre trips, cocktail evenings, comedy shows, and cook-a-longs to help foster a social environment at Network Homes.

The time individuals spend at work emphasises the importance of promoting health and wellbeing in the workplace, so we established an environment where wellbeing is integrated into day-to-day practices. In 2023, we are launching a new Wellbeing Strategy. Our mindset action and language toolkit help keep us in a positive place mentally and emotionally while giving us tools to deal with a negative mindset.

We aim to focus on the Four Pillars of Wellbeing: Physical, Mental, Emotional and Nutritional wellness, and the social health of colleagues. We have embarked on a four-tiered journey with multiple approaches so it remains fresh and simple. We feel everyone should be able to access wellbeing activities and feel comfortable to do so.

1st Tier – Awareness and Culture

- Generating widespread awareness and acceptance of mental health and wellbeing, by communicating our commitment and strategy, while shaping a culture that encourages people to speak up if they have concerns. This is done with regular blogs, encouraging conversations individually and via team meetings. We use informative leaflets, posters, social communications, and word of mouth. We also hold quarterly mental health conversations in both our Hertford and Wembley office, to increase conversation and decrease stigma.

2nd Tier – Internal Support

- We have a network of 31 certified Mental Health First Aiders (MHFAs) who are the first point of contact for anyone experiencing a mental health issue or emotional distress. We have large coverage throughout the business which increases the support available to more

employees during working hours and allows choice in approach. The MHFAs attend quarterly peer-support and ongoing refresher training with qualified mental health professionals.

3rd Tier – Advanced Support

- We have trained HR, ICC, and members of the Executive Leadership Team in Mental Health First Aid so they can be utilised as an informal support network for the MHFA team and provide a referral pathway while partnering with our Mental Health team to share information and resources.

4th Tier – External Support

- External providers assist in existing initiatives and provide additional services where it may not be viable to provide internally. They will provide specialist webinars, workshops, and health screenings. We also utilise the Employee Assistance Program for additional help and support.

C46. Average number of sick days taken per employee

For 2022/23, the average was 3.97 days (2021/22: 3.73 days).

Supply chain

C47. How is Social Value creation considered when procuring goods and services?

Our commitment to Social Value is reflected in our procurement process. Each procurement considers the potential social value contribution provided, this may be apprenticeships, training, funding, or work experience opportunities. The creation of Social Value is evaluated as part of the award criteria for the respective contracts and becomes a contractual requirement which is monitored to ensure delivery.

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

Environmental and sustainability requirements are prioritised during the shortlisting stage; ensuring all potential contractors meet our requirements and supplement our sustainability journey. Contract-specific requirements are specified and tested at tender stage.



Mental Health First Aiders

As part of our commitment to employee wellbeing, Network Homes assists members of staff in becoming qualified Mental Health First Aiders (MHFAs). Mental Health First Aid is an internationally recognised training programme that is designed to be preventative and proactive.

We aim to reduce stigma around mental health and provide valuable early support for someone who may be developing a mental health issue. MHFAs are trained to spot signs and symptoms of mental ill health, assisting in a similar way to how physical first aid is applied when someone is injured or has an accident.

The MHFAs are an initial point of contact for colleagues experiencing a mental health issue or emotional distress. Interactions range from listening without judgement to supporting the person accessing professional help.

Our ambition is to have one MHFA to every twenty-five people at Network Homes. This year we are recruiting a further 12 MHFAs so we have wider coverage in the organisation.



Network Homes

The Hive,
22 Wembley Park Boulevard,
Wembley
HA9 0HP

www.networkhomes.org.uk

 [@networkhomesuk](https://twitter.com/networkhomesuk)

 facebook.com/networkhomesuk

 [@networkhomes](https://www.instagram.com/networkhomes)

 [Network Homes](https://www.linkedin.com/company/network-homes)

marcomms@networkhomes.org.uk

0300 373 3000

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