Funding Housing, Making Impact

Social Impact and Sustainability Reporting Standard
Disclosure Report 2020/21

How we're helping to address the UK housing crisis

1 THE NEED FOR CHANGE

40% the proportion of the UK's total carbon footprint that comes from the built environment

8 MILLION people with a housing need

(National Housing Federation)

4.3 MILLION children living in poverty in the UK in 2019-20

3.8 MILLION people in need of social housing in England alone

1.1 MILLION households on waiting lists

£100bn the estimated cost faced by housing associations to decarbonise existing stock to net zero by 2050

13.4% the proportion of households in fuel poverty in England

2 POWERING CHANGE

EPC ratings

65% A-C of existing stock, compared to a sector average of 60%[1]

95% of new units with EPC ratings A-B

bLEND's borrowers own and manage over **225,000 HOMES**

3,710 new units were added by bLEND borrowers FY20/21

100% new units allocated to affordable or social tenures

The mean pay gap in the bLEND pool is... **8.3%**

Board demography of bLEND pool:

42%	Women
11%	BAME
7%	Disabled

56% of bLEND borrowers pay the Real Living Wage

[1]Savills, 'Decarbonising our Social Housing', December 2020

3 bLEND IN NUMBERS

100%

All of bLEND's borrowers are not-for-profit

As of 31st March 2021 bLEND's total priced issuance stood at

£955m

for 16 individual housing association borrowers

2.59%

bLEND's weighted average across all issuance

4.4%

sector's effective interest rate

In three years bLEND has grown to nearly

£1.2bn

across four maturities, all of which are social bonds

4 UN SUSTAINABLE DEVELOPMENT GOALS

Foreword

bLEND's parent, The Housing Finance Corporation (THFC), has been issuing bonds with a social purpose since 1987, when it was formed as a non-profit company to provide housing associations with access to capital markets funding. Thirty-four years on and the relationship between the social housing sector and institutional investors is one of the most successful examples of private-public partnership in the UK.

Managing around 17% of the UK's housing stock, housing associations have proved adept at utilising private finance to support business growth and increase the provision of affordable housing, even as the costs of doing so have climbed. THFC has never before had to prove impact, and its instinctive avoidance of the limelight is why it remains one of the City of London's best kept secrets: a c. £7.8bn lender with 22 highly experienced staff, tucked away in St. Swithin's Lane, London.

Today, THFC is the largest mutual lender to the housing association sector. But understanding its true historic impact is no easy task, not least due to the cumulative effect of mergers and name changes in the sector over three decades. It is perhaps best demonstrated by the strength of its relationships with its 161 housing association borrowers and other stakeholders.

Times change, and in recent years the financial sector has seen a growing emphasis on Environmental, Social and Governance (ESG) considerations and impact disclosure. In the period since the 2008 financial crash, interest rates have stayed persistently low and the identification of social and ecological crises have raised expectations that private finance should be helping to tackle these challenges.

The UK's social housing sector offers a snapshot of how these challenges overlay one another, with the inherent conflicts in going green while remaining social becoming increasingly clear. Costs associated with fire safety remediation and decarbonisation are growing, and on top of these there continues to be a shortage of truly affordable housing. Meanwhile, existing tenants face an ongoing squeeze in the cost-of-living.

Sector debt stands at £115bn and is expected to grow. Long-term funding now offers a valuable opportunity for associations to lock-in record low rates of funding and embed resilience and certainty into their business plans. The funding market is adapting to double materiality – ESG risks and impact disclosure are now considered hygiene factors for any business seeking private investment.

THFC has responded to the ESG agenda with two major actions:

- We have published a Social Bond Framework and converted all existing issuance in bLEND to social bonds, with a commitment to annual impact reporting in line with the framework

- We have committed bLEND, the subsidiary through which the majority of THFC's new lending takes place, to being an early adopter of the Sustainability Reporting Standard (SRS) for social housing and to disclose data on its portfolio accordingly

This document is the result of these actions, and constitutes bLEND's first ever social impact and SRS disclosure report.

Today, our sector is in a decisive period of rapid change. We all have a stake in the future and a duty to do what we can now to realise it, not least because bLEND's longest dated bonds are due to mature in 2061. bLEND's approach is based on openness and integrity, and it is on this basis we can be bold and ambitious to maximise the impact we achieve for our borrowers.

Piers Williamson

CEO, THFC and bLEND
September 2021

bLEND Funding Plc
Our Story

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

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

THFC has a loan portfolio of over £7.8bn, and bLEND alone in just three years has grown to nearly £1.2bn across four maturities, all of which are Social Bonds. The conversion of existing bonds to 'Social' occurred in May 2021 as part of bLEND's commitment to ESG and impact related disclosure, as well as a desire to achieve the best possible pricing on behalf of its borrowers.

bLEND is an early adopter of the social housing sector's Sustainability Reporting Standard. As of 31st March 2021 bLEND's total priced issuance stood at £955m for 16 individual housing associations borrowers.

bLEND's impact strategy is based on the provision of long-term funding at competitive rates to facilitate its housing association borrowers realising their own sustainability strategies.
As this report shows, bLEND realises significant impact by reducing its borrower's debt costs through competitive rates of funding. In 2020/21 bLEND completed £565m of new issuance at an weighted average rate of 2.19%.

By taking advantage of current historically low interest rates to raise debt capital, housing associations can mitigate interest rate risk and embed resilience and certainty to their business plans.


A2Dominion, Bicester Village

bLEND Funding Plc

The Housing Finance Corporation Limited

Measuring performance and progress

The objective of this report is to understand and demonstrate the positive impact of bLEND during the reporting period of 2020 to 2021.

This will inform our investors, who we know have their own responsibilities to report against the ESG performance of their portfolios, along with the housing associations we fund and the sector's key stakeholders, including residents, government partners and regulators.

To achieve this, the report delivers on two important commitments we made in the last 12 months.

The first was to report against the Social Bond Framework we published in March 2021, when we converted all of our £988m of existing issuance to social bonds. The framework is aligned to the International Capital Markets Association (ICMA) principles and the Sustainability Reporting Standard for Social Housing (SRS).

It gives provision for use of proceeds, evaluation and selection of eligible loans, alongside monitoring and reporting. The results of this monitoring are published in section one of this report.

The second commitment was to report against our commitment to disclose data on the performance of our portfolio against the Sustainability Reporting Standard for Social Housing (see section two), which is in turn aligned with the UN Sustainable Development Goals (SDGs). As part of the ESG Social Housing Working Group, which developed the SRS, THFC was among the first to adopt it, committing to using it in its "investment and credit policies, processes and products".

As part of this, THFC made the decision to integrate the SRS into its activities by disclosing data on the aggregated performance of its portfolio.

Part 1: Social impact: THFC's Social Bond Framework

The UK's housing crisis is multifaceted, but can be broadly located in the unabated rise of house and land prices. This has pushed millions of people into substandard or unaffordable private rented sector accommodation, with local authority waiting lists in the worst cases exceeding ten years. An estimated eight million people are affected by the housing crisis, according to the National Housing Federation.

Housing associations manage roughly 17% of the UK's housing stock, with a focus on providing sub-market social or affordable rents. Ever since associations were formally regulated under the 1988 Housing Act, the subsidy for new affordable housing has been reduced.

In response, many housing associations now raise debt capital through financial markets to support the development of new stock, also offset by certain units sold on the open market, as part of a 'cross-subsidy' model. With the sector's strong regulation, and the social rents underpinning the interest payments due on raised debt, this has allowed significant investment, enhancing the impact of the sector.

Tackling entrenched social issues

Beyond the core business model of housing provision, associations also deliver a wide range of support services to tenants, often tackling complex and entrenched social issues (see case studies on page 12). These range from digital and financial inclusion programmes, to employment, skills and training services, as well as advice and support for tenants in accessing the welfare system. The breadth of these services defies summary, with associations making strategic decisions about the allocation of funds based on in-depth knowledge of their local areas and communities.

Some associations focus on support for young or elderly people, on mental health and disabilities, on education, loneliness and general wellbeing.

Housing associations are keystones in their community, and this was evident during the Covid-19 pandemic when teams adapted quickly to ensure food, medicine and support found its way to vulnerable residents even during the height of the first lockdown.

Climate change and social justice

More recently there has been an emphasis on climate change action and sustainability. In 2020, residential housing accounted for 20.8% of all carbon dioxide emissions.

Managing around 17% of the UK's housing stock, housing associations, face decarbonising existing stock to net zero by 2050 at an estimated cost of £100bn.

Decarbonising homes not only benefits the environment through reduced emissions, but tenants too – through cheaper fuel bills and homes less exposed to extreme temperatures and poor ventilation.

Alignment to the UN Sustainable Development Goals (SDGs)

For these reasons the social and environmental impact of a housing association is potentially, significant and can be mapped against a number of the SDGs, which were unveiled in 2015 as a universal call to action to end poverty and protect the planet. The relevant SDGs include:

The impact of low cost social bonds

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

All of its bonds are social, making it one of the largest issuers of social debt in the sector. As of 31st March 2021 bLEND had 16 borrowers in its portfolio.

bLEND welcomed 11 new borrowers in the financial year 2020/21, and saw its lending grow by £565m. The £145m undrawn loans relate to those signed on a deferred drawdown basis for Cobalt Housing (£25m), Newport City Homes (£25m), Rooftop Housing (£30m), and Walsall Housing Group (£75m).

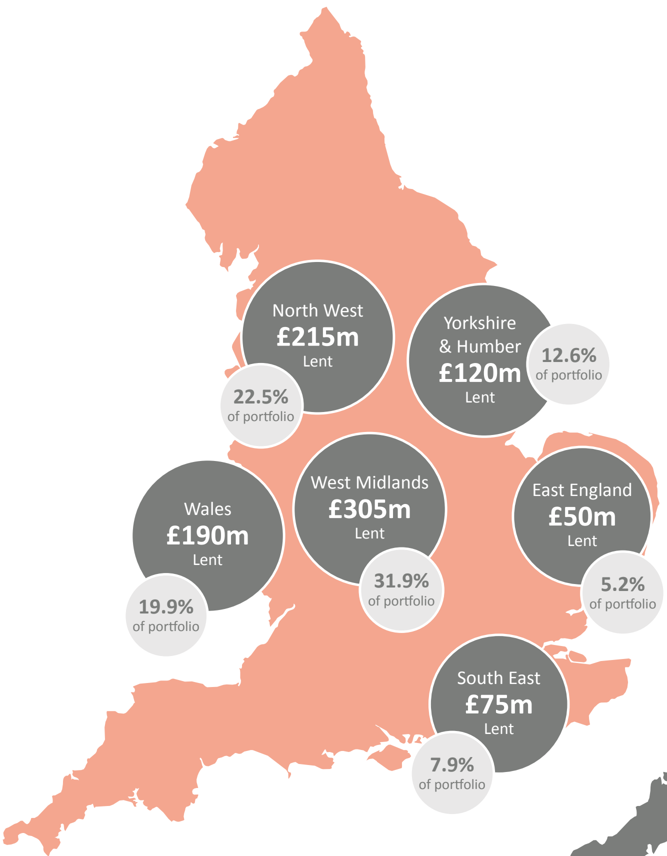
	BORROWER	LOAN FACILITY (£K)	DRAWN LOAN (£K)
1	Platform Housing Limited	180,000	180,000
2	Wales & West	110,000	110,000
3	Torus62 (see case study)	100,000	100,000
4	Wakefield & District Housing	100,000	100,000
5	Walsall Housing Group	75,000	-
6	Hightown	50,000	50,000
7	Regenda (see case study)	50,000	50,000
8	Rooftop HA (see case study)	50,000	30,000
9	Ongo Homes	50,000	50,000
10	Mosscare St Vincent’s*	40,000	40,000
11	Cardiff Community	37,000	37,000
12	Cobalt Housing	25,000	-
13	Newport City Homes	25,000	-
14	Silva Homes (see case study)	25,000	25,000
15	Leeds Federated HA	20,000	20,000
16	ATEB	18,000	18,000
	TOTAL	**955,000**	**810,000**

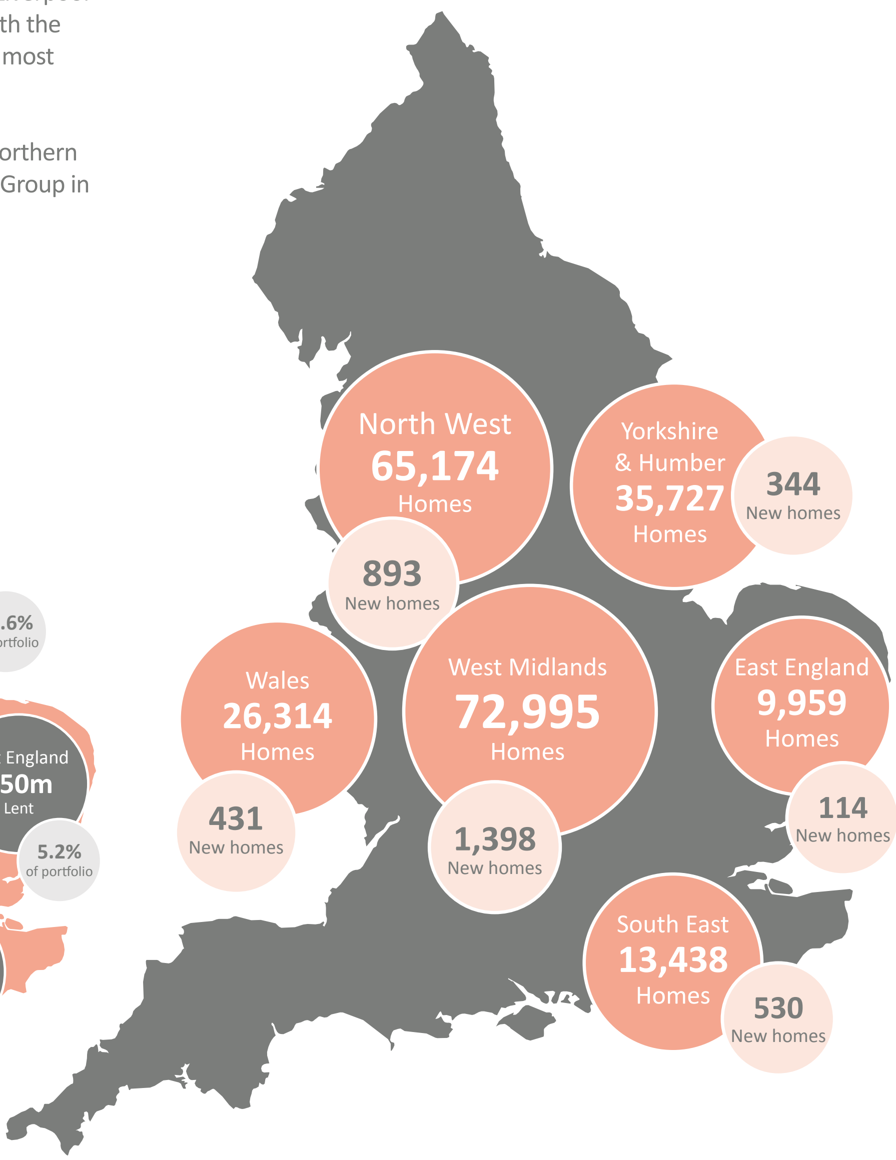
**Mosscare St. Vincent’s loan was priced on 25th March but drawdown was on 1st April 2021*

Regional Investment

bLEND offers funding to associations across the UK, with its early growth concentrated in the North West, West Midlands and Wales. Some of the housing associations we support operate in the most deprived areas in the country. Liverpool and Manchester are among the local authorities with the highest proportions of neighbourhoods among the most deprived in England.

Since 31st March 2021 bLEND has expanded into Northern Ireland with a £50m loan signed to Choice Housing Group in August 2021 on a deferred drawdown basis.





https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/835115/IoD2019_Statistical_Release.pdf

Meeting housing need

bLEND's borrowers owned or managed a total of 221,358 units as of 31st March 2021 (not including new units added in the previous 12 months), 99.6% of which are for affordable or social tenures.

3,710 new units were added by bLEND borrowers FY20/21

In the 2020/21 financial year bLEND's borrowers added an estimated 3,710 new units:

General needs	774	21%
Intermediate rent	36	1%
Affordable rent	1,392	38%
Supported housing	191	5%
Housing for older people	214	6%
Affordable home ownership	1,102	30%
Care services	-	0%
Private rental sector	1	0%
Total	**3,710**	

This represents a proportion of 100% new units allocated to affordable or social tenures.

2,802 forecast new homes[2] , based on zero-grant costs

Beyond the provision of capital, bLEND also realises impact by reducing its borrowers' debt costs with competitive rates of funding.

2.59% bLEND's weighted average across all issuance

4.4% sector's effective interest rate

[2]Based on £955m of issuance at 21% general needs, 38% affordable rent, 30% affordable ownership e.g. 621 social rent homes, 1,305 affordable rent, 876 shared ownership. Figures used are from NHF report on England-excluding-London development[2] using full cost of home per tenure (£323k social, £278k affordable rent, £327k shared ownership, but are not weighted for any grant and so represent very conservative estimates) https://www.housing.org.uk/globalassets/files/resource-files/grant_modelling_report_june_2019.pdf

[3]Based on bLEND figure at 31st March 2021. 4.4% figure sourced from RSH Global Accounts 2020.

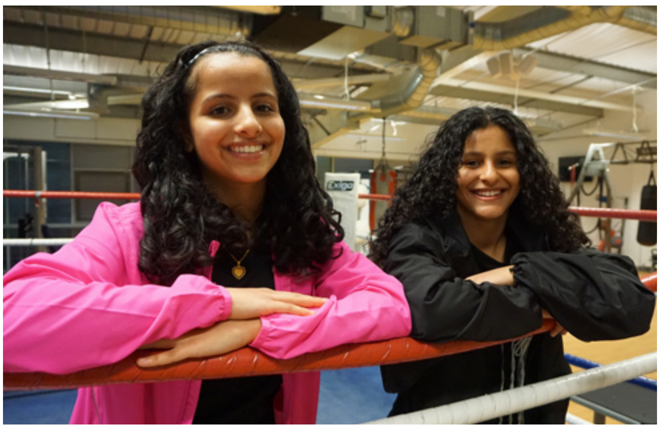
Stories of social impact

bLEND's Social Bond Framework places a sharper focus on how our borrowers are delivering positive change for people and planet. As part of our commitment to reporting annually on our portfolio's social impact, we will provide case studies of their work addressing a range of issues beyond housing provision.

Torus: supporting people into employment and training

Torus is a growth and regeneration group with a strong social purpose and around 40,000 properties across the North West. In addition to delivering housing and care services, Torus is dedicated to empowering people who live in its communities. The group's charitable arm, Torus Foundation, works with partners and stakeholders through a varied programme of support. This includes 1-2-1 mentoring, volunteering and paid training opportunities, mental health support, and activities to reduce isolation among other services.

The pandemic made the mission of growing stronger communities more important than ever. Despite Covid-19 challenges, many impacts continued across Torus communities, some of which included supporting over 1,000 people into work or skills training, delivering over 500 health and wellbeing sessions, providing over 2,000 urgent food parcels and making almost 2,000 benefit advice referrals assisting tenants.



"From an initial training placement and mentoring from the Foundation, I've been able to build skills and confidence, which has progressed onto an apprenticeship. It's going really well and I'd encourage others to seek the support that's out there."

Lucas, Torus Tenant (apprentice at repairs and maintenance arm, HMS)

Regenda Group: helping young people leaving care

Regenda Group is a not-for-profit business operating across the North West with a core purpose to regenerate places. It owns and manages over 13,000 properties, and provides a wide range of services in addition to housing, delivered through eight companies across the property, education and care and support sectors.

In 2020, Regenda expanded its care leaver scheme for 16-18 year olds. Young people facing a disproportionate risk of social exclusion, homelessness, unemployment and becoming involved in crime when they leave care. The service helps them transition into more independent living.

Regenda grew the care leaver service from one to three units, allowing it to support 11 young people. It provided approximately 800 hours of daily support to young people living within the schemes and worked with partners to deliver health, emergency services, education and employment. Within the first year of opening the service, one young care leaver has been supported to a stage where they can now live independently in their own home. With other care leavers gaining employment and places in full-time education.

Rooftop: community investment

As a not-for-profit organisation, Rooftop reinvests surpluses back into the local community by building new homes, improving existing homes and supporting community initiatives. It has 6,500 homes in South Worcestershire and North Gloucestershire.

Community investment is at the heart of the organisation. Rooftop's three full time job coaches assisted 323 people in 20/21 to find training or stable employment. The HA is part of Fusion, a partnership between local Housing Providers and Voluntary Organisations, which carries out the Building Better Opportunities (BBO) project funded through the European Social Fund and The National Lottery Community Fund.

The HA also runs the Rooftop Community Fund, which is a pot of money that residents, local groups or organisations can use to directly benefit and enhance local communities. Applications to the fund are reviewed and decided by a group of residents who sit on the Residents Excellence Panel (REP). The group distributes funds to projects which directly benefit residents in their local communities.

Adjusted down by 12% based on bLEND's own drop in weighted average rate from 2.49% in FY2019/20 to 2.19% in FY2020/21.

Part 2: ESG Reporting: the Sustainability Reporting Standard

In 2020, a working group was convened by housing associations and investors, led by impact consultancy The Good Economy, to develop a sector-specific framework for ESG disclosure. The ESG Social Housing Working Group was established in response to the plethora of requests for ESG data from investors, and the need to harmonise and streamline this process. THFC joined the working group, and after the publication of the Sustainability Reporting Standard (SRS), became an early adopter of the framework. THFC's CEO, Piers Williamson, sat on the Steering Committee set up to manage the SRS until its Board was appointed, a process completed in 2021.

The voluntary standard outlines 12 themes and 48 criteria under the umbrella of ESG[4]. On becoming an adopter, bLEND became the first SRS investor to commit to collect and disclose the aggregated ESG performance of its pool against these criteria. These are the results:

ESG AREA	THEME #	THEME NAME	DESCRIPTION
SOCIAL	T1	Affordability and Security	This theme seeks to assess the extent to which the housing providers provides long-term homes that are genuinely affordable to those on low incomes. The theme is made up of five criteria including the tenure mix of new and existing properties, the security of tenure and fuel poverty.
	T2	Building Safety and Quality	This theme seeks to assess how effective the housing provider is at meeting its legal responsibilities to protect residents and keep buildings safe. The theme is made up of three criteria, disclosing gas safety checks, fire risk assessments and meeting Decent Homes Standards.
	T3	Resident Voice	This theme seeks to assess how effective the housing provider is at listening to and empowering residents. The theme is made up of three themes that cover board scrutiny, complaint handling and resident satisfaction.
	T4	Resident Support	This theme seeks to assess the effectiveness of the initiatives that the housing provider runs to support individual residents. The theme is made up of two criteria that cover: What support is provided? And How successful is it?
	T5	Placemaking	This theme seeks to highlight the wider set of activities that housing providers undertake to create well-designed homes and places that meet local needs and provide great places for people to live and enjoy. The theme is made up of one criterion, a space for the housing provider to give examples of their placemaking or placeshaping work.

[4]https://esgsocialhousing.co.uk/wp-content/uploads/2020/11/SRS_final-report-2.pdf

ESG AREA	THEME #	THEME NAME	DESCRIPTION
ENVIRONMENTAL	T6	Climate Change	This theme seeks to assess how the activities of the housing provider are impacting on climate change, and how they are mitigating the physical risks of climate change. This theme considers current practice, as well as the changes being made to improve performance in the future. The theme is made up of six criteria, including the distribution of EPC ratings, emissions data, climate risk mitigation plan and environmental strategy.
	T7	Ecology	This theme seeks to assess how the housing provider is protecting the local environment and ecology. The theme is made up of two criteria around managing pollutants and increasing biodiversity.
	T8	Resource Management	This theme seeks to identify the extent to which the housing provider has a sustainable approach to materials in both the construction and management of properties. The theme is made up of three themes that cover sourcing materials, water management and waste management.
GOVERNANCE	T9	Structure and Governance	This theme seeks to assess the housing provider's overall structure and approach to Governance. The theme is made up of six criteria covering the regulator, code of governance, risk management and ownership.
	T10	Board and Trustees	This theme seeks to assess the quality, suitability and performance of the board and trustees. The theme is made up of eleven criteria including demographics of the board and the experience and independence of the board.
	T11	Staff Wellbeing	This theme seeks to assess how staff are supported and how their wellbeing is considered. The theme is made up of five criteria including salary information, additional support for staff and average sick days.
	T12	Supply Chain Management	This theme seeks to assess if the housing provider procures responsibly. The theme is made up of two criteria assessing how social value and environmental impact are considered.

The SRS aims to improve ESG disclosure across the board in the sector to facilitate further channelling of investment into housing associations and affordable housing provision. To date, nearly 100 organisations have signed up as early adopters or endorsers. Having been part of the process from the early stages, THFC committed itself as an early adopter and continues to encourage all of its 161 housing association borrowers to engage with the Standard and commit to reporting in line with it as soon as is practicable.

As an aggregator, THFC occupies a unique position, its relationship with the SRS not fitting neatly into the roles of either association or investor. Despite this, and as a symbol of its commitment to the SRS, THFC has committed to reporting in bLEND on an annual basis in line with the SRS criteria.

Because this is possible only in partnership with bLEND's borrowers, this first report includes the core criteria (enhanced criteria are not shown) and is based on the most up-to-date data available. In some instances, not all borrowers were able to provide a response to the criteria, and this is specified in the answer. The reasons for this relate to the availability of the data needed, rather than an unwillingness to disclose.

Looking ahead, bLEND intends to establish an annual SRS disclosure cycle, reporting on all criteria in time and with fully up-to-date data.

Social

Affordability and Security

Criteria 1 - 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
   Rent as % of PRS: 66%

2) Rent compared to Local Housing Allowance (LHA).
   Rent as % of LHA: 76%

Criteria 2 - Share, and number, of existing homes (homes completed before the last financial year) allocated to:

General needs	168,740	76%
Intermediate rent	2,304	1%
Affordable rent	19,748	9%
Supported housing	8,563	4%
Housing for older people	9,263	4%
Affordable home ownership	11,888	5%
Care services	22	0%
Private rental sector	830	0%
Total	**221,358**	**100%**

Criteria 3 - Share, and number, of new homes (homes that were completed in the last financial year), allocated to:

General needs	774	21%
Intermediate rent	36	1%
Affordable rent	1,392	38%
Supported housing	191	5%
Housing for older people	214	6%
Affordable home ownership	1,102	30%
Care services	-	0%
Private rental sector	1	0%
Total	**3,710**	**100%**

Criteria 4 - How is the housing provider trying to reduce the effect of fuel poverty on residents?
The majority of responses confirmed that the decarbonisation of existing and new association homes was the foundation of strategies to address fuel poverty. Most bLEND borrowers are undertaking retrofit works, from component replacements (e.g. boilers, heat pumps, windows, doors) and fabric-first approaches, to the use of solar panels and battery storage systems to give tenants control over their fuel bills. A number of borrowers are targeting the worst performing stock first, achieving the maximum benefit for those tenants as early as possible. Some borrowers are going further, experimenting with biomass boilers or combined heat and power systems to improve the energy provision to entire blocks or estates.

In addition, at least five borrowers referenced services intended to engage residents on how to reduce energy use either through changing behaviours or optimising usage of installed technologies.

Finally, many borrowers are providing direct financial support to tackle fuel poverty more quickly. This includes financial support and signposting to welfare and grants, as well as the use of hardship funds or fuel vouchers by five borrowers. Two borrowers have purposefully limited rent increases (rather than using the full CPI+1% available to them) to reduce the rent burden on tenants facing high fuel bills.

The scope of activities is directly related to the scale of the RP's tenants' needs and the quality of stock, with EPC targets ranging from 'C' by 2028 to 'A' by 2036.

Building Safety and Quality

Criteria 6, 7, 8

What % of homes with a gas appliance have an in-date, accredited gas safety check?	100% pool average (10 of 16 borrowers returned)
What % of buildings have an in-date and compliant Fire Risk Assessment?	100% pool average (11 of 16 borrowers returned)
What % of homes meet the Decent Homes Standard (or Welsh Housing Quality Standard)	100% pool average (15 of 16 borrowers returned)

Resident Voice

Criteria 9 – What arrangements are in place to enable the residents to hold management to account for provision of services?
All borrowers operate some form of resident accountability, whether in the form of a scrutiny panel or other types of panels where residents can directly engage with the Board. More than half of the borrowers had a tenant representative on their board, while the rest typically had a subcommittee of the board on which tenants were represented. Many specifically mentioned active and engaged tenant forums or associations.

Other methods for allowing tenants to hold management to account included the use of focus groups, surveys, tenant inspectors and mystery shoppers, or community champions and neighbourhood officers. Four borrowers referenced social media as a useful tool for large scale tenant involvement. A number of borrowers produce annual reports for tenants or host information about performance and complaints on their websites.

Criteria 10 – How does the housing provider measure resident satisfaction and how has resident satisfaction changed over the last three years?
All of bLEND's borrowers measure resident satisfaction in some way, typically via an independent, external organisation which conducts perceptions, transactional or ad hoc surveys. These range from three-yearly perceptions audits to rolling telephone surveys and engagement with residents, all of which is fed into monthly or quarterly reporting. Half of borrowers specified that their resident satisfaction surveys were aligned with the STAR framework developed by HouseMark.

Resident Support

Criteria 9 – What support services does the housing provider offer to its residents, how successful are these services in improving outcomes?

Torus Group reported that 651 people were helped into employment and 617 people supported to train and gain new skills in 2019/2020. In addition, 2,411 people attended health and wellbeing sessions, while 243 older people engaged in wellbeing activities to reduce loneliness. Torus measures the impact of its work and the activities of its charitable arm, the Torus Foundation, on an ongoing basis, with results published in an annual Social Impact Report.

Regenda provided a range of support to resident in the period from April to December 2020. This included distributing 1,300 food parcels to vulnerable customers and £1.5m In additional benefits and grants, by supporting customers to claim. A total of 241 families were provided with children's reading books and 10,471 primary school pupils were involved in the Raising Aspirations programme.

During the period, Regenda built 170 new homes, while supporting 199 Apprenticeships. It also supported people through 25 mental health first aiders.

Rooftop offers a range of support services, including helping its residents to build financial resilience. Its Money Advice Team is available to more than 6000 residents, and assisted 1,657 people in 20/21. The housing association has also strengthened partnerships both internally and externally, such as with Citizens Advice Bureau (CAB) in the effective management of Universal Credit (UC) cases, and more strategically with local authorities and county council health and social care teams to improve services for customers and attract resources.

Silva Homes identified that customers with hoarding behaviours would need additional support during the global pandemic, so it launched a national media campaign to raise awareness of hoarding as a mental illness and to inform people about available support options. There are around 1.2m people in the UK who exhibit hoarding behaviours. Silva's hoarding support programme enables behavioural change by working with different agencies and reducing the significant health and safety risks arising from hoarded homes.

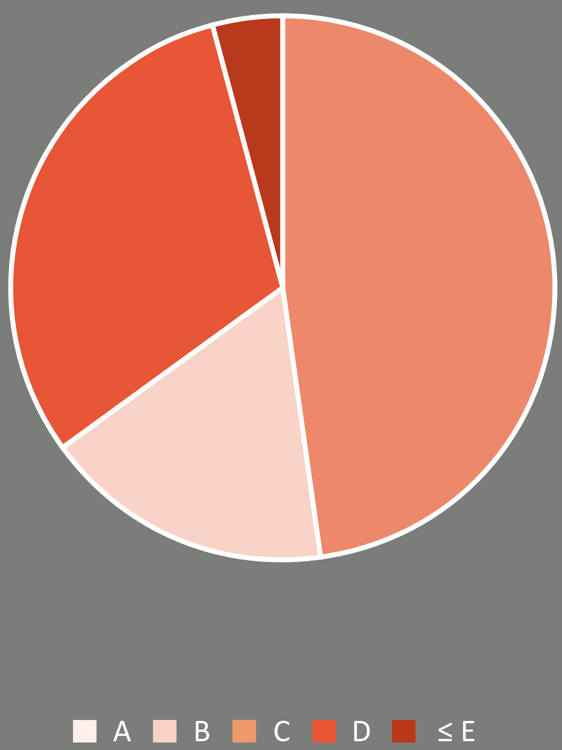
Environmental

Climate Change

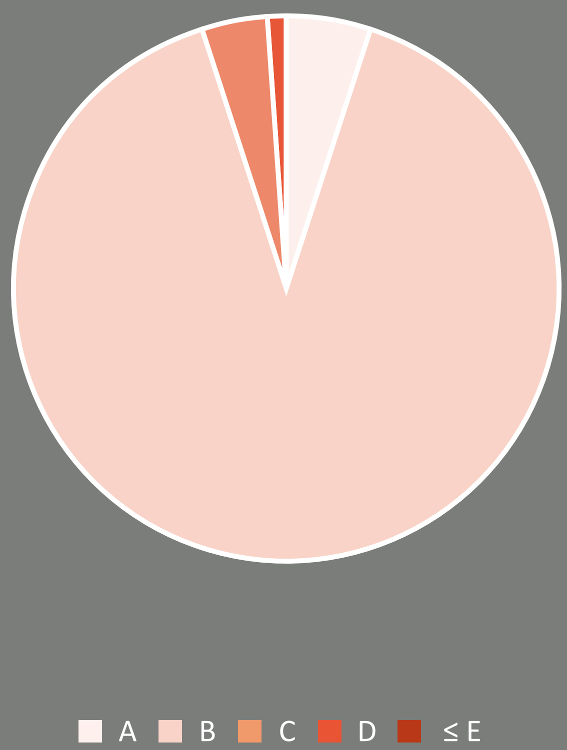
Criteria 14 & 15 - Distribution of EPC ratings of existing homes and new homes bLEND pool ratings profile, weighted by number of units per borrower:

Shows 65% A-C of existing stock, compared to a sector average of 60%[5] . The 95% of new units at A-B represents an improvement on the average for 2020-21 new builds of 83%.[6]

EPC - Existing stock



EPC - New stock



[5] Savills, 'Decarbonising our Social Housing', December 2020
[6] https://www.bridgingandcommercial.co.uk/article-desc-17221_the-uk%E2%80%99s-housing-stock-needs-to-be-upgraded-to-meet-the-net-zero-target

Governance

Structure and Governance

Criteria 25 – Is the housing provider registered with a regulator of social housing
100% - All of bLEND's borrowers are registered with either the English or Welsh regulators. bLEND does not lend to any non-registered associations, and loans are covenanted so a borrower which ceases to be registered would be required to automatically prepay their loan.

Criteria 26 – What is the most recent viability and governance regulatory grading?
All bLEND borrowers have a compliant regulatory grading. All but one of bLEND's borrowers have the highest grading available (either G1/V1 in England or 'Standard' in Wales). Ongo Homes has a rating of G2/V1.

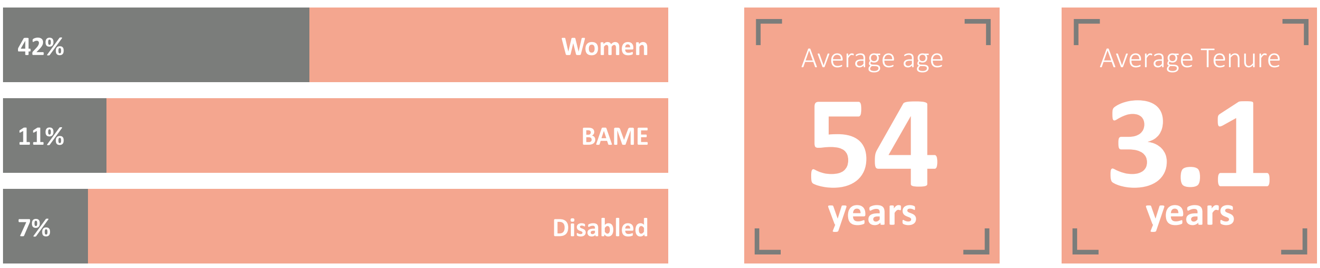
Criteria 27 – Which Code of Governance does the housing provider follow, if any?
bLEND's four Welsh borrowers follow the CHC Code of Governance. Of the twelve English borrowers, seven currently use the National Housing Federation Code of Governance 2020, while five use the NHF Code of Governance 2015. Of these five, however, three are in the process of adopting the 2020 code during the 2021/22 financial year.

Criteria 28 – Is the housing provider Not-For-Profit?
100% - All of bLEND's borrowers are not-for-profit, and are required to be so under the terms of their loan agreements.

Criteria 29 – Explain how the housing provider's board manages organisational risks.
All bLEND's borrowers demonstrated robust risk management procedures in their returns, wherein the framework is overseen by the Board and some form of Audit/Risk Committee, with strategic and operational registers maintained through input of teams and reported on regularly. Some borrowers mentioned putting in place specific training for the Board, and the importance of embedding the risk framework in the organisation's culture.

Board and Trustees

Criteria 31 – What are the demographics of the board?
Board profile of bLEND pool:



Six borrowers have 50%+ female representation on their board. BAME representation falls short of the England and Wales average of 14%, but this comparison is complicated by the fact that bLEND does not have any borrowers based in London, where nine out of the ten most diverse local authorities are located[7].
Board profiles ranged from 0% to 56%, a variation in part reflected by the different communities bLEND's borrowers operate in. Average board ages were between 45 and 59 years old.

[7]Source: Census 2011

Criteria 32 – What % of the board AND management team have turned over in the last two years
28% pool average, ranging from 6% to 80%

Criteria 33 – Is there a maximum tenure for a board member?
Three of the sixteen borrowers have a maximum tenure of six years, with the rest having a maximum of nine years. Many are in the process of reducing the maximum to six in line with the updated NHF Code of Governance 2020.

Criteria 34 – What % of the board are non-executive directors?
96% pool average, with ten of sixteen borrowers having 100% non-executives on the board.

Criteria 35 – Number of board members on the Audit Committee with recent and relevant financial experience.
Of 11 returns, all have at least one individual on the Audit Committee with recent and relevant financial experience, with ten having two or more.

Criteria 36 – Are there any current executives on the Remuneration Committee?
No bLEND borrowers have executive staff on their Remuneration Committee.

Criteria 37 – Has a succession plan been provided to the board in the last 12 months?
Of 11 borrowers returning, nine had provided a succession plan within the 12 months prior to 31st March 2021. For the two which had not, this was due to recent high turnover on the board which rendered it unnecessary.

Criteria 38 – For how many years has the housing provider's current external audit partner been responsible for auditing the accounts?
Of 11 borrowers returning, the average number of years the current audit partner had been providing the audit was 3.5. The ongoing pandemic was identified as a factor in the extension of some audit partners' contracts.

Criteria 39 – When was the last independently-run, board-effectiveness review?
Of 11 borrowers returning, eight had completed independently-run board effectiveness reviews within the 12 months prior to 31st March 2021. The remaining three had board effectiveness reviews completed since late 2018.

Criteria 40 – Are the roles of chair of the board and CEO held by two different people?
100% - All of bLEND's borrowers have the roles of Chair and CEO held by two different people.

Criteria 41 – How does the housing provider handle conflicts of interest at the board?
All bLEND borrowers require board members to complete annual disclosure on conflicts of interest, while also providing for further recorded disclosure at the beginning of every meeting. Depending on the conflict the member in question is then expected to behave accordingly, whether this be to not-participate in certain discussions, to recuse themselves from the meeting, or in extreme cases to resign.

Staff Wellbeing

Criteria 42 – Does the housing provider pay the Real Living Wage?
56% of bLEND borrowers pay the Real Living Wage

Criteria 43 – What is the gender pay gap?
The mean pay gap in the bLEND pool is 8.3% (14 of 16 borrowers returned), compared to a UK average in 2020 of 15.5%. Only one bLEND borrower scored higher than the UK average. One borrower reported a 0% pay gap.

In conclusion

As we set out at the start of this report, 2020/21 marks our first year of making disclosures against both our social bond framework and the ESG standard for social housing. We expect our ESG reporting, and that of the housing sector, to evolve as time goes on.

And as the sector's only not-for-profit housing mutual lender with almost £8bn of investment in the UK social housing sector, we believe we have a responsibility to help drive that sustainability reporting agenda.

While promoting transparency and accountability in the sector's sustainability reporting, we are confident that the rise of ESG will ultimately help to enhance the profile and reputation of the housing association sector to investors and a wide range of key stakeholders.

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