

## ESG Reporting 2022

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### About us

**The Dolphin Square Charitable Foundation (Dolphin)** is an affordable housing charity formed in 2005 and initially funded through gifts from the Dolphin Square Trust from the sale of Dolphin Square in Pimlico.

This report covers the activities of Dolphin and its subsidiaries, collectively referred to as Dolphin Living further details of which can be found in appendix 1.

The Objectives of Dolphin are to:

“Provide reasonable assistance in securing accommodation within the City of Westminster for individuals (and any dependants living with them) who are in need of accommodation as a result of:

- their employment in the public or voluntary sectors or in relevant employment in the City of Westminster and the surrounding area, having regard to the fact that such individuals could not afford to secure such accommodation on normal commercial terms; or
- financial hardship, social or economic need, age, ill health, disability or any other need.”

This is fulfilled through the provision of homes to rent at below market levels. In 2022, 72% (2021: 79%) of our 791 (2021: 798) homes were available for intermediate rent at an average discount of 31%<sup>1</sup> (2021: 40%) to the local market rent.

Over the next three years our strategic aims are focusing on three key areas:

- Customers – keeping our homes affordable to our beneficiaries, delivering high quality services;
- Growth – growing our portfolio by committing to deliver 200+ new homes; and
- Our homes – improving our portfolio by upgrading existing older homes and investing in our affordable homes in Inner London.

We are both a developer and a long-term investor in homes. We house those who make London work and with whom London is a better place to live and work.

Every development scheme Dolphin Living undertakes will have a proportion of the development providing accommodation at rents lower than those available in an open market. This benefits those working in the City of Westminster and Greater London by reducing travel time and expense and providing a stable tenancy with limited rental increases in a property that is managed for the benefit of the tenants. These factors improve quality of life for those working in the City of Westminster and Greater London who are not able to afford market rents.

Dolphin Living also provides accommodation to those in more acute financial hardship such as the homeless in the City of Westminster. The beneficiaries are housed in accommodation in the City of Westminster which is appropriate to their needs and family composition. The provision of accommodation is a key stability factor supporting those in the workplace.

<sup>1</sup> 2021 percentage calculated using post code market rents and 2022 calculated using borough averages as post code information no longer available

## ESG Reporting

Our stakeholders include our residents, local communities, investors, local government, our staff and Board. It is becoming increasingly important to maintain and increase our current and future appeal through measuring, reporting and improving our sustainability credentials. To this end, in 2020, Dolphin Living signed up as an early adopter of The Good Economy ESG reporting standard which sets out a number of baseline sustainability measures against which adopters must report and evidences our commitment to achieving high performance in all areas of ESG. These measures are signposted throughout this report.

We are measured as an organisation on our environmental and social impacts and risks, and the quality of our governance. The objectives of ESG reporting closely align to Dolphin's charitable objectives, our culture and the future legislative requirements we expect to emerge in coming years. We delivered our first report last year and are pleased to present this, our second report.

In both our homes, our office and through development and our supply chain we will:

- minimise our carbon footprint through reducing electricity and gas usage, and prioritising carbon reduction measures in our homes, developments and refurbishments;
- monitor our construction projects to reduce the environmental impact of activities on site;
- risk assess all our construction, development and refurbishment projects against the predicted local impacts of climate change;
- develop sustainable procurement processes for our goods and services;
- assess and reduce carbon emissions across our housing stock;
- deliver net gain biodiversity at our developments, creating great places for both people and nature to thrive;
- work with residents so they can make greener choices; and
- encourage our residents to put the environment first and to integrate good environmental practices into their everyday lives.

During the year, we undertook a review of the available industry benchmarks. Consideration was given to audience (resident or investor), scope, service levels and cost; SHIFT by Suss Housing was selected as a sustainability measure/benchmark. The Suss benchmark report was completed this summer and the outcomes are included in the report below.

A sustainability group comprising the CEO and other senior members of staff was established during the year to monitor and review our progress against Dolphin Living's targets. Additionally, we have signed up to the BPF Net Zero pledge and Suss Housing were instructed to map out our Net Zero Carbon by 2050 roadmap. This roadmap will be updated annually and used to guide the improvements required for each individual property.

The United Nations Sustainable Development Goals ('SDGs') are an international standard developed to support global change and sustainable growth. We believe that we have a part to play in supporting the locations in which we operate in responding to this standard and helping to effect change. We have reviewed the suite of 17 goals and have selected those goals which align most closely to our ESG objectives and they are signposted throughout this report.

## Dolphin Living in numbers

At 31 March	2022	2021
Homes under management	791	798
Homes under development	31	10
Geographic spread (number of London boroughs)	9	9
Customer satisfaction	86.5%	86.0%
Gross assets	£278m	£278m
Employees	13	14

## AFFORDABILITY AND SECURITY

### Our homes by category<sup>1</sup>

At 31 March	2022	2021
General needs (social rent)	2	2
Intermediate rent	568	502
Affordable rent	47	37
Fair rent	5	5
Supported housing	-	-
Housing for older people	-	-
Low-cost home ownership	-	-
Care homes	-	-
Private rented sector	169	111
	<b>791</b>	<b>657</b>

<sup>1</sup> homes completed before the start of the financial year

No properties were completed during the year ended 31 March 2022 (2021: two properties; 141 homes).

98% of our homes for intermediate rent, social and affordable rent have tenancy agreements of three years or more. We do not usually offer tenancies of longer than one year at our market rent homes and have not received demand for this.

The following table shows our rents compared to Local Housing Allowance (LHA) for all properties subject to the rent regulation regime:

	Average rent as a % of LHA	
	2022	2021
<b>Social rent</b>		
4 bed units	31	30
<b>Fair rent</b>	46	40
2 bed units	40	35
3 bed units		
<b>Affordable rent</b>		
1 bed units	62	58
2 bed units	54	51
3 bed units	47	46
4 bed units	38	35

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## Reducing the effect of fuel poverty

A review of the EPC band ratings was completed last year with a plan to undertake improvements on properties with a D rating or below. A number of these improvements were made last year with the remainder to take place alongside our corporate Net Zero Carbon and regeneration strategies. Once improvements are made, we share with residents how the improvements aim to reduce energy costs.

Other measures taken include:

- We also provide various energy saving information to tenants.
- We regularly review our repairs standard for the day-to-day management of our properties to ensure that it includes the latest energy efficiency measures.
- Energy costs are part of our affordability criteria when assessing Personalised Rents.
- We continue to install devices, with resident consent, in their homes to monitor fuel usage and identify if any tenant not using heating or hot water, as well as thermal efficiencies and other metrics.

## BUILDING SAFETY AND QUALITY

As at 31 March 2022, 100% (2021: 100%) of our homes had an in-date, accredited gas safety certificate.

As at 31 March 2022, 100% (2021: 100%) of our buildings have in-date fire risk assessments. These are completed on an annual basis.

The Decent Homes standard does not apply to our intermediate rent properties. However, we still aim to achieve above this standard. All of our affordable and social rent properties achieve 100% in the Decent Homes standard.

## RESIDENT VOICE

We recognise resident forums and support their creation where a majority of residents are in favour of them. Additionally, we support a tenant association at one of our properties. We undertake regular customer surveys at key contact points and carry out an annual customer satisfaction survey. We are currently trialling rolling surveys to capture further insight and increase response rates. We are exploring the opportunity to invite a tenant representative to the Operations Committee from one of our resident forums once their operation is established.

Surveys measuring resident satisfaction are also conducted throughout the year. Metrics are analysed at a local level and attention is also paid to any verbal feedback received, as well as trend analysis, to inform service and business decisions. Metrics such as net promoter score, ease of access and touch-point surveys enable us to better understand customer expectations and deliver against these.

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Surveys include:

- Move in/Move out – Residents moving in are asked how satisfied they were with the letting and move in process, the quality and standard of their new home. Residents moving out are asked reason for leaving and what improvements can be made in service delivery.
- Repairs and maintenance – Quarterly residents who have had a repair carried out at their homes receive a 19 multi-choice questionnaire focusing on quality of the contractor and repair as well as overall satisfaction regarding the repair process. There is also the opportunity for the residents to add open-ended comments to enable residents to write whatever they would like.
- Annual customer satisfaction – Resident satisfaction is based on a net promoter score survey asking residents to rate how likely they are to recommend our company/product to a friend or colleague. Every two years, a more in-depth survey is carried out to understand more about the residents we house, to understand the impact living in a Dolphin Living home has had on the residents such as an easier commute to work or being able to save money to move into homeownership.

All surveys are reviewed and analysed against set targets and a resulting report with clear recommendations is then circulated to the relevant teams. The data is used to improve the customer experience across all services, inform our contractor list for repairs and also assist us to tackle emerging problems promptly. Our annual customer satisfaction was 86.5% which exceeded our target of 85% (2021: 86%).

### Complaints

Only residents who are tenants of Dolphin Living Limited (DLL) have recourse to the Housing Ombudsman. In the last year, one complaint was investigated through the Ombudsman, finding in favour of the resident, where DLL had not correctly signposted them towards the complaints policy.

### RESIDENT SUPPORT

As a provider primarily of intermediate rental homes Dolphin Living does not offer additional support services to residents. We do however respond to individual requests for support and signpost residents to organisations that can offer the necessary support.

### PLACEMAKING

Dolphin Living will undertake placemaking as part of its redevelopment of the New Era estate in Hoxton, Hackney. We are working closely with residents to facilitate the delivery of this estate regeneration project, which provides an opportunity to develop a local placemaking strategy for the estate. This will include promoting environmental sustainability and encouraging residents to live greener lifestyles by increasing household recycling, using less energy and less water. There is a commercial unit within the design of the new estate and we will be encouraging the operator to set targets for waste management, energy reduction and water consumption. We will also reach out to other local key stakeholders (for example Comet Nursery) to establish their approach to environmental sustainability to share good practice and encourage joint working.

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## CLIMATE CHANGE

### EPC ratings

	2022		2021	
	No.	%	No.	%
Homes <sup>1</sup> rated:				
A	-	-	-	-
B	<b>540</b>	<b>68.3</b>	541	67.8
C	<b>104</b>	<b>13.1</b>	104	13.0
D	<b>120</b>	<b>15.2</b>	126	15.8
E or worse	<b>27</b>	<b>3.4</b>	27	3.4
	<b>791</b>		<b>798</b>	

<sup>1</sup> homes completed before the start of the financial year

No new homes were completed during the year ended 31 March 2022 (2021: two properties; 141 homes).

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

This is an enhanced criteria which Dolphin Living, as a small housing provider, does not have the data available to report against.

### Energy efficiency actions

Two projects were completed during the year ended 31 March 2022:

- The refurbishment of eight homes at Grove Court as well as the common parts and main building which includes further energy efficiency measures such as loft insulation, internal wall insulation, more efficient boilers and energy efficient light bulbs; and
- The replacement of 98 flat front doors as part of our fire safety approach across our portfolio. The replacement doors ensure that there are not draughts or gaps in the door frame to prevent heat loss.

We also continue to work with a provider of smart meters to install them at our older properties within our portfolio to monitor boiler performance, heat loss, to reduce residents' energy bills, and assists in identifying and addressing high humidity levels (a key cause of condensation and mould).

We carried out an assessment of a number of standards and benchmarks that would be appropriate for us to align ourselves. We have signed up to the British Property Federation (BPF) Net Zero Pledge campaign which was launched in March this year. This pledge will provide us with support from larger organisations and encourage cooperation and collaboration across the property industry.

The first year of a three-year term of the SHIFT accreditation by Suss Housing was completed this summer. We attained a silver standard with a score of 51.08, ranking Dolphin 18<sup>th</sup> out of the 40 most recent SHIFT assessments. As part of this

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accreditation, a Net Zero Carbon roadmap has been created to provide guidance on improvements we can make not just to our portfolio but to our business as well

Work has been completed across the portfolio to obtain individual property EPC ratings to identify the properties performing under a rating of C. Stock condition surveys were also carried out on all of our older stock (circa 25% of our portfolio). Together, this will enable us to plan future capital works and also to target the worst performing properties first.

### **Net Zero Carbon roadmap**

We have explored actions required to achieve the fuel poverty strategy of EPC C for all homes by 2030 in addition to interventions needed to achieve Net Zero Carbon by 2050.

This exercise included analysing data for our properties such as: heating type, construction age, property type, wall type, roof insulation levels, glazing type etc, as well as energy efficiency data from the EPC assessment.

The interventions required include fabric first and lighting measures, heating system measures and the use of renewables.

A sum of £2.0m has been estimated as being required to make the necessary improvements to the properties in our portfolio in order that they all achieve a minimum of an EPC C rating by 2030.

Following 2030, our aim is that continued improvements will be made to all properties in the portfolio with the objective to achieve an average portfolio target of EPC B rating (SAP rating 85) by 2050. All new developments will be built to an EPC A rating to maintain a high average energy efficiency and to aid against future retrofit works / legislation changes.

### **Mitigation of climate risks**

Flood risks assessments have been undertaken for our proposed new developments at 35-39 Parkhouse Street and New Era. The planning application for the former was approved by the London Borough of Southwark in September 2022 and the latter will be considered by London Borough of Hackney's planning committee in December 2022.

Both developments have been designed in accordance with the New London Plan and local planning policy for surface water drainage networks, incorporating sustainable drainage systems (SuDS) into the fabric of the buildings and landscaped areas.

Overheating is now assessed in our new build properties at the design stage to ensure that this risk is minimised by passive ventilation and mechanical ventilation where needed.

Reports of flooding and overheating are monitored through our repairs and defects processes. Remedial works have been undertaken in 2022 at Westbourne Park Baptist Church to address flooding and heavy rainfall incidents and as part of these works we have increased the capacity of the drainage to cope with flash flooding.

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**Provision of information to residents**

All residents receive Home User Guides when they first move into their new home which contain a thorough check-in process including explanations of how the ventilation, heating and recycling works at each building.

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**ECOLOGY**

**Green space and biodiversity**

The new London Plan requires residential developments to achieve an Urban Greening Factor (UGF) of 0.4 for residential and 0.3 for commercial developments. These figures prescribe the level of improvement required for the landscaping and biodiversity incorporated into the design of new developments, which ensures that there is a net biodiversity gain and that the designs of new developments incorporates the expansion of biodiversity and ecological enhancements such as fitting bat and bird boxes, specifying local plant species and enhanced landscaping schemes to attract insects and wildlife. Our developments at 35-39 Parkhouse Street and New Era have been designed to meet an UGF standard of 0.4.

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**Pollutant strategy**

We have no plans to develop a strategy to manage pollutants. However, we will monitor what is being undertaken by larger housing providers, who have expertise to undertake this work, and take appropriate action in due course.

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**RESOURCE MANAGEMENT**

We work with our residents to improve the water and energy usage as well as waste recycling at our properties. However, the greatest impact we can have in these areas is through our developments.

**Responsibly sourced materials and waste management strategies**

Whenever any electricity contract is tendered we consider the percentage of green or renewable sources being provided. We are currently analysing our existing contracts to understand the sources so we are better informed going forward.

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As part of our procurement process for our New Era estate regeneration project and potentially for 35-39 Parkhouse Street (if we proceed with the redevelopment of this site), we are seeking a development partner with established supply chains capable of delivery of the construction works using responsibly sourced materials as well as a responsible waste management strategy.

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We are also exploring accreditation of our new build projects via the BREEAM family of accreditation schemes.

**Good water management strategy**



We will develop a strategy for good water management to target reductions in water use on our developments by working with our contractors to reduce water use in the construction stage, during our refurbishment works and by working with our residents to provide advice via Home User Guides on water reduction.

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We are reviewing our Employer's Requirements in the Autumn/Winter of 2022 and will seek to incorporate water saving devices such as low flow taps, showers and toilets in our new build homes, refurbishments and void properties where sanitary ware is being replaced.

## STRUCTURE AND GOVERNANCE

The Dolphin Square Charitable Foundation is a charity and therefore a not-for-profit provider of housing. The Foundation and its subsidiary DLL, a community benefit society, follow the Charity Commission Code of Governance. Dolphin and its subsidiaries Hoxton Regeneration Limited and DSF Developments Limited are not registered with the Regulator of Social Housing. DLL is registered with the Regulator of Social Housing. DLL is a small Registered Provider (<1000 homes) and does not have a governance or viability rating.

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No entity in Dolphin Living has been subject to any adverse regulatory findings during the year ended 31 March 2022.

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### Risk management

Dolphin Living has a risk management policy which sets out how the Board will monitor and mitigate actual risks as well as determine and understand their risk appetite. Through this work, including a comparison between risk appetite and actual risk, the Board is able to effectively manage risk. The objectives of the policy are to ensure that risk management is embedded in the culture and processes of the organisation, that it forms part of our decision making, and that risk management remains a dynamic process. This will ensure risk management underpins the success of our business plan, protects Dolphin's assets, financial standing and reputation.

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The Board:

- regularly reviews its risk appetite and records this is a risk appetite framework;
- identifies and assesses key strategic risks and determines how these are to be mitigated, managed and monitored, as set out in the strategic risk register;
- delegates the management of the operational risk register to the executive team;
- reviews activities and decisions in the context of risk management;
- reviews internal control systems and other policies and strategies for effectiveness and appropriateness; and
- produces a risk management statement in the annual report and accounts.

## BOARD AND TRUSTEES

### The Board

100% of the Board of Dolphin are non-executive Directors. 71% of the Board of DLL are non-executive Directors.

Board members of Dolphin initially serve a four-year term and this may be followed by a further four-year term. In exceptional circumstances this may be followed by a third term. Board members of DLL serve up to three terms of three years each.

The roles of the Chair of the Board and CEO are held by two different people.

There has been a 50% turnover in the management team over the two years to 31 March 2022 (2021: 20%). There has been a 8.3% turnover in the Board over the two years to 31 March 2022 (2021: 8.3%).

The Chair of Dolphin was appointed in 2021 and has a further four-year term with Dolphin. A succession plan will be put in place in two years. With two Board members of DLL retiring in late 2023, including the Chair, a succession plan is being progressed with a skills audit taking place at the end of 2022 alongside discussions regarding recruitment and induction of new Board members during 2023.

The last independently-run Board effectiveness review was carried out in December 2019 and another is due to be carried out in December 2022.

Each Board has a conflicts of interest policy which sets out the requirement to disclose any potential conflicts of interest at each meeting and provides for an annual review by Board members of key suppliers, as well as a protocol for managing conflicts that arise, including affected Board members absenting themselves from voting and or discussion on a matter where a conflict arises.

### Board demographics

	Board <sup>1</sup>	Employees	Tenants <sup>2</sup>
<b>Gender split (male/female)</b>	<b>33/67</b>	<b>31/69</b>	<b>43/57</b>
<b>BAME (%)</b>	<b>8</b>	<b>38</b>	<b>44</b>
<b>Disability (%)</b>	<b>-</b>	<b>-</b>	<b>8</b>
<b>Average age (years)</b>	<b>49</b>	<b>45</b>	<b>39</b>
<b>Average tenure</b>	<b>4.9</b>	<b>n/a</b>	<b>n/a</b>

<sup>1</sup> Figures applies to the combined boards of the Dolphin Square Charitable Foundation and Dolphin Living Limited.

<sup>2</sup> Figures based upon information provided by our tenants in January 2022 as part of our bi-annual customer survey and therefore only reflects what tenants choose to share with us.

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## Audit and Remuneration Committees

One member of the Audit Committee is a qualified accountant currently working as Finance Director of a housing association. One member of the Audit Committee has recent and relevant financial experience in his role as Chief Executive of a housing association.

The current external audit partner has been responsible for the audit for the last four financial years.

No current executives currently serve on the Remuneration Committee.

## STAFF WELLBEING

Dolphin Living pays all staff the Real Living Wage. The gender pay gap at Dolphin Living is 1.0% in favour of male staff and the ratio of the median salaried worker to CEO pay is 1:3.

As a small organisation Dolphin Living does not have internal dedicated resources to support the physical and mental health of employees. It does however have several offerings to staff to support their physical and mental health and wellbeing including, but not limited to, provision of a healthcare cashback scheme including access to one-off counselling and an employee assistance phoneline, mental health awareness training, cycle to work loans, promotion of the use of public transport, cycling and walking to attend meetings and visit our homes and outsourced independent HR support available to staff as required.

The average number of sick days taken in the year to 31 March 2022 is 0.9.

## SUPPLY CHAIN

### Procurement: social value creation

In procuring services, works and goods contracts, we seek to leverage social benefit and incorporate ways within the service delivery to improve the economic, environmental and social well-being of the area and the people who live and work there.

The service delivery will support our aim of supporting sustainable communities in which people want to live. For example, consideration is given to seeking the provision of apprenticeships and/or employment/training/volunteer opportunities within the local community and payment of a Living Wage (<https://www.livingwage.org.uk/>) as part of the specification/ contract conditions.

### Procurement: environmental impact

We recognise that there are benefits from integrating economic, social and environmental factors into procurement processes. This can be achieved by minimising the consumption of non-renewable resources, procuring goods and services/ works which are least harmful to the environment, and promoting best

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practice regarding sustainable procurement. These are reflected in our evaluation criteria of each contract.



## **Appendix 1: Explanatory notes**

- Dolphin Living comprises the Dolphin Square Charitable Foundation (Dolphin) and its subsidiaries, DSF Developments Limited (DSFD), Hoxton Regeneration Limited (HRL) and Dolphin Living Limited (DLL).
- Responses in this report relate to Dolphin Living as a whole, except where we have separately identified responses as relating to an individual entity.
- The Directors of DSFD and HRL are drawn from the Board of the Foundation and the Executive Team at Dolphin. DLL is registered with the Regulator of Affordable Housing and has an independent Board.
- All staff are jointly employed by all Dolphin Living entities.
- Our portfolio comprises 791 homes. 540 are described as 'new build' and are less than 10 years old. The remainder are described as 'older stock'. Of the older stock 43 have been refurbished in the last 10 years.
- We have responded to all Core criteria and where possible have provided full or partial responses to Enhanced criteria.