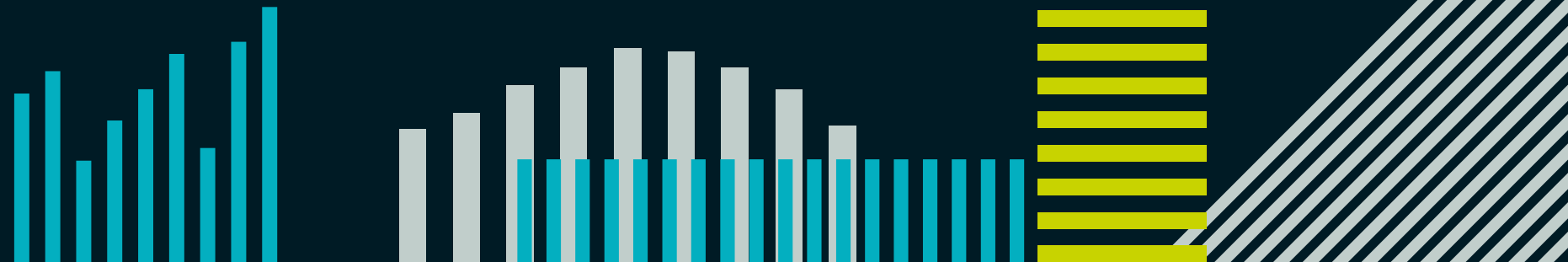


SRS v2.0 – Consultation notes

April 2023



Consultation overview

The Sustainability Reporting Standard for Social Housing (SRS) was first launched in November 2020.

Since then, over 120 organisations have adopted it.

The SRS is designed to be a consistent, transparent, and comparable way to report Environmental Social Governance (ESG) performance for Housing Providers in the UK.

Since publication, there have been a range of developments that have affected the housing sector, as well as wider reporting requirements.

SRS Version 2.0 seeks to account for these changes, where relevant.

In forming the v2.0 draft, Sustainability for Housing (SfH) has received feedback from a range of sources including: adopters, existing SRS reports, external reporting requirements and interviews with key sector stakeholders.

Timeline

The month-long public consultation will run from 3/4/23 until 2/5/2023. During this period, SfH is seeking feedback from as many stakeholders as possible, including: housing providers, funders, suppliers, consultants, developers, and sector bodies.

SfH is seeking responses to the following questions:

1. Are there any further changes that need to be made to the criteria to ensure the SRS remains fit-for-purpose?
2. Are there any changes to what is required of the SRS (i.e. the reporting requirements and expectations needed of SRS reports)?
3. Any other feedback.

All feedback should be submitted by **9.00 am 2/5/2023** via email to: srs.contact@thegoodeconomy.co.uk

Next Steps

SfH will conduct any further research required, and iterate an updated version of the criteria. Expected publication of SRS v2.0 in summer 2023.

Please note, SRS V2.0 won't be reported against until October 2024. For October 2023 reporting, the existing SRS v1.2 will be reported against.

Changes from SRS v1.2 to SRS v2.0

The following general changes have been made to the SRS:

- Re-ordering of criteria to E-S-G (i.e. environmental themes first)
- Requirement for housing providers to report year-on-year results (i.e. for clear comparison and progress)
- Removal of core/enhanced criteria distinction, and reliance on ‘comply or explain’ approach (i.e. housing providers will be expected to report against all criteria and, where they are unable to do so, they report the steps they are taking and the expected date that they will be able to do so).
- For some criteria, an “Enhanced Reporting Option” has been added. These are optional requirements, however reporting against them is regarded as best-practice, but may be aspirational for housing providers.

The following pages provide a summary of the feedback SfH has already received, and details the resulting criteria-level changes.

		Criteria	Housing Provider feedback	Lender feedback	Recommended Change
Affordability and Security	T1	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)	<ul style="list-style-type: none"> Seen as the most challenging criteria; a quarter of HPs found it challenging to report against this – this is more acute for larger HPs with more stock. Worked examples would be helpful. The current worked example has “discount to LHA/PRS” rather than “% of the LHA/PRS”. LHA is not always relevant in South Wales. PRS is not always relevant in areas without a functioning rental market. Wasn’t aware a weighted average is needed. It is not clear which tenures to include. 		<ul style="list-style-type: none"> No change to criterion Revisions to guidance – i.e. revise/expand worked example and clarification of tenures to include in calculations (i.e. Social Rent & Affordable tenures)
		C2 Share, and number, of existing homes (homes completed before the last financial year) allocated to tenure type	<ul style="list-style-type: none"> Financial reporting breaks this down further eg. key worker, leasehold, student... Community centers requested to be included. Unclear where to include both Supported housing and Affordable Rented, or homes which are both tenures (i.e. affordable elderly) 		<ul style="list-style-type: none"> No change to criterion Revisions to guidance – i.e. further tenure breakdown allowance, including community centers, key worker, student etc.
		C3 Share, and number, of new homes (homes that were completed in the last financial year), allocated according to Criterion 2 (above).	<ul style="list-style-type: none"> Referencing New Build Specs (including total new energy generation capacity) – could be useful. Is it homes owned and managed, or homes and/or managed? 		<ul style="list-style-type: none"> No change to criterion Revisions to guidance – i.e. ‘owned and/or managed’
		C4 How is the housing provider trying to reduce the effect of fuel poverty on its residents?	<ul style="list-style-type: none"> This could refer to actions taken to address the cost of living crisis 		<ul style="list-style-type: none"> No change to criterion
		C5 What % of rental homes have at least a 3-year fixed tenancy agreement?	<ul style="list-style-type: none"> This is not the best way of demonstrating security of tenure “Scottish Assured Tenancies” (SATs) in Scotland Where do ‘starter’ tenancies go, which will naturally evolve into lifetime tenancies after 12 months? Could instead refer to full Secure Occupancy / Life Tenancies. Example calculations 	<ul style="list-style-type: none"> A qualitative response (rather than quant) on how HPs provide security of tenure would be better 	<ul style="list-style-type: none"> Remove criterion Replace with qualitative criterion – ‘How does the housing provider provide security of tenure for residents?’

		Criteria	Housing Provider feedback	Lender feedback	Recommended Change
Building Safety and Quality	T2	C6 What % of homes with a gas appliance have an in-date, accredited gas safety check?	<ul style="list-style-type: none"> This is already in financial statements, so not particularly useful Metrics such as legionella, electric safety, asbestos etc. may demonstrate 'extra' safety efforts better. More focus on wider building safety. Additional metric could be – 'What % of properties are built in flood risk areas?' 	<ul style="list-style-type: none"> These are some of the first criteria we look at – very material. We do get these from a variety of sources (such as financial accounts), but helpful to have in one place. 	<ul style="list-style-type: none"> Combine criteria C6 & C7. Replace criterion – 'Describe the condition of the housing provider's portfolio, with reference to: <ul style="list-style-type: none"> % of homes with a gas appliance that have an in-date, accredited gas safety check? % of homes with an in-date and compliant Fire Risk Assessment? % of homes with 'other safety measures' such as Legionella Risk Assessments, in-date Electrical Safety Certificates, Asbestos Risk Assessments etc.'
		C7 What % of buildings have an in-date and compliant Fire Risk Assessment?			
	C8 What % of homes meet the national housing quality standard?	<ul style="list-style-type: none"> In Wales: what % of homes meet the Welsh Housing Quality Standard? In Wales: consider incorporating "Beautiful Homes and Spaces" Standard as a target. The Decent Homes Standard has been highlighted as old, and doesn't go far enough to understand what HAs are actually doing to ensure housing quality. Expand to include damp and mould and/or corrective actions undertaken. 	<ul style="list-style-type: none"> The responses to this criterion always shows strong performance, however there are isolated incidences of poor quality. A qualitative response to discuss these bad practice cases and the Board's strategy for overseeing and monitoring safety would be useful. 	<ul style="list-style-type: none"> Revise criterion – 'What % of homes meet the national housing quality standard? Of those which fail, what is the housing provider doing to address these failings? What is the target date for bringing homes that do not meet the standard into compliance?' 	

Criteria			Housing Provider feedback	Lender feedback	Recommended Change
Resident Voice	T3	C9 What arrangements are in place to enable the residents to hold management to account for provision of services?	<ul style="list-style-type: none"> This really should sit under the G not the S 		<ul style="list-style-type: none"> Remove criterion Combine criterion with C31
		C10 How does the housing provider measure Resident Satisfaction and how has Resident Satisfaction changed over the last three years?	<ul style="list-style-type: none"> This should be incorporated with the TSMs. In Scotland, the Scottish Regulator’s survey closely aligns with/matches England’s TSM. However, these are conducted every three years. 	<ul style="list-style-type: none"> Not easily comparable between providers, therefore using TSMs would make this more consistent and comparable. This is not currently used when assessing HPs. 	<ul style="list-style-type: none"> Revise criterion – ‘What are the results of the housing provider's most recent resident satisfaction survey?’ Revisions to guidance – <ul style="list-style-type: none"> - Disclose date of survey - Disclose % of residents who responded - Disclose sampling method <p>Response to include results from: England's TSM TP01 - "Taking everything into account, how satisfied or dissatisfied are you with the service provided by your landlord," Scottish Social Housing Charter - "4.1 Satisfaction with the overall service provided"</p>
		C11 In the last 12 months, how many complaints have been upheld by the Ombudsman. How have these complaints (or others) resulted in change of practice within the housing provider?	<ul style="list-style-type: none"> In Scotland, the Ombudsman is not the same, but widely similar (i.e. some timescales are slightly different). Perhaps the number of complains upheld, partially upheld, first tier tribunals. Perhaps include complaints monitoring processes, or complaints received / escalated. Ombudsman complaints are typically such a small number it doesn't give a true picture of complaints overall. 		<ul style="list-style-type: none"> No change to criterion
Criteria			Housing Provider feedback	Lender feedback	Recommended Change
Resident Support	T4	C12 What support services does the housing provider offer to its residents? How successful are these services in improving outcomes?			<ul style="list-style-type: none"> No change to criterion

Criteria			Housing Provider feedback	Lender feedback	Recommended Change
Placemaking	T5	C13	<p>Provide examples or case studies of where the housing provider has been engaged in placemaking or place-shaping activities.</p> <ul style="list-style-type: none"> This criterion is liked – it HP role in communities. More guidance and examples/case studies would be useful Placemaking metrics requested – challenged measuring improvements Social Value could be included here, as this is important to HPs (and they are often measuring this anyway). It is difficult to measure improvements in this area. 	<ul style="list-style-type: none"> This is not current material. It is a ‘nice to read’ to understand the culture of HPs and their wider efforts. 	<ul style="list-style-type: none"> No change to criterion Revision to guidance – Optional enhanced reporting on social value (and monetisation of SV)

Criteria			Housing Provider feedback	Lender feedback	Recommended Change
Climate Change	T6	C14	<p>Distribution of EPC ratings of existing homes (those completed before the last financial year).</p> <ul style="list-style-type: none"> Unclear whether this is ‘actual’ or ‘calculated’ EPCs – the results can differ significantly. KwHpm2/SAP is a more useful metric. 	<ul style="list-style-type: none"> Include how EPCs map to net-zero targets / pathways. 	<ul style="list-style-type: none"> Expand criterion – ‘Reporting KwHpm2 / average SAP rating is encouraged for enhanced reporting’
		C15	<p>Distribution of EPC ratings of new homes (those completed in the last financial year).</p> <ul style="list-style-type: none"> In Scotland, The New Build Heat Standard could be referred to (effective from 2024 on new-builds) 		
		C16	<p>Scope 1, Scope 2 and Scope 3 green house gas emissions.</p> <ul style="list-style-type: none"> SECR intensity ratio could be more useful The input tool does enable HPs to explain why they haven’t reported this Having an example of how this is calculated would be helpful. 	<ul style="list-style-type: none"> Expand criterion – ‘SECR Intensity Ratio is encouraged for enhanced reporting’ Revisions to guidance – Housing providers should set and report on target dates for reporting data on emissions is they are currently unable to do so, clarify which housing providers are subject to SECR disclosure. 	
		C17	<p>What energy efficiency actions has the housing provider undertaken in the last 12 months?</p> <ul style="list-style-type: none"> Suggest re-wording to ‘retrofit’ activities Keep open ended (i.e actions can include air source heat pumps, low carbon heating systems etc.) Science Based Targets (SBTs) are already reported in sustainability finance frameworks, so these can be incorporated. EESH2 (Energy efficiency for Scottish social housing) – how activities are aligned to this. 61% of HPs found this challenging to report against 	<ul style="list-style-type: none"> How activities map onto net-zero commitments. 	

Criteria			Housing Provider feedback	Lender feedback	Recommended Change
T6	C18	How is the housing provider mitigating the following climate risks: - Increased flood risk - Increased risk of homes overheating	<ul style="list-style-type: none"> Criteria on climate risk Does the HP have an Environmental Management System? Does the HP take part in a benchmarking scheme such as SHIFT? Expand to consider TCFD / climate action plans. 	<ul style="list-style-type: none"> Narrative on the Board's oversight of climate risk would be valuable 	<ul style="list-style-type: none"> Revise criterion – <p>'How is the housing provider mitigating climate risks, such as increased flood, drought and overheating risk?</p> <ul style="list-style-type: none"> Revisions to guidance <p>Board oversight / governance is to be referenced.</p> <p><i>NOTE: Wording to align with TCFD requirements.</i></p>
	C19	Does the housing provider give residents information about correct ventilation, heating, recycling etc.?	<ul style="list-style-type: none"> This should be part of S not the E Could be grouped with C4 (fuel poverty criterion) This is part of HP standard operations (i.e. all HPs give welcome packs), so doesn't add much explicit question about mould and damp. 		<ul style="list-style-type: none"> Remove and replace criterion – <p>'How do you manage and mitigate the risk of damp and mould for your residents?</p> <ul style="list-style-type: none"> Guidance to include – <p>Giving residents information about correct ventilation, heating and recycling is an example action. Enhanced reporting may make reference to quantitative data points such as:</p> <ul style="list-style-type: none"> - How many cases of damp and mould were reported in the period? - What % of stock do these homes account for?

Criteria			Housing Provider feedback	Lender feedback	Recommended Change
Ecology T7	C20	How is the housing provider increasing Green Space and promoting Biodiversity on or near homes?	<ul style="list-style-type: none"> Approx. 70% of HPs found this challenging to report against (2021 and 2022 average) Not a priority area but still valuable as forces the Board to keep on the agenda. Difficult to compare between providers due to nature and location of stock. 	<ul style="list-style-type: none"> This is not currently a material criteria Expected to be increasing focus in the medium/long term 	<ul style="list-style-type: none"> No change to criterion Revisions to guidance – <p>For enhanced reporting, reference to Biodiversity Net Gain (BNG) is encouraged.</p>
	C21	Does the housing provider have a strategy to actively manage and reduce all pollutants? If so, how does the housing provider target and measure performance?	<ul style="list-style-type: none"> One of the least reported against metrics. 		<ul style="list-style-type: none"> No change to criterion Revisions to guidance – <p>Definition and example of pollutants included, such as air pollution.</p>

Criteria				Housing Provider feedback	Lender feedback	Recommended Change	
Resource Management	T8	C22	Enhanced	Does the housing provider have a strategy to use or increase the use of responsibly sourced materials for all building works? If so, how does the housing provider target and measure performance?	<ul style="list-style-type: none"> Half of HPs reported this to be challenging to report against. Larger HPs struggle more. 		<ul style="list-style-type: none"> No change to criterion
		C23	Enhanced	Does the housing provider have a strategy for waste management incorporating building materials? If so, how does the housing provider target and measure performance?	<ul style="list-style-type: none"> Not adding much, as most HPs have policies on this for compliance There are related metrics that are commonly reported, such as: <ul style="list-style-type: none"> % material diverted from landfill % materials that are recycled 		<ul style="list-style-type: none"> Expand criterion – <p>‘For enhanced reporting, provide the % of materials that are recycled and/or diverted from landfill’.</p>
		C24	Enhanced	Does the housing provider have a strategy for good water management? If so, how does the housing provider target and measure performance?	<ul style="list-style-type: none"> Not a priority area / useful criterion Water consumption by the HP (such as in offices) is a negligible part of HP impact, given that resident usage is indirect 		<ul style="list-style-type: none"> Revise criterion wording – <p>‘Does the housing provider have a strategy for water management? If so, how does the housing provider target and measure performance?’</p>

Criteria				Housing Provider feedback	Lender feedback	Recommended Change	
Structure and Governance	T9	C25	Core	Is the housing provider registered with the national regulator of social housing?	<ul style="list-style-type: none"> This is a tick-box exercise so easy to complete ‘static’ criteria that won’t change over time Provides useful context 	<ul style="list-style-type: none"> This is reported elsewhere but useful to access this information in one document without having to go into financial accounts 	<ul style="list-style-type: none"> No change to criterion
		C26	Core	What is the most recent regulatory grading/status?			<ul style="list-style-type: none"> No change to criterion
		C27	Core	Which Code of Governance does the housing provider follow, if any?			<ul style="list-style-type: none"> No change to criterion
		C28	Core	Is the housing provider Not-For-Profit? If not, who is the largest shareholder, what is their % of economic ownership and what % of voting rights do they control?			<ul style="list-style-type: none"> No change to criterion
		C29	Core	Explain how the housing provider’s board manages organisational risks.	<ul style="list-style-type: none"> If this is expanded to include ESG risks, it is useful to provide guidance on the level of detail expected Report against TCFD Perhaps outlining ESG plans/policies/targets would be useful 	<ul style="list-style-type: none"> Incorporating ESG risks would be useful How the Board manage/mitigate ESG risks would make this theme less ‘static’ year-on-year, especially as these approaches should continually evolve 	<ul style="list-style-type: none"> Revise criterion – <p>‘Explain how the housing provider’s board manages ESG risks i.e. are ESG risks incorporated into the housing provider’s risk register? For enhanced reporting, is the housing provider reporting against TCFD?’</p>
		C30	Enhanced	Has the housing provider been subject to any adverse regulatory findings in the last 12 months (data protection breaches, bribery, money laundering, HSE breaches etc.) that resulted in enforcement/ equivalent action?			<ul style="list-style-type: none"> No change to criterion

		Criteria	Housing Provider feedback	Lender feedback	Recommended Change	
Board and Trustees	T10	C31	What are the demographics of the board? And how does this compare to the demographics of the housing providers residents, and the area that they operate in?	<ul style="list-style-type: none"> What is this criterion actually trying to get at? EDI? For data protection, Board members may not be comfortable with this info being in the public domain. For comparison to residents, this is hard to calculate for HPs working across multiple regions / national providers. The categorisation of 'BAME' needs defining. 	<ul style="list-style-type: none"> Qualitative response on how EDI is considered, acted upon and reflected by the Board would be good. An explicit question on whether residents are part of the Board would be interesting. 	<ul style="list-style-type: none"> Revise criterion (combining C9) – <p>'How does the housing provider consider resident voice at the board and senior management level? Does the housing provider have policies that incorporate EDI and into the recruitment and selection of board members and senior management?'</p>
		C32	What % of the board AND management team have turned over in the last two years?	<ul style="list-style-type: none"> Split board and executive turnover to identify where the movement is. Unclear how best to calculate i.e. total all and divide, or calculate separately and combine 		<ul style="list-style-type: none"> Revise criterion calculation – <p>"What % of (a) the Board (b) the senior management team have turned over in the last two years?"</p>
		C33	Is there a maximum tenure for a board member? If so, what is it?	<ul style="list-style-type: none"> All HPs report 6 or 9 years 		<ul style="list-style-type: none"> Remove criterion
		C34	What % of the board are non-executive directors?			<ul style="list-style-type: none"> No change to criterion
		C35	Number of board members on the Audit Committee with recent and relevant financial experience			<ul style="list-style-type: none"> No change to criterion
		C36	Are there any current executives on the Remuneration Committee?	<ul style="list-style-type: none"> All HPs report 'no' 		<ul style="list-style-type: none"> Remove criterion
		C37	Has a succession plan been provided to the board in the last 12 months?			<ul style="list-style-type: none"> No change to criterion
		C38	For how many years has the housing provider's current external audit partner been responsible for auditing the accounts?			<ul style="list-style-type: none"> No change to criterion
		C39	When was the last independently-run, board-effectiveness review?			<ul style="list-style-type: none"> No change to criterion
		C40	Are the roles of the chair of the board and CEO held by two different people?	<ul style="list-style-type: none"> All HPs report 'yes' 		<ul style="list-style-type: none"> Remove criterion
		C41	How does the housing provider handle conflicts of interest at the board?			<ul style="list-style-type: none"> No change to criterion

Criteria				Housing Provider feedback	Lender feedback	Recommended Change	
Staff Wellbeing	T11	C42	Core	Does the housing provider pay the Real Living Wage?			• No change to criterion
		C43	Core	What is the gender pay gap?	<ul style="list-style-type: none"> • Most HPs have a stand-alone Gender Pay Gap report • EDI (not just gender) is neglected throughout the SRS – for both staff and residents. • Narrative on how EDI in staff is encouraged would be useful. • More metrics on pay gaps could be encouraged, such as: <ul style="list-style-type: none"> – BAME, LGBTQIA+, those with disabilities etc. – EDI policies in recruitment practices / promotions • Could be a governance criterion. 		<ul style="list-style-type: none"> • No change to criterion • Additional criterion – 'How is the housing provider ensuring EDI is promoted across its staff?'
		C44	Enhanced	What is the CEO-worker pay ratio?			• No change to criterion
		C45	Enhanced	How does the housing provider support the physical and mental health of their staff?	<ul style="list-style-type: none"> • It would be useful to incorporate stats/narrative on the professional development of staff • Additional metrics could include: <ul style="list-style-type: none"> – % employees that have completed qualifications – % employees provided with (compulsory) training – % employees who have received appraisals / promotions • There should be focus on staff satisfaction and retention, such as STAR data or Housemark's satisfaction • There could be further criterion on staff health and safety, such as now 'near misses' filter into governance practices. 	<ul style="list-style-type: none"> • Discussing feedback loops that staff have and how this is acted on would be useful • Ultimately, funders are interested in building safety rather than staff safety. 	<ul style="list-style-type: none"> • No change to criterion • Additional criterion – 'How does the housing provider support the professional development of staff? For enhanced reporting, what % of employees have received qualifications within the last year?'
		C46	Enhanced	Average number of sick days taken per employee	<ul style="list-style-type: none"> • This is a misleading way of representing staff satisfaction • C45 is better suited and more valuable 		• Remove criterion

Criteria				Housing Provider feedback	Lender feedback	Recommended Change	
Supply Chain	T12	C47	Enhanced	How is Social Value creation considered when procuring goods and services?	<ul style="list-style-type: none"> • Social Value is important and is neglected throughout the S criteria. • HPs should be able to report their Social Value strategy (incl. Social Return on Investment and Value for Money calc.) and how these assessments shape decision making. • Criterion could encourage disclosure of the relative weighting of social value in procurement policies. 	<ul style="list-style-type: none"> • Social Value is interesting as an 'extra' but not core to HP assessments. 	• No change to criterion
		C48	Enhanced	How is Environmental impact considered when procuring goods and services?	<ul style="list-style-type: none"> • Criterion could encourage disclosure of the relative weighting of environmental considerations in procurement policies. 		• No change to criterion

CONTACT

4 Miles's Buildings, Bath BA1 2QS

+44 (0) 1225 331 382

info@thegoodeconomy.co.uk

thegoodeconomy.co.uk

This document has been prepared in accordance with the terms of our Engagement Contract with the client and is subject to the restrictions on use in the Contract.

All copyright and other proprietary rights in the Report remain the property of The Good Economy Partnership Ltd and any rights not expressly granted in these terms or in the Contract are reserved.

The Good Economy Partnership is registered in England & Wales with registered number 09101765 and its registered office at Hillstead, Bathwick Hill, Bath, BA2 6LA

© 2023 The Good Economy Partnership Ltd. All Rights Reserved.

