

SRS v2.0:
**Consultation feedback and
technical update summary**



September 2023

Introduction

The Sustainability Reporting Standard for Social Housing (SRS) was first launched in November 2020. As of September 2023, over 130 organisations have adopted the Standard – 98 housing providers and 36 funders. The SRS is designed to be a consistent, transparent, and comparable way to report Environmental, Social and Governance (ESG) performance for housing providers in the UK.

Since publication, there have been a range of developments that call for greater transparency and accountability by the social housing sector. New and enhanced standards are being introduced regarding the quality and environmental performance of existing and new homes, as well as customer satisfaction performance and health and safety compliance standards.

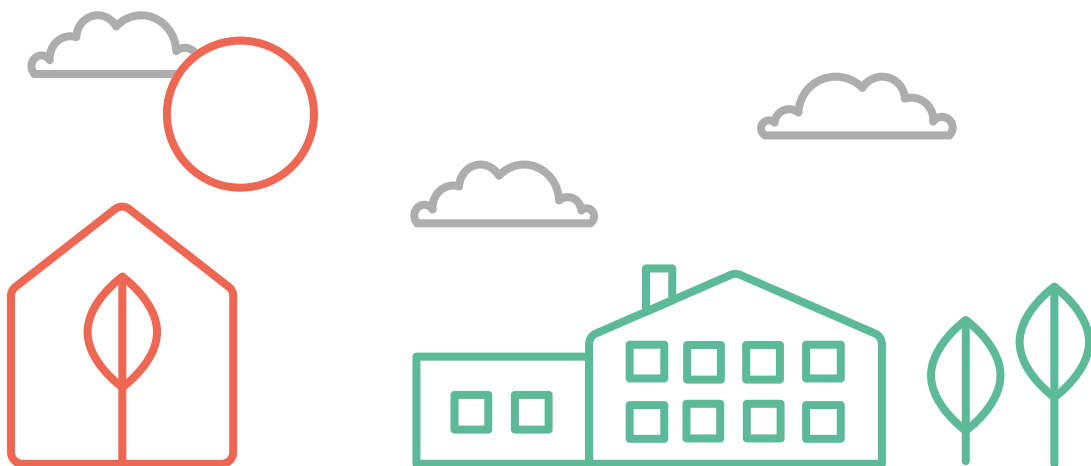
Wider company and financial institution sustainability reporting requirements are also developing very fast. This is affecting the extent and quality of carbon emissions and climate-related disclosures funders expect from housing providers. Increasing attention is also being put on the social

performance of the social housing sector, including, for example, understanding and dealing with damp and mould.

In making updates to the criteria, Sustainability for Housing (SfH) has sought to strike a balance between ensuring the Standard remains practical and relevant to the vast majority of housing providers, while understanding and responding, where considered reasonable, to the increasing data and information demands of the financial sector.

Ultimately, we are committed to ensuring the Standard is developed in a way that is useful for housing providers to develop their ESG strategies and report on their individual organisational ESG performance in a consistent, comparable and transparent way.

Adopters will be expected to report against SRS Version 2.0 by the end of October 2024. It is therefore expected that the previous iteration of the SRS (Version 1.2) is used for upcoming October 2023 reporting.



Developing SRS v2.0 – the process

In developing SRS v2.0, SfH led a consultative process. This included gathering feedback and information from: SRS Adopters, existing SRS reports, external reporting requirements and interviews with key sector stakeholders and technical experts.



2021

Feedback survey on v1.2

(completed by 44 housing providers)

Deep-dive interviews on v1.2

(conducted with 10 funders)

Analysis of 49 SRS reports



2022

Feedback survey on v1.2

(completed by 56 housing providers and 10 funders)

Adopter workshops on v1.2

(6 working groups attended by 50+ Adopters and Endorsers)

- **Analysis of 64 SRS reports**
- **Landscape review** of ESG reporting standards and requirements



2023

Deep-dive interviews on v1.2

(conducted with 8 housing providers and 8 funders)

Public consultation on v2.0

(feedback from 38 organisations)

- **Deep-dive interviews with technical experts on revised v2.0**
- **Review and alignment** with external standards and reporting requirements.

Changes from SRS v1.2 to SRS v2.0

In the development of SRS v2.0 the following overall changes have been made:

- Re-ordering of criteria to E-S-G (i.e. environmental themes first). Note that Version 1 of the Standard put the “S” criteria first to recognise that housing providers are at their core social businesses hence it was important to prioritise reporting on S criteria. However, we have now aligned with the order E-S-G as is standard practice across sectors.
- Expectation that housing providers report year-on-year results in order to demonstrate performance over time and their ‘direction of travel’.
- Removal of core/enhanced criteria distinction, and reliance on a ‘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.
- Where an SRS report has been through an external validation process, this should be explicitly described in the report. Please note, this is not a requirement of housing providers at this point.

Following on from the public consultation, and further inputs from technical experts, a further set of criteria level changes have been made.

The follow pages detail the recurring themes that came out in the feedback. We’ve detailed our responses including where changes were made, and where they weren’t.



Consultation feedback

Feedback Summary	Example feedback	Response	Result
Respondents would like more 'best-practice' guidance.	"Please provide more guidance on what should be in an Ecology Policy"	SfH seeks to point Adopters to existing best practice produced by recognised external sources.	For many criteria (c1,2,3,4,7,9 etc.) we have suggested external expert sources that describe best practice. Over time, SfH will consider how to highlight best practice in the SRS annual reports.
Respondents would like SfH to provide technical guidance on how to report against certain criteria.	"We would welcome further clarity on certain definitions..." "It would be helpful to provide a definition on how to calculate SAP ratings"	SfH has not sought to create new guidance on how to complete existing calculations, instead we will signpost to existing best practice and market norms.	For many criteria (c1,2,3,4,7,9 etc.) we have suggested external expert sources that describe best practice.
Respondents wanted to ensure the SRS remains aligned to other external reporting approaches.	"Should the criteria be mapped onto the Taskforce on Nature-Related Financial Disclosures (TNFD)?"	Where practical, SfH has aligned the criteria with known external reporting requirements. However, the reporting landscape is constantly changing and therefore it is not possible for the SRS to be fully aligned with all reporting standards.	SfH have committed to reviewing the SRS criteria on an annual basis to ensure emerging best reporting practice can be incorporated. While TNFD is still being developed we haven't aimed to directly align with it.
Respondents wanted a set threshold for what "good" looks like and wanted to be able to benchmark their performance.	"There should be greater emphasis of benchmarking in the sector"	The aim of the SRS is to be a disclosure standard that 'raises the bar' for ESG performance in the housing sector. Nevertheless, readers of SRS reports will have different priorities and will therefore define what 'good' looks like differently. SfH is not currently benchmarking performance but recognises that other third parties are producing benchmark data.	No change.
There is no need to report against criteria that are already reported elsewhere.	"Duplication of material already reported elsewhere (notably in Annual Report) should be minimised."	The SRS deliberately brings together all key ESG reporting information into one place. While designing the criteria, a key principle has been to maximise the metrics that Housing Providers already capture.	No change.
More help is needed to ensure that Housing Providers use a consistent methodology for calculating Scope 1,2,3 emissions.	"Scope 3 emissions are difficult; we would appreciate further guidance and examples of best practice."	The SfH recognises that the calculation and reporting of Scope 3 emissions is difficult. Despite the guidance issued by the Greenhouse Gas Protocol, there is still a wide range of valid approaches taken by environmental experts when calculating this figure. SfH will aim to ensure there is standardised reporting on emissions, however, until a clear market norm forms, SfH will not be able to specify how this should be calculated.	Updated language around consistency of units, and method for report emissions per home.

Feedback Summary	Example feedback	Response	Result
There was a desire to have a sub-set of criteria which are seen as the 'most important criteria', or Key Metrics.	"We also want to see the promotion of golden metrics."	While it may make sense for individual housing providers to identify key metrics, these metrics won't be the same in all contexts or for all providers. Therefore, SfH doesn't currently plan to specify a subset of measures that are universally more important.	No change.
Some criteria are just factual statements that don't differentiate between Housing Providers	"We think that several of the criteria contain either factual statements which relate to the standard regulatory or operational requirements of business as usual as an RP, and we're not convinced that these sit well in a sustainability framework."	SfH is aiming to help housing providers tell their own story to a wide range of stakeholders, therefore some criteria are included to explain some of the benefits that the whole sector experiences.	No change.
Greater desire for reports to have some level of verification or assurance.	"Incorporate clearer guidance on external review of disclosure – including strong recommendation to have such a review"	SfH doesn't currently require SRS reports to be externally reviewed or assured. However, SfH is aware of a growing expectation that SRS reports (both within and outside of the housing sector) are externally validated. We do agree that external verification would enhance the quality and reliability of reporting.	We have included the following requirement: "Where an SRS report has been through an external validation process, this should be explicitly described in the report."
Criteria should align better with the Tenant Satisfaction Measures – TSMs (in England)	"Update to match TSMs on building safety."	Although the TSMs have been developed by the English Regulator, many of the measures align directly with Scottish and Welsh requirements.	Where appropriate these criteria have been updated.



Review and alignment

While developing the SRS v2.0, SfH has reviewed the following global frameworks and reporting standards, and where relevant aligned with emerging best practice.

- Sustainable Development Goals (SDGs) – all themes have been aligned to specific SDG goals and indicators.
- International Capital Market Association (ICMA) and the Loan Market Association (LMA) – the SRS supports the selection of KPIs and reporting for sustainability-linked loans and bonds.
- Task Force on Climate-related Financial Disclosures (TCFD) – relevant TCFD reporting requirements have been considered within the environmental criteria.
- Streamlined Energy and Carbon Reporting (SECR) – Enhanced reporting for C5 directly references SECR.
- Sustainability Accounting Standards Board (SASB)
- Global Reporting Initiative (GRI)
- IFRS Sustainability Disclosure Standards

The ongoing role for SfH and future updates of the SRS

- Because both national and international standards are evolving at pace the SfH Board will determine annually if developments require us to update the standard.
- Going forward SfH is going to play a more active role in supporting adopters of the SRS by monitoring and sharing updates and insights on emerging legislation, guidelines and reporting requirements. This may result in update reports/digests of the relevant information for the sector. The curation of this information will make the process of updating the SRS a more streamlined process in future years.
- SfH will also continue to encourage the sector to adopt ESG reporting to demonstrate its positive contribution to addressing critical environmental and social issues.

