



Futures ESG report

2021 - 22



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Why the environment, social impact and good governance matter to Futures

Like most housing associations, we pride ourselves on being a force for good. Our number one priority is helping people and local communities by providing good quality affordable homes. Alongside this we provide a wide range of support services to help people to thrive in their homes. This includes help with budgets and finance as well as support with finding employment and living independently.

Since the Group formed in 2007 we have grown considerably to now provide more than 10,000 homes. The range of ways in which we support people has also expanded over the years. Our development and growing achievements have been driven by our passion to help.

As a regulated organisation that takes its work very seriously, we know we have strong finances

and strong governance. Both aspects of our work are subject to independent monitoring and evaluation and we have top ratings for both from the government's Regulator of Social Housing.

We report yearly on our finances through our audited financial report, which includes an analysis of how we deliver value for money. We also work hard to engage with our customers to help us improve and to explain the work we do.

Despite all this we think we can still do more to show the positive impact we have. That's why we are pleased to present our first ever environmental, social & governance (ESG) report alongside our standard annual report for 2021-22.



Reporting on our ESG work



This report adopts the recently-launched Sustainability Reporting Standard for Social Housing, put together and overseen by Sustainability for Housing. This is an 'open source' tool for explaining our ESG performance in a way that is transparent and consistent with other housing associations to allow easy comparisons to be made. The Standard was designed from the outset with housing associations and is aligned with the United Nations' (UN) Sustainable Development Goals

(see box below for more information). More than 100 organisations are already using the Standard or endorsing it and we are pleased to join them.

We hope this report will help our customers, funders and many other stakeholders to understand how seriously we take sustainability and the many ways in which we are having a positive impact already. It also sets out a way of explaining how we aim to improve and a point of reference for showing our progress over time.

The United Nations' 17 Sustainable Development Goals

Direct impact

1 NO POVERTY 	2 ZERO HUNGER 	3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION 	5 GENDER EQUALITY 	6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES 	11 SUSTAINABLE CITIES AND COMMUNITIES 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION 	14 LIFE ON LAND 	

Indirect impact

15 LIFE BELOW WATER 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	17 PARTNERSHIPS FOR THE GOALS
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Introducing the Sustainability Reporting Standard

The Standard covers 48 criteria across 12 themes. Thirty of the criteria are currently designated 'core' with a further 18 'enhanced' criteria that currently do not have to be addressed to meet the Standard.

The Standard is expected to evolve over time

as more landlords choose to report against it. In some cases we already report against the enhanced standards so that information is included here. The 12 themes are spread across the three umbrella topics – social, environmental and governance.



Social

Most housing associations talk about their 'social purpose' which means that they are not providing homes and services for profit, but to support people and communities. The 'social' standards seek to provide a consistent way of showing our impact in these areas.

	Theme	Description	Relationship to UN Sustainable Development Goals
1.	Affordability and security	Provides affordable and secure housing	11. Sustainable cities and communities 10. Reduce inequality
2.	Building safety and quality	Resident safety and building quality are well managed	11. Sustainable cities and communities
3.	Resident voice	Listens to residents' voice	11. Sustainable cities and communities
4.	Resident support	Supports residents, and the local community	11. Sustainable cities and communities
5.	Placemaking	Supports residents and the wider local community through placemaking	11. Sustainable cities and communities

Environmental

Property and construction are major contributors to climate change globally. As a responsible provider of homes we can and must do more to reduce our impact on the planet and to support our customers on the road to a carbon-zero future. This year we launched our new sustainability strategy which sets out our path ahead for doing more. This report will be one of the ways for demonstrating the impact we are having.

	Theme	Description	Relationship to UN Sustainable Development Goals
6.	Climate change	Prevents and mitigates the risk of climate change	13. Climate action
7.	Ecology	Promotes ecological sustainability	15. Life on land
8.	Resource management	Sustainable management of natural resources	12. Responsible consumption and production

Governance

We are a large scale business that has an impact on many people’s lives – not just those of our customers but our employees too. Good governance enables us to manage these things well, hold and use our assets and resources in the public interest and to be more transparent and accountable.

	Theme	Description	Relationship to UN Sustainable Development Goals
9.	Structure and governance	Legal structure of the organisation and its approach to governance	16. Peace, justice and strong institutions
10.	Board and trustees	High quality board of trustees	
11.	Staff wellbeing	Supports employees	8. Decent work and economic growth
12.	Supply chain management	Procures responsibly	12. Responsible consumption and production



How we meet the **Standard**

Standards marked with an asterisk are currently designated as 'enhanced' (ie non-core). The information provided covers the financial year 1 April 2021 to 31 March 2022 unless otherwise stated.

The social criteria



What this work means to me

Janene Haywood

Community Engagement Project Delivery Officer

Why is delivering social benefits important for Futures?

I think it's essential for us to engage effectively with our customers to understand them and their needs as well as the wider neighbourhoods where they live, work and socialise. All of our customers have an impact on the areas where they live, and the place in turn affects them too.

We need to look at the areas where we provide homes for the long term. We have to really know how customers live and use their homes and how open spaces and facilities can work better for them to be the great landlord we want to be. We also need to work closely with partner agencies to deliver ongoing improvements that make our customers proud to live where they do.

What changes or improvements have you seen over the past year?

My post is very new and so far my focus has been on reinforcing our connections with partner organisations in key locations. Inevitably the pandemic affected these relationships and staffing changes have had an impact too. So far I've focused on more than 30 agencies and community groups within the Amber Valley, Erewash and wider Derbyshire area, with more connections being nurtured each month.

Making Futures more visible in these areas helps fuel conversation with both customers

and the wider neighbourhood. This in turn opens up more doors to groups and opportunities for engagement and the wheel turns round again.

One of my big areas of focus has been the Southbrook Estate in Daventry. I'm working with the other local agencies on the public realm programme there.

What do you think our long-term vision is for delivering social benefits?

We need to make sure that customers have the platforms and tools they need to engage with us better. We also need to show that we are listening and adapting our services as customer needs change. Also, with government tenant satisfaction measures on the horizon it is more important than ever to show that we understand our customers and their needs.

In the longer term I would like to see more 'home-grown' community groups from our customers. I think more community champions would be really helpful and would support more areas taking back or creating a true sense of local pride. There is also a huge amount to be done to reduce the perceived social housing stigma and to bring together different people regardless of whether they rent or own their homes.

1.

Theme: Affordability and security

Description: Provides affordable and secure housing

Criteria within this standard:



▶ For properties that are subject to the rent regulation regime, report against one or more affordability metric:

- ▶ rent compared to median private rental sector (PRS) rent across the local authority
- ▶ rent compared to Local Housing Allowance (LHA).

▶ Share and number of existing homes (completed before the last financial year) allocated to: general needs (social rent), intermediate rent, affordable rent, supported housing, housing for older people, low-cost home ownership, care homes, private rented sector.

▶ Share and number of new homes (completed in the last financial year), allocated to: general needs (social rent), intermediate rent, affordable rent, supported housing, housing for older people, low-cost home ownership, care homes, private rented sector.

▶ How is the housing provider trying to reduce the effect of fuel poverty on its residents?

▶ What % of rental homes have a three year fixed tenancy agreement (or longer)?*

- ▶ Data is for social rent properties
- ▶ Rents for period 1 Apr 2021 - 31 Mar 2022
- ▶ LHA rates are year beginning April 2021
- ▶ Rents are all pro-rata to 52 weeks

How we meet this standard

FHL general needs homes		Homes	Av. weekly rent	LHA rate	%
Amber Valley (Derby BRMA)	1 bed	167	£75.20	£90.90	82.7%
	2 bed	910	£84.99	£115.07	73.9%
	3 bed	2,021	£92.65	£136.93	67.7%
	4 bed	75	£100.29	£182.96	54.8%
	5 bed	7	£108.01	n/a	
	6+ bed	1	£113.08	n/a	
Ashfield (North Nottingham BRMA)	2 bed	5	£83.34	£103.56	80.5%
Cambridge (Cambridge BRMA)	1 bed	2	£61.96	£178.36	34.7%
	2 bed	1	£68.85	£195.62	35.2%
East Cambridgeshire (Cambridge BRMA)	2 bed	2	£100.11	£195.62	51.2%

FHL general needs homes		Homes	Av. weekly rent	LHA rate	%
Derby (Derby BRMA)	3 bed	18	£111.74	£136.93	81.6%
Derbyshire Dales (Peaks and Dales BRMA)	2 bed	2	£102.25	£120.82	84.6%
	3 bed	4	£114.26	£143.84	79.4%
East Northamptonshire (North Northamptonshire)	Bedspace	9	£83.92	£80.00	104.9%
	1 bed	9	£84.28	£109.32	77.1%
Erewash (Nottingham BRMA)	2 bed	50	£89.97	£126.58	71.1%
	3 bed	23	£98.47	£143.84	68.5%
	4 bed	1	£121.76	£184.11	66.1%
Fenland (Peterborough BRMA)	1 bed	9	£82.78	£110.47	74.9%
Peterborough (Peterborough BRMA)	Bedspace	16	£83.74	65.59	127.7%
	Bedsit	6	£69.12	n/a	
	1 bed	4	£83.36	£110.47	75.5%
West Northamptonshire (Rugby and East BRMA)	Bedspace	9	£87.29	84.35	103.5%
	1 bed	10	£90.09	£120.82	74.6%
	2 bed	28	£104.53	£147.29	71.0%
	3 bed	16	£118.71	£172.60	68.8%
	4 bed	4	£129.03	£228.99	56.3%
West Northamptonshire (Rugby and East BRMA)	Bedspace	9	£87.29	84.35	103.5%
	1 bed	10	£90.09	£120.82	74.6%
	2 bed	28	£104.53	£147.29	71.0%
	3 bed	16	£118.71	£172.60	68.8%
	4 bed	4	£129.03	£228.99	56.3%
FHL housing for older people		Homes	Av. weekly rent	LHA rate	%
Amber Valley (Derby BRMA)	1 bed	1,334	£82.05	£90.90	90.3%
	2 bed	867	£88.47	£115.07	76.9%
	3 bed	11	£93.56	£136.93	68.3%
FHW general needs homes		Homes	Av. weekly rent	LHA rate	%
West Northamptonshire (Rugby and East BRMA)	1 bed	191	£76.99	£120.82	63.7%
	2 bed	546	£92.05	£147.29	62.5%
	3 bed	1,276	£100.67	£172.60	58.3%
	4 bed	141	£111.41	£228.99	48.7%
	5 bed	2	£118.45	n/a	

FHW housing for older people		Homes	Av. weekly rent	LHA rate	%
West Northamptonshire (Rugby and East BRMA)	1 bed	325	£83.78	£120.82	69.3%
	2 bed	559	£100.08	£147.29	68.0%
	3 bed	2	£116.08	£172.60	67.3%

Tenure type	Number of existing homes at 31 Mar 2022 completed before 1 Apr 2021	Share of existing homes at 31 Mar 2022 completed before 1 Apr 2021
General needs (social rent)	5,605	55.6%
Intermediate rent	69	0.7%
Affordable rent	543	5.4%
Supported housing	22	0.2%
Housing for older people	3,103	30.8%
Low-cost home ownership	409	4.1%
Fixed term - Rent to Buy	69	0.7%
Care homes	0	0.0%
Privated rented sector	262	2.6%
	10,082	

Tenure type	Number of new homes completed between 1 Apr 2021 and 31 Mar 2022	Share of new homes completed between 1 Apr 2021 and 31 Mar 2022
General needs (social rent)	28	18.1%
Intermediate rent	0	0.0%
Affordable rent	59	38.1%
Supported housing	0	0.0%
Housing for older people	0	0.0%
Low-cost home ownership	37	23.9%
Fixed term - Rent to Buy	25	16.1%
Care homes	0	0.0%
Privated rented sector	6	3.9%
	155	

Social and affordable rent homes make up almost two thirds (60.9%) of all the homes we offer. Social rents are calculated according to a strict government formula. Affordable rent homes sometimes called intermediate rent have their rent capped at no more than 80% of local market rent rates.

FHL and FHW are the two registered providers of social housing within Futures Housing Group. The acronyms stand for Futures Homescape Ltd and Futures Homeway Ltd.



Social rent



Affordable rent

This accounts for all homes (existing and new) at 31 March 2022.

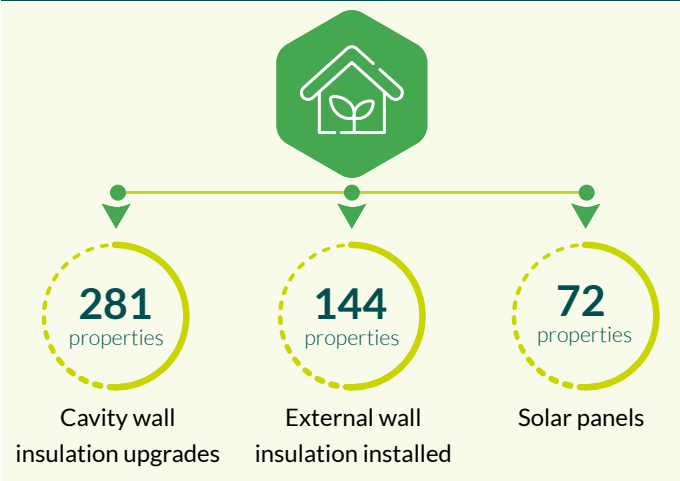


We aim to make all the social and affordable homes we own meet Energy Performance Certificate (EPC) Band C by 2028 if possible and no later than 2030. We are actively seeking partners and funding to make this happen. Given the soaring cost of energy, more efficient homes can translate directly into savings and improved comfort for our customers.

Our current approach is to focus on improving the 'structural' energy performance of the home (through interventions such as improving insulation) before considering other steps such as installing new heating technologies (for example heat pumps and solar panels) although all of these will have parts to play in the longer term. We are also targeting homes where we know we can make 'quick wins' first to deliver more immediate benefits for customers and use the resources we have for the biggest impact.



So far we have attracted grant funding to improve **497 homes**.



New boilers we install are all rated A+ with an efficiency percentage of between 98% and 125%. Replacement doors and windows are also selected for energy efficiency. Switchee smart thermostats in customers' homes are helping to manage energy costs and monitor problems. These can also be used to give information to customers and to allow them to see data to help them manage their energy use better.

Customers can get information and advice about better energy deals through our Money Advice team, website, social media and customer newsletters. A new community engagement officer will also support this work. Alongside this, we switch utilities onto cheaper tariffs for empty homes before customers move in wherever possible.

We no longer issue fixed-term tenancies. All affordable and social rented homes are let on lifetime assured tenancies which gives our customers more security and allows them to plan with more certainty to build a life and home as part of the community.



Thanks to a £100k grant from Amber Valley Borough Council we cleared the rent arrears of 51 customers who were struggling financially.






We invested £20m in building new homes this year to help directly address the housing shortage across our region.

Theme: Building safety and quality

Description: Resident safety and building quality are well managed

Criteria within this standard:

-  What percentage of homes with a gas appliance have an in-date, accredited gas safety check?
-  What percentage of buildings have an in-date and compliant fire risk assessment?
-  What percentage of homes meet the Decent Homes Standard?



How we meet this standard

Safety of the homes we provide is one of our highest priorities. As part of this we carry out checks and closely monitor for the key safety-related 'FLEGAL' risk categories – fire, Legionella, electrical, gas, asbestos and lifts. So, for example, we know that:

100%

of properties have a current Landlords Gas Safety Certificate.

100%

of our homes meet the Decent Homes Standard. This is a detailed technical specification for the quality of social housing set by government.

100%

of properties that require a fire risk assessment (146 flat blocks) are compliant and in-date.

£10.7m

We also invested £10.7m in maintaining and improving customers' homes during the year.



3.

Theme: Resident voice

Description: Listens to residents' voice

Criteria within this standard:



- *What arrangements are in place to enable the residents to hold management to account for provision of services?*
- *How does the housing provider measure resident satisfaction and how has resident satisfaction changed over the last three years?*

➤ *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?**

How we meet this standard

We pride ourselves on being a customer-focused organisation.

Our Insight Committee reviews performance and acts as a sounding board to help shape our services. Many of the committee members are customers.

An independent research company surveys hundreds of customers every three months to get feedback on how we are performing. We compare these results with those of similar organisations and the information is scrutinised by our Board as well as the Insight Committee.

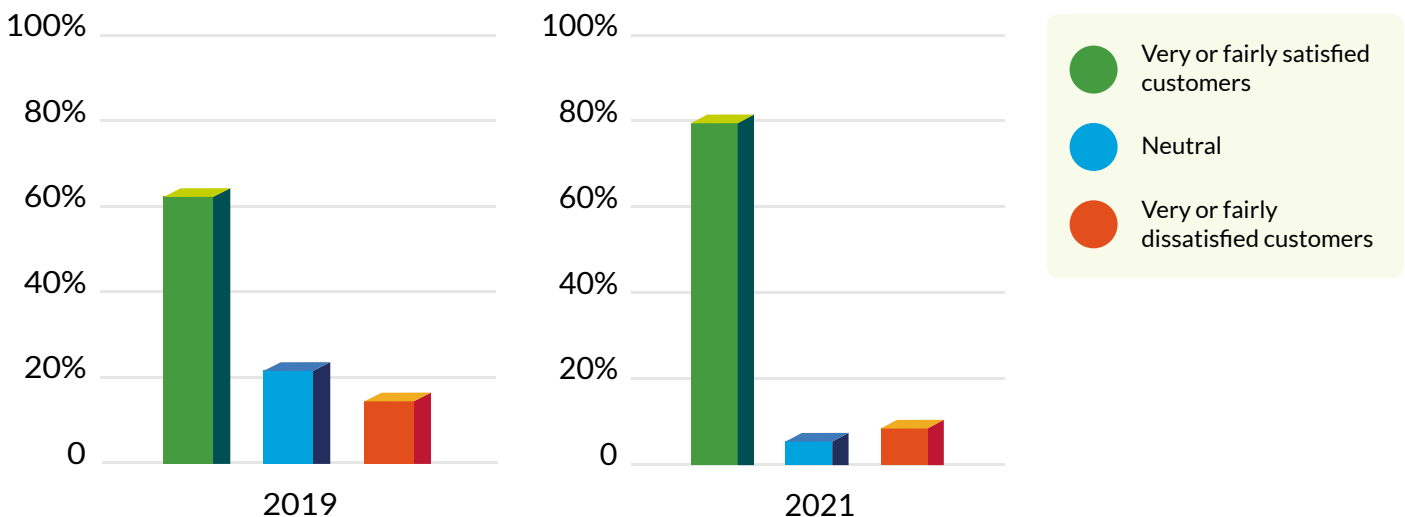
More than 250 more-engaged customers share their views and opinions through our MyVoice

online community and our website now includes a performance 'dashboard' to show how key services are running. We are working to improve our reporting to customers in-line with the Social Housing White Paper.

All complaints are logged and available for our people to review so that they can understand and learn when we leave customers dissatisfied.

Four complaints against Futures have been upheld by the Ombudsman since 2019 – three in the customers' favour and one in our favour.


Overall customer satisfaction has increased significantly since 2019.



Theme: Resident support

Description: Supports residents, and the local community

Criteria within this standard:

 What support services does the housing provider offer to its residents? How successful are these services in improving outcomes?



How Futures meets this standard

We don't see ourselves as 'just a landlord' – we want our customers to be able to live securely and comfortably in their homes. Supporting them through some of life's challenges helps us to achieve this.

We have created a new Tenancy Sustainment team to give customers short-term, intensive

support to help manage their tenancy and live comfortably in a planned way. The service is tailored to each person or family to meet their specific needs. Between October 2021, when the service started, and March 2022 we supported 60 customers in this way.

Case study

Lisa and Nicolle have successfully applied for grant funding from the Buttle Foundation, so far securing £4,200 for two customers with more applications in the pipeline. Kate has successfully applied to Daventry Consolidated Charity and been awarded £700 for two customers and is waiting to hear about the results of five more applications she has made.

Lisa has been an advocate of the Vicars Relief Fund and the rest of the team are now also using this funding to get rent in advance for customers. The charity has now asked Futures to be part of a national radio campaign in December.

Our **Money Advice** team helps people to get the financial support they are entitled to. They have had a strong year and their achievements include:



Successfully preventing **51** potential evictions due to rent arrears through close partnership working with local authorities.



Helping customers to access almost half a million pounds (**£495,693**) in financial support that they might not have claimed without our intervention.



Only evicting customers from three properties as a result of rent arrears. We consider eviction a very last resort and worked hard to support these customers but unfortunately were unsuccessful despite our best efforts.

Our **Employment Advice** team support our customers with skills, training and employment. This year their work included:



Supporting **76** of the **88** customers referred to the service.



Helping **29** customers to get job interviews.



Helping **4** customers into volunteering roles to help build their skills and engage them in their community.



Securing training for a further **27** customers.



Supporting **14** customers into full-time jobs and **10** into part-time jobs. **2** more customers were offered jobs with our help but decided not to proceed.

We provide technology to support people with limited mobility, disabilities and long-term health problems to live independently, safely and comfortably.

We also support people at crisis point in our hostels and take positive action against domestic abuse as members of Make a Stand.

We have supported local people and communities with the cost of living crisis by funding the set-up of two community larders/social supermarkets while working with local foodbanks and other community groups.

We monitor and regularly review all these support services to evaluate their impact.



Theme: Placemaking

Description: Supports residents and the wider local community through placemaking

Criteria within this standard:

- ▶ Provide examples or case studies of where the housing provider has been engaged in placemaking or place-shaping activities.*



How Futures meets this standard

Taking care of the neighbourhoods around our homes – where we own the land and can do so – is an important part of our work. We want our customers to feel that they live in places that they can enjoy and that we care about.

We have developed an action plan to improve the Southbrook Estate in Daventry in partnership with the local community and other local organisations. Planned improvements include:

- ▶ an agreed long term plan with the community. This will include creating a community group and putting community champions in place.
- ▶ enhancing the community centre.
- ▶ providing on-site money and employment advice.
- ▶ developing a community larder and community cafe.
- ▶ improving outdoor spaces.
- ▶ planting wildflower meadows.
- ▶ better waste management.
- ▶ providing a 'clothes rail' with donations of new clothing and school uniforms from a well-known clothing chain. This allows the community to take what they need and swap, recycle or donate more clothing.

Elsewhere we are working with a newly formed community interest company in one of our communities in Ironville, Derbyshire. We have

supported the community group through our public realm project, funding the set-up of a new community hub on a disused plot of land. We have created a wildflower garden with seating while also supporting the work of Public Health and Rural Action Derbyshire by funding a community larder. We plan to continue this work by delivering services from the hub in partnership with the community and other local services.

Our grounds maintenance team is rewilding many outdoor spaces with meadow grasses and wild flowers to reduce our carbon footprint (by removing the need for regular mowing) and support nature.

Touchdown points in the community provide flexible workspaces to help make our frontline staff more accessible to our customers and reduce fuel use and travel costs organisation-wide.



The environmental criteria



What this work means to me

Stephanie Quinn
Sustainability Assistant

Why is delivering environmental benefits important for Futures?

Climate change and biodiversity loss are the biggest challenges of our time. While public awareness is growing, we need collective action at an unprecedented rate. Climate change is a social injustice issue. Some 'sustainable' initiatives can increase social inequalities so we must consider the impact of our decisions on people as well as the planet.

Social landlords are in a unique position to lead a just transition to a net zero future. UK homes produce as much carbon as the cars on the road. So as a 10,000+ home landlord we have a huge opportunity to reduce our carbon footprint and, more importantly, support our customers to live in healthy and affordable homes.

Protecting the environment isn't just the right thing to do - the business case has never been stronger. In a world where global energy markets are increasingly volatile, investing in clean and renewable energy supports stability and security. In the financial world, organisations must be able to demonstrate strong ESG performance to secure investment in a competitive market. Evidence is growing to show the financial implications of climate catastrophe - it's far cheaper to invest in climate action than deal with the consequences further down the line. Lastly, stakeholder expectations are changing so we are committed to reducing our impact on the environment to support the wellbeing of our customers, communities and colleagues.

What changes or improvements have you seen over the past year?

This year we developed our first sustainability strategy. It is built around four key areas: our customers, our assets, our culture and our governance. Over the last year, we have continued to seek grant funding opportunities to help decarbonise our existing homes and make them more comfortable for our customers. This has led to more insulation upgrades, as well as installing solar photovoltaic panels and smart thermostats at some of our properties.

We've also made progress to reduce the carbon footprint from our offices and operations. Our new head office is rated EPC (Energy Performance Certificate) A. We have installed electric vehicle charging points at our main office and north depot and we have trialled electric vans.

Lastly we have introduced carbon literacy training to build awareness and empower our staff on the sustainability journey.

What do you think our long-term vision is for delivering environmental benefits?

To achieve our energy efficiency commitments, we need to accelerate the number of retrofits we deliver each year. To do this, we need strong partnerships and procurement, reliable data and we must work with our customers from the outset.



Theme: Climate change

Description: Prevents and mitigates the risk of climate change

Criteria within this standard:



- *Distribution of EPC ratings of existing homes (those completed before the last financial year).*
- *What energy efficiency actions has the housing provider undertaken in the last 12 months?**
- *Distribution of EPC ratings of new homes (those completed in the last financial year).*
- *How is the housing provider mitigating the following climate risks: increased flood risk, increased risk of homes overheating?**
- *Scope 1, Scope 2 and Scope 3 greenhouse gas emissions.**
- *Does the housing provider give residents information about correct ventilation, heating, recycling etc? Please describe how this is done.**

How Futures meets this standard

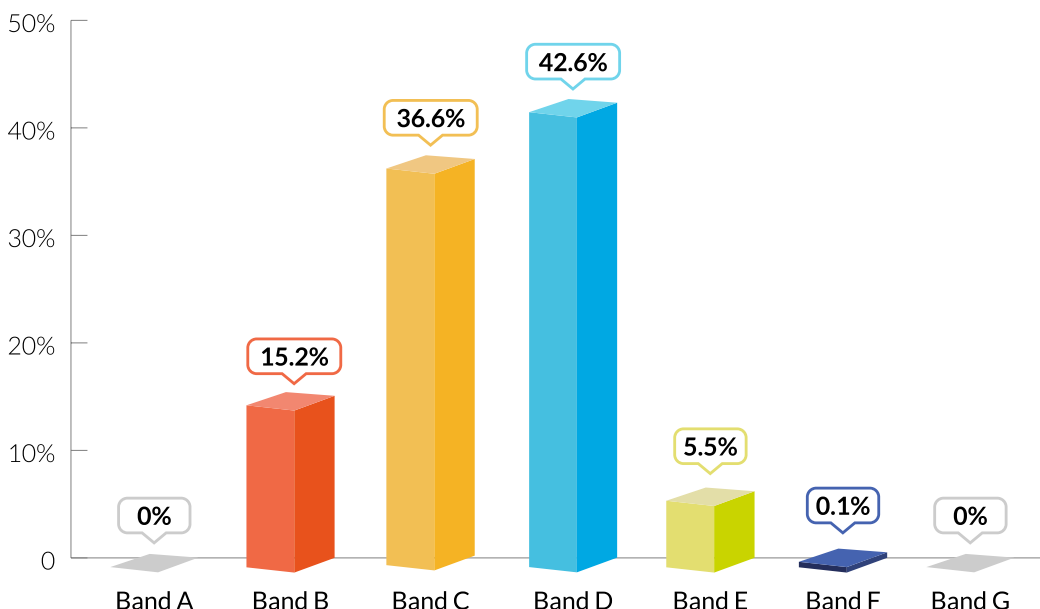
Most people now agree that the planet faces a climate crisis. We believe it's important to do more to help the environment and to help our customers to live more sustainable lives. In fact our corporate plan, introduced in 2020, specifically includes a theme around sustainability which came about because our employees told us it was so important to them.

The homes we provide and build are responsible for much of our carbon footprint but we are also

looking to change how we work to reduce our impact in many other areas too.

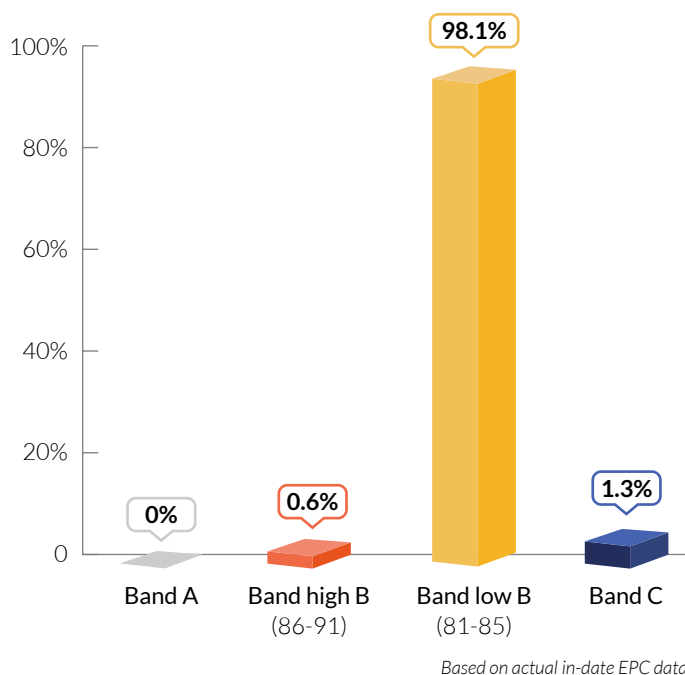
Around 50% of our homes are EPC Band C or above and we know the importance of having reliable energy data (actual and modelled) to help improve our performance. We also know that around half of our stock needs investment to reach our commitment for all of our homes to achieve EPC C or above by 2028 and no later than 2030.

EPC performance of existing homes 10,082 (excluding 2021-22 new builds)



Based on actual and estimated EPC data.

EPC performance of our new build homes completed in 2021-22 (all tenures) 155



Our CO2 emissions this year:




- Scope 1 (direct emissions) - **647.92 tonnes CO2e**
- Scope 2 (indirect emissions from purchased electricity) - **247.30 tonnes CO2e**
- Scope 3 (all other indirect emissions) - **27,890.72 tonnes CO2e**


Total carbon footprint for 2021-22 = **28,785.94 tonnes of CO2e**

This data is based on our 2021-22 streamlined energy and carbon report (SECR) which was produced and quality assured by SHIFT.

Energy efficiency measures we have taken over the year include:



renewing **52** electric storage heaters.



upgrading **276** windows.



replacing **645** gas boilers and **114** doors.



installing external wall insulation to **21** homes and cavity wall insulation to a further **211**.

When assessing the energy performance of our homes and the likely work needed to deliver widespread improvements, it's worth taking into account the age of our properties. While this is a generalisation, older homes are more likely to need more investment to achieve EPC ratings than those built more recently.



Construction date	Number of homes
Pre-1919	440
1919-44	1,401
1945-64	3,454
1965-80	2,080
1981-90	757
1991-2000	64
2001-10	607
2011-20	1,232

We installed **125** more Switchee smart thermostats during the year. These give us information about the environment inside the home and can also be used to give customers relevant advice.

In our second SHIFT Environmental Impact Assessment, we achieved the SHIFT Silver standard with a score of **47.15**, a significant improvement from our previous assessment. From this assessment, we know that **83.3%** of our existing homes are at low risk of flooding and **96.8%** of our homes are at low risk of overheating.

We have a strategic commitment to align our new build specification with the Futures Homes Standard 2025. This will introduce new standards for ventilation and insulation. When possible, new homes that we build will use electric 'clean heat' (air or ground source heat pumps) and be net carbon zero in the future – avoiding the need for retrofitting down the line.

We are developing a new tenancy sign-up pack which includes information on heating, ventilation and condensation prevention. Each pack is personalised to the home. We're also developing a new energy advice guide for customers.

Our new online Help Hub offers detailed home guidance from self-serve boiler repairs to reporting fly tipping.

We raised almost **£1m** in direct grant funding this year from the Social Housing Decarbonisation Fund to improve the energy performance of **73** more homes. This will be done through installing external wall and loft insulation. Once completed these homes should meet EPC C and be warmer and more affordable to heat.

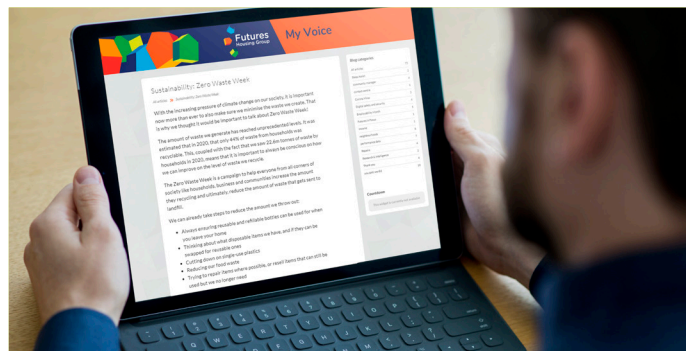
Some of our coldest and hardest-to-heat properties also benefitted from energy efficiency improvements from the Energy Company Obligation (ECO) and Local Authority Delivery (LAD) retrofit schemes. We will continue to maximise these opportunities to upgrade even more homes as we go forward on our sustainability journey.



Promoting environmental awareness to customers this year has included:



Website updates with energy saving tips, recycling guidance and information on energy.



Guidance on reducing food waste through our MyVoice platform.



Information about planet-friendly gardening and tips to reduce our environmental impact in our digital customer magazine.



Sending alerts to customers with Switchee thermostats advising them that turning down the temperature will save them money.



Theme: Ecology

Description: Promotes ecological sustainability

Criteria within this standard:

- *How is the housing provider increasing green space and promoting biodiversity on or near homes?**
- *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?**



How Futures meets this standard

Our grounds maintenance teams are working hard and changing how they work to support biodiversity and customer well-being. For example, this year we planted:



more than **3,000** new flowering shrubs.



more than **300** hedging plants.



4 community orchards to support biodiversity and our customers' well-being.



We are on track to deliver **12,000** square metres of wildflower meadows around our homes. We now leave grass cuttings in place to reduce our carbon footprint and support the environment.

Our vehicles carry chemical spill kits and we are increasing our use of water-based paints which contain fewer harsh chemicals. Since 2020, our weedkiller use has fallen from up to 100 litres a week to less than 75 litres a year.

Our asset surveyors are trained to identify and treat damp and mould. We use a thermal imaging camera to identify cold spots and damp in our properties.

We also use specialist contractors to collect and segregate waste. For example, teams based at our depot near Ripley now work with a local company to ensure that all surplus paint is safely disposed of as hazardous waste.



Theme: Resource management

Description: Sustainable management of natural resources

Criteria within this standard:



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?*

Does the housing provider have a strategy for good water management? If so, how does the housing provider target and measure performance?*

Does the housing provider have a strategy for waste management incorporating building materials? If so, how does the housing provider target and measure performance?*

How Futures meets this standard

We are planning to develop a strategy for using responsibly sourced building materials.

Work has already started to review how procurement consortiums that we engage with have embedded sustainability and social value into their framework. This has told us, for example, that 77% of building materials from Travis Perkins (one of the suppliers we use extensively) were responsibly sourced this year.

Our ISO 14001 accreditation ran until December 2021 and we continue to have high recycling and waste diversion rates.



During 2021-22 almost all our waste (**98.2%**) was diverted from landfill.

We run monthly, three-monthly and six-monthly water safety tests for communal bathing facilities and communal water systems to ensure that customers are safe from risks such as Legionella.

We are yet to develop a detailed strategy to manage water consumption but aim to incorporate low water consumption bathroom components into our new build specification by the end of this year.



The governance criteria



What this work means to me

Adrian Hunt

Assurance & Compliance Manager

Why is delivering strong governance important to you and for Futures?

I've worked in risk, assurance and governance for more than 20 years and I was taught that the principle of governance is easy – 'do the right things, in the right way, to the right people'! It underpins everything we do and by having robust, transparent and objective assurances around what we do as a business our stakeholders – customers, our team members, regulators and funders – can see what a great business we are.

My team helps to ensure that decisions we make are evidence-based and consider risk and opportunity. We help make sure that team members consider risk in their day-to-day activities and we provide a way for them to escalate concerns that need to be mitigated. Being able to demonstrate our strong social, environmental and governance credentials makes me and my team members proud to work at Futures.

What changes or improvements have you seen over the past year?

This year we've been checking and validating the data that underpins our submission to the Sustainability Reporting Standard for social housing. We've also identified areas where we can do better, and now we know where our

weaknesses are, we can work on them.

We provide assurance to regulators and external organisations with other team members in the Group, to ensure that our stakeholders can have confidence in our performance and compliance. Our project management methodology is strong and has helped to ensure the delivery of our corporate strategies.

We have a great culture at Futures that allows team members to take managed risk within agreed parameters.

What do you think our long-term vision is for delivering great governance?

I think that maintaining our top G1 rating from the regulator is central to our governance vision as well as making our data even more reliable and using it more effectively. We must also ensure that all our customers are safe in their homes and communities, our finances are robust and deliver value and that our team members are happy and proud to work here. We need to continue to deliver our strategic priorities and provide honest and meaningful assurances to our stakeholders.



Theme: Structure and governance

Description: Legal structure of the organisation and its approach to governance

Criteria within this standard:

- *Is the housing provider registered with a regulator of social housing?*
- *What is the most recent viability and governance regulatory grading?*
- *Which code of governance does the housing provider follow, if any?*
- *Is the housing provider not-for-profit? If not, who is the largest shareholder, what is their percentage of economic ownership and what percentage of voting rights do they control?*
- *Explain how the housing provider's board manages organisational risks.*
- *Has the housing provider been subject to any adverse regulatory findings in the last 12 months (eg data protection breaches, bribery, money laundering, HSE breaches or notices) that resulted in enforcement or other equivalent action?**

How Futures meets this standard

We are a 'not for profit' registered provider of social housing registered with the Regulator of Social Housing and currently have the top ratings of G1/V1 for governance and financial viability.

We have adopted the National Housing Federation's Code of Governance and assess and report on our compliance every year. For 2021-22 we reported compliance against the 2015 Code and the Board adopted the revised 2020 code from 1 April 2022.

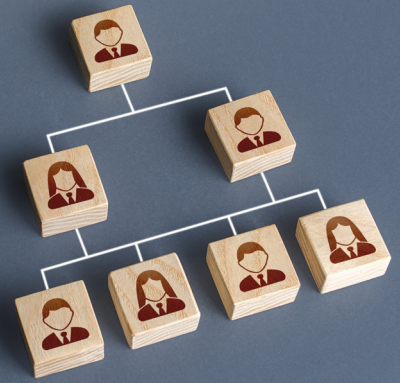
We have comprehensive strategic and operational risk registers which the Audit & Risk Committee reviews regularly. Overall responsibility for risk sits with the Board which

sets the risk appetite and has regular oversight of risk management. Risk management is also assessed by our internal auditors.

We received four regulatory notices during the year:

- ▶ two from the Health & Safety Executive about managing hand arm vibration issues relating to power tools use.
- ▶ two from Homes England about grant-funded development schemes.

We are actively working on action plans to address both these issues.



Theme: Board and trustees

Description: High quality board of trustees

Criteria within this standard:



- *What are the demographics of the board? And how does this compare to the demographics of the housing provider's residents, and the area that they operate in? Add commentary if useful.*
- *What percentage of the board and management team have turned over in the last two years? Add commentary if useful.*
- *Is there a maximum tenure for a board member? If so, what is it?*
- *What percentage of the board are non-executive directors?*
- *Number of board members on the Audit Committee with recent and relevant financial experience.*
- *Are there any current executives on the Remuneration Committee?*
- *Has a succession plan been provided to the board in the last 12 months?*
- *For how many years has the housing provider's current external audit partner been responsible for auditing the accounts?*
- *When was the last independently-run, board effectiveness review?*
- *Are the roles of the chair of the board and CEO held by two different people?*
- *How does the housing provider handle conflicts of interest at the board?*



How Futures meets this standard

Our Board has up to 12 board directors, one of which – the Chief Executive – is an executive appointment. During the year we had ten Board members so 90% were non-executive. No board directors have left the Board over the last two years and we have recruited two new directors over that period.

Turning to the diversity of our Board, half (50%) of our Board members are women. None currently come from black and minority ethnic (BAME) communities. Ten percent of Board members have told us that they consider themselves to have a long-term physical condition or illness. None have disclosed mental health conditions or illnesses to us in the context of their role.

58
years
Average age of Board members

6
years
Average tenure of Board members

Turnover rate for the senior leadership team over the last two years is 12.5%.

The maximum tenure period for Board members is nine years. The Audit & Risk Committee has three

board directors and one independent member. Three have recent and relevant financial experience.

The Remuneration Committee consists entirely of non-executive directors.

Our Chair and Vice Chair track Board terms of office and undertake succession planning for future turnover. There are regular reports to the Board to plan for forthcoming vacancies and recruitment.

External audit services are subject to tender every three years (with a two-year contract extension option). The current external auditor is in the third year of contract.

An independent external review of Board effectiveness took place as part of a governance review in 2019.

The Chair is an independent non-executive director. The Chief Executive Officer post-holder is a different individual and an executive member of the Board.

All board directors and independent committee members complete an annual declaration of interests (and during the year if their circumstances change). A summary of declarations is provided to the Chair of the Board and Chair of the Audit & Risk Committee. The Chair determines what role the individual will play in discussions and decisions if conflicts do arise. Where a conflict of interests cannot be managed satisfactorily an individual may be asked to step down. We plan to publish the Board's register of interests on our website during 2022-23.



Theme: Staff wellbeing

Description: Supports employees

Criteria within this standard:




- Does the housing provider pay the Real Living Wage?
- What is the gender pay gap?
- What is the CEO-worker pay ratio?*

- How does the housing provider support the physical and mental health of their staff?*
- Average number of sick days taken per employee.*


How Futures meets this standard

Our employees are critical to our success and we focus heavily on our culture and the well-being of the people who work for us.


We pay the Real Living Wage and as of April 2021:



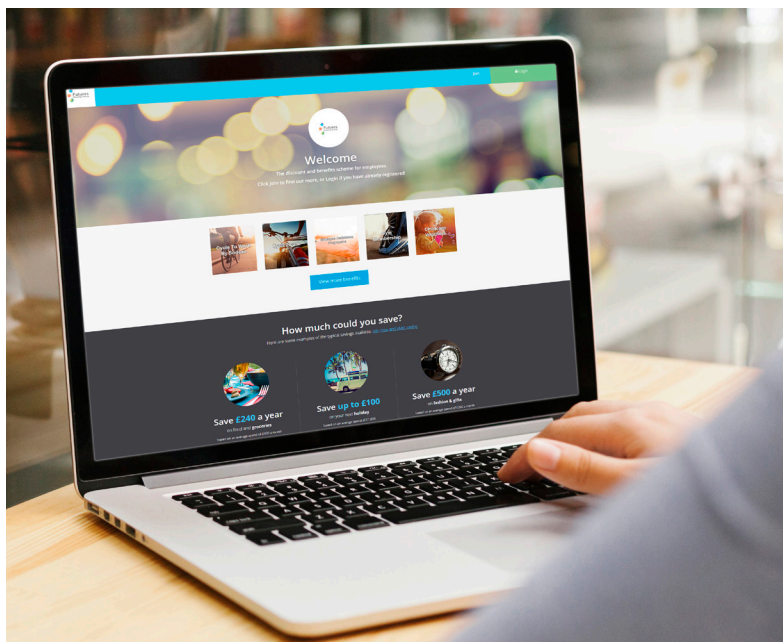
our mean gender pay gap was **-5.3%**.
our median gender pay gap was **0.1%**.



Our median staff salary is **£36,352** and the average ratio of median staff salary to CEO salary is **7.5:1**. The minimum ratio is **5.3:1** with a maximum of **9.5:1**.



This year the average number of sick days taken per employee was **7**.
Excludes Covid-related absence.



We offer our employees a range of help and support packages as part of their overall remuneration.

This includes:

- regular communication campaigns and an online forum
- a health cash plan supported by an app giving information and advice
- a 24/7 employee assistance programme
- offering private medical insurance.
- mental health first aid training

Theme: Supply chain management

Description: Procures responsibly

Criteria within this standard:

- *How is social value creation considered when procuring goods and services?**
- *How is environmental impact considered when procuring goods and services?**



How Futures meets this standard

With more than 10,000 homes to maintain and more new homes in our construction pipeline, we are heavily dependent on a range of suppliers for parts and materials.

Our tender questionnaire includes three questions about added social value and is weighted 60/40 for quality vs price. Bids are ranked accordingly and environmental impact is a consideration. We confirm the added social value before contracts are awarded.

The questions we ask during tenders are:

- What added value will your company provide for Futures?
- Outline your company's existing training and apprenticeship targets.
- Outline your company's proposed or existing sustainability targets.



Beyond the Sustainability Reporting Standard

As well as tracking and reporting on how we meet the new Sustainability Reporting Standard (SRS), this year we commissioned an independent report into our ESG progress, together with another housing association, Greatwell Homes.

This was a way of benchmarking where we are in our journey towards having a greater impact in the environmental, social and governance arena as we plan to ramp up our activity.

The work was carried out by Sonnet Advisory & Impact, a community interest company delivering consultancy and advisory services as an Associate of Sheffield Hallam University's Centre for Social and Economic Research.

The resulting report has informed our assessment against the SRS and provides further useful insights. It found that the two organisations combined deliver a significant contribution to the environment and society, supported by strong and effective governance. Futures alone delivers more than £157 million of social value a year, which equates to over £15,000 for each of the 10,000+ social homes we provide. This value contributes across a wide range of areas of public activity, including:

- ▶ local authorities (£4.6m).
- ▶ police and the justice system (£23.2m).
- ▶ education (£5.1m).
- ▶ fire and health services (£0.7m).
- ▶ the benefit system (£6.8m).
- ▶ the wider economy (£82m).



We are also reducing emissions by over 1,100kg of CO2 a year per property, totalling 18.3 million kilograms of saved emissions a year.

While most of the report considered shared ESG benefits between the two associations, it also highlighted several achievements specific to Futures. These include:

- ▶ providing transitional housing to support people returning to independent living after becoming homeless or being in prison. As well as helping the individuals, this reduces the need for other follow-on support services and reduces the risk of 'relapses'.
- ▶ offering technological solutions in the home to help people with mobility or similar issues to continue living independently.

Find out more about the review and its findings by downloading a copy of the report.



Looking to the future

While some organisations have produced impact reports for a while, diving deeper into ESG reporting is a relatively new discipline for most businesses, including Futures.

Futures was set up as an organisation with a social purpose so helping people has been what we have been all about since the beginning. We also take our work very seriously and work in a regulated sector, so we put a lot of emphasis on running things properly which requires strong governance. Both areas have featured in our normal annual reporting over the years, but this report is designed to put both more firmly in the spotlight.

Sustainability has quickly moved up our agenda. It is now embedded in our corporate plan and its inclusion is largely due to the fact that our

staff told us how central it needed to be as we involved them in developing the plan. This year our Board approved our new sustainability strategy which sets clear targets to support both our own, and national plans to achieve net zero carbon. It's early days, but we have made a great start as this report helps to demonstrate. Our ambitions in this area are also backed up by our long-term business plan which includes significant financial support for this work to 2050.

We now expect to report annually on our ESG progress and, starting here, that will give us the opportunity to measure and celebrate our progress. We hope you will support us on our journey.





Thank you



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