

Dolphin Living Retail Charity Bond 2026

Social Impact report 2022

Activities

Portfolio

During the year we disposed of seven homes from our portfolio which now comprises 791 homes for rent and 13 commercial units. Of the total portfolio 72% is intermediate rent, providing homes at an average rent of 60% of market rent whilst delivering a financial return that ensures the continued financial viability and growth of the Charity.

A further 31 homes at Millbank, The Broadway and Wardour Street in Westminster are due for completion during 2022/23 which will take our portfolio to 822 homes.

	Number of homes			Commercial units	TOTAL
	Intermediate	Social	PRS/ Market sale		
Homes in management					
Portfolio at 31 March 2021	580	49	169	13	811
Additions	-	-	-	-	-
Disposals	(7)				(7)
Portfolio at 31 March 2022	573	49	169	13	804
<i>% of portfolio</i>	72%	6%	20%	2%	100%
Homes under construction	31	-	-	-	31
Forecast to 31 March 2023	604	49	169	13	835
Planning:					
New Era	91	6	102	1	200
Existing units demolished for redevelopment	(96)	-	-	(12)	(108)
Parkhouse Street	13	21	51	5	90
Forecast to 31 March 2025	612	72	326	7	1,017

We continue to meet our charitable objectives with the majority of our affordable housing being intermediate rental homes. These homes provide stable tenancies at a range of rents affordable to households earning less than the affordable housing incomes limits set annually by the Mayor of London. Priority is given to those who can afford the rent yet earn the least and those who will most fully occupy each home. In following our charitable objects, we aim to prioritise those with a Westminster connection.

The majority of our affordable housing is intermediate rental homes which are provided to London's workers at an average rent of around half of market rent, whilst delivering a financial return that ensures the continued financial viability and growth of the Charity. These homes provide stable tenancies at a range of rents affordable to households earning less than the affordable housing incomes limits set annually by the Mayor of London. Priority is given to those who can afford the rent yet earn the least and those who will most fully occupy each home. In following our charitable objects, we aim to prioritise those with a Westminster connection.

Alongside our intermediate rental homes, we provide a smaller number of homes at affordable and social rent that are subject to nominations by the local authority. We also own and let a portfolio of homes for those in more acute housing need.

Environmental, social and governance (ESG) monitoring and reporting

Like all organisations, particularly those within real estate, we have both a responsibility and financial imperative to measure and improve our sustainability performance.

Our primary charitable objective is to "provide reasonable assistance to those who cannot afford to rent or buy near their place of work". Delivering on this social purpose, with a particular focus on affordability of our homes, both in terms of rent and utilities, is therefore a priority.

As a property owner and developer, we are able to contribute to the reduction of carbon emissions through location, design, use and retrofit of our properties.

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, the Group 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. 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 the Group's charitable objectives, our culture and the future legislative requirements we expect to emerge in coming years. We delivered our first report in 2021.

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 partners to reduce their 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 improve carbon emissions across our housing stock;
- deliver net gain biodiversity at our developments, creating great places for both people and nature to thrive;
- will 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 and SHIFT by Suss Housing was selected as a sustainability measure/benchmark. We will complete the Suss benchmark report this summer, in time to include the outcomes in our 2022 Sustainability Report.

A sustainability group comprising the CEO and other senior members of staff was established during the year to monitor and review our progress against the Group's targets.

Additionally, Suss Housing have been engaged to map out our Net Zero Carbon roadmap. This roadmap will be updated quarterly and used to guide the improvements required for each individual property.

Growth

We acquired the New Era estate in December 2014 and since then have worked to establish a strong relationship with tenants. Part of this has involved undertaking essential repairs as well as surveying the estate to inform our understanding of the longer-term repairs and maintenance needs of the estate. The estate in its current state of repair needs a substantial upgrade. Therefore, it was pleasing that in July 2020 we were granted planning for the redevelopment of the New Era Estate by the London Borough of Hackney. We are however continuing to work with the London Borough of Hackney to improve the affordable housing offer as required by the planning committee and a revised application will be submitted in summer 2022.

In mobilising for this development, we have continued to work with the current residents at New Era and will rehouse them in a new home whilst the development work takes place. Moving the New Era tenants to our Kingsland Road properties will start at the beginning of 2023. At the completion of the development they will move back to a brand new home at the rebuilt New Era estate whilst maintaining their existing personalised rent.

The construction of the new development is expected to commence in 2023.

In August 2017 we acquired an industrial warehouse site in Camberwell in the London Borough of Southwark. The site is currently allocated for industrial land use with strong potential for a residential led redevelopment. We continue to progress our discussions with the London Borough of Southwark on our planning application for a new residential-led scheme for the site, including 100 homes and re-provisioning of the commercial space.

Following the year end, we have completed the purchase of 13 intermediate rent homes at Millbank, Westminster. Construction continues at The Broadway and Wardour Street developments in Westminster where the Group has forward purchased 10 and eight intermediate rent homes with completion due in July 2022.

Impact

Our primary charitable objective is to provide reasonable assistance in securing accommodation to workers in Westminster and neighbouring Boroughs, who cannot afford market housing. The impact of the housing crisis and the Covid-19 pandemic, especially on those under the age of 40, has been widely reported. Many households are stuck in the trap of high rental costs and unstable tenancies.

We continue to implement customer-focused services through a number of channels. We are committed to delivering first class services and being a landlord of choice.

We continue to:

- support and encourage our residents to form tenants' associations or hold tenant events to underpin the creation of a community at each of our properties;
- visit those residents who requested a home visit;
- engage with our tenants through a homeownership event that is attended by other housing associations who offer shared ownership homes; and
- support our tenants where possible for the resulting impacts of the Covid-19 pandemic and the current cost of living crisis.

We continue to listen to our tenants' views on the service we offer by surveying them at several "touch points" as well as carrying out a biannual all-resident survey and will always make adjustment if there is a better way of doing things.

The Westminster Homeownership Accelerator scheme has now completed its third year, with a further 11 grants totalling £216,015 made to worthy recipients during the year. This brings the total number of grant payments made to date to 30 totalling £474,081. These grants have assisted participants on the scheme to purchase their own homes.

We are now well into the second cycle of the three-year grant programme, and we look forward to more tenants making the move into homeownership. We will continue to support residents in this process through (but not limited to) access to a financial advisor and flexible end of tenancy terms.

The Covid-19 pandemic has thrown up challenges since March 2020 and will continue to do so. The recent cost of living crisis will also result in additional challenges over the coming year. Dolphin Living is well placed to continue to offer high service levels to our tenants including assistance and advice if sought. Our financial security remains strong, and we continue to anticipate growth in the coming years and in doing so deliver on our charitable objectives of more affordable homes for hard working Londoners.

More generally the team at Dolphin Living have many opportunities to inform the wider real estate and housing sectors on the need, benefit, and business case for providing homes at discounted market rents:

- Dolphin Living were shortlisted at the Planning Awards for Porchester Road and at the Inside Housing Development awards for New Era. 333 Kingsland Road, where Dolphin owns 68 homes, won a Civic Trust award and RIBA London and National awards;
- During the year, Dolphin Living's CEO spoke at the RICS Residential Property Conference, at RESI, and at the UK Residential ESG & Sustainability conference, and was interviewed for three podcasts including Estates Gazette; and
- Dolphin Living appeared in 37 articles across 16 publications highlighting the need for and benefits provided by intermediate rental homes.