

Dolphin Living Retail Charity Bond 2026

Social Impact report 2023

Activities

Portfolio

During the year, we acquired three properties at Broadway, Millbank and Wardour Street which added 10, 13 and 8 homes respectively to our portfolio. We also disposed of three homes from our portfolio which now comprises 819 homes for rent and 13 commercial units. Of the total portfolio 72% is intermediate rent, providing homes at an average discount of 34% to market rent whilst delivering a financial return that ensures the continued financial viability and growth of the Charity.

Construction continues at the Marylebone Square development in Westminster where the Group has forward purchased 25 intermediate rent homes with completion due in September 2023. This acquisition will take our portfolio to 844 homes.

	Number of homes			Commercial units	TOTAL
	Intermediate	Social	PRS/ Market sale		
Homes in management					
Portfolio at 31 March 2022	573	49	169	13	804
Additions	31	-	-	-	31
Disposals	(3)	-	-	-	(3)
Portfolio at 31 March 2023	601	49	169	13	832
<i>% of portfolio</i>	72%	6%	20%	2%	100%
Homes under construction	25	-	-	-	25
Forecast to 31 March 2024	626	49	169	13	857
Planning:					
Parkhouse Street	13	21	51	5	90
Forecast to 31 March 2027	639	70	220	18	947

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.

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 with a 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. Our third report is due in Autumn 2023.

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

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

Following a review of the available industry benchmarks undertaken last year, SHIFT by Suss Housing was selected as a sustainability measure/benchmark and we completed the Suss benchmark report last year and included 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, our Net Zero Carbon roadmap was established during the year and will be updated quarterly and used to guide the improvements required for each individual property.

Growth

We will continue to provide good homes at below local market rent and to further improve our service levels and customer satisfaction. In 2021, we agreed an objective to grow our portfolio by 200 affordable homes which would be committed to by March 2024. Following the acquisitions made over the past two years, the outstanding target is 169 homes.

A key element of the growth strategy is the development of the New Era estate in Hackney. The Board and Executive team have invested significant amounts of time and energy to the development over a number of years. Whilst New Era remains a significant strategic development, the recent requirement for a second staircase in new developments above 18 metres has caused our plans to be delayed and will not be completed within the 2021-24 strategic plan timeframe. We continue to work with the London Borough of Hackney to deliver a revised design to incorporate the second staircase whilst providing a financially viable scheme.

Delays in the planning process at Parkhouse Street, Camberwell mean that this development will also not be completed within the 2021-2024 timeframe. Plans for both this and the New Era development are expected to be resolved within the next two years.

We continue to be active in the market looking for opportunities to acquire sites, completed properties and existing homes. We remain committed to our Westminster beneficiaries, albeit acknowledging that in balancing costs against number of beneficiaries, we will continue to seek opportunities in areas that provide a sustainable commute to Westminster as well as making acquisitions within Westminster.

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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 cost of living crisis, 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 focus on:

- affordability and delivering intermediate rents at an average of two thirds of local market rent;
- improving service levels and customer satisfaction by staying ahead of all regulatory requirements including health & safety, reviewing and streamlining our approach to repairs, and enhancing technology to improve the customer experience; and
- being innovative in the way we service our customers.

To meet the needs of our growing portfolio, and in line with the industry focus on customer service, we have undertaken a review of our resident's experience - from initial engagement to the end of their tenancy. This review has highlighted several areas on which to prioritise our focus, including resident engagement, repairs, arrears management and the onboarding process for new residents. In conjunction with our managing agent we will be addressing improvements in these areas throughout the coming year.

We have updated our customer satisfaction survey to include the new Tenant Satisfaction Measures (TSM's) and adapted the mechanics to provide a rolling set of data from across the portfolio. We will use this data to ensure we are taking action on the areas that matter most to our residents.

As we look to embed a customer service focus in every part of the organisation, we have begun meeting more frequently with our residents, both in groups and 1:1's, and during regular estate walk rounds. These meetings ensure our residents feel they have a voice and give us an opportunity to listen and act upon their feedback.

The Westminster Homeownership Accelerator scheme has now completed its third year, with a further seven grants totalling £185,743 made to recipients during the year. This brings the total number of grant payments made to date to 37 totalling £659,824. 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 recent cost of living crisis will result in challenges over the coming year. However, 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:

- 333 Kingsland Road won a RIBA London and RIBA National award (via the architect, Henley Halebrown) and was also shortlisted for the RIBA Stirling Prize and an Inside Housing Development award.
- During the year, Dolphin Living's CEO, Olivia Harris, spoke at the UK Residential ESG & Sustainability Conference, Movers & Shakers Build to Rent Forum, SPACE UK and NHF Finance Conference. Olivia also spoke on two podcasts for Deverell Smith and FTI Consulting.
- Dolphin Living appeared in 22 articles across 12 publications.