

Environmental, Social and Governance Report 2023

Paradigm

Our
Vision

We provide
excellent
services to
customers

and build
new homes
to help more
people.

We make
sure our homes
are safe and
sustainable

and strive to do
more by making
the most of our
resources.

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Introduction



This is Paradigm's Environmental Social and Governance report for 2022/23.

We have formally adopted the Sustainability Reporting Standard for Social Housing, and this report sets out Paradigm's performance or position in relation to each of that Standard's criteria.

The report also includes a statement on our Sustainability Finance Framework.

Paradigm's overall performance, both in terms of its financial position and the delivery of its strategic objectives, is set out in Paradigm's Annual Report and Financial Statements. The purpose of this separate report is to make a public report for the benefit of all stakeholders about how Paradigm performs, or what it does, in relation to a common set of environmental, social and governance criteria for the housing association sector.

This report is in relation to a period during which cost-of-living increases have particularly affected our customers and our own cost base. Within this context, we have placed a particular focus on how we develop, promote and deliver a more systematic programme of support to our customers to mitigate the effects of increases in living costs.

We have also maintained a commitment to continue to build new homes, albeit at a 20% lower rate than originally intended, and to invest in our existing homes, both to ensure that they are safe and to make progress in improving the energy efficiency of our homes and reducing their greenhouse gas emissions.

Each of these factors are strategic objectives for Paradigm and are some of the core criteria in the Sustainability Reporting Standard, against which we assess ourselves in this report.

Affordability and Security



C1. For properties that are subject to the rent regulation regime, report against rent compared to Local Housing Allowance (LHA)

	Shared accommodation	1 bed	2 bed	3 bed	4 bed	5/6 bed	Total
No. of homes in each category	24	3,186	5,000	3,573	419	17	12,219
Average LHA rate	£79.97	£171.13	£214.16	£277.53	£340.25	£340.25	£225.52
Average basic rent charged by Paradigm	£80.97	£110.43	£132.43	£143.29	£166.03	£168.32	£131.00
Paradigm rent (% of LHA)	101.25%	64.53%	61.84%	51.63%	48.80%	49.47%	58.09%

Paradigm provides homes in areas where market housing costs are high. For homes which are subject to rent regulation, this means that the discount of our rents to market levels is significant.

We review affordability annually as part of the process of determining our approach to rent increases. When we assess the financial viability of new homes, we provide for rents to be capped at a level no higher than Local Housing Allowance (LHA) on first letting.

LHA is calculated by the Valuation Office Agency based on rents in defined market areas for categories of properties based on the number of bedrooms. LHA is then used to set, for private renters, the maximum rate of housing benefit (or housing assistance within a Universal Credit claim) for a given property in a given location. LHA is reviewed annually and set at the lower of the 30th percentile of rents for each property type in each defined market area or the existing LHA rate. However, it has often been the case that Government has frozen the LHA rates in cash terms from year to year, as was the case for the period of this report.

The table here shows the extent of the discount to the LHA benchmark for Paradigm's rented properties based on an average for each category. The average discount to LHA (and other measures of market rents) increases with larger properties in part because this reflects the way in which social rent limits are calculated.

The average within each of the LHA market rent areas where we work reflects this pattern such that all property types in all market rent areas show similar discounts to LHA rates, except in relation to Paradigm's Category A properties, which are mainly supported housing with shared facilities.

The discount of our rents to LHA has reduced by about 3% overall - the average is 58.09% compared with 55.01% last year. This reduction in the discount is similar for all property sizes. This is the effect of our CPI-linked rent increases for the year, compared with LHA rates being frozen.

This also means that there are now 286 homes where Paradigm's rent exceeds the LHA rate, compared with 41 last year.

C2. Share, and number, of existing homes (homes completed before the last financial year) allocated between specified categories:

	Total 31/3/22	% of total	Total 31/3/23	% of total
General needs (social rent)	9,136	61.3%	9,153	59.9%
Intermediate rent	128	0.9%	128	0.8%
Affordable rent	2,511	16.9%	2,776	18.2%
Supported Housing	138	0.9%	137	0.9%
Housing for older people	25	0.2%	25	0.2%
Low-cost home ownership	2,648	17.8%	2,750	18.0%
Care homes	0	0.0%	0	0.0%
Private rented sector	315	2.1%	313	2.1%
Total	14,901		15,282	

The table shows how our existing homes are distributed between these categories. Paradigm's primary purpose is the provision of affordable homes to those who cannot afford the market costs of housing. A substantial majority of the homes that we own offer homes below market cost, whether for rent or shared ownership. We have 313 homes which we manage as market rent properties, which is less than 2.5% of the homes which we own and manage, and is not a category which we are actively seeking to expand in total or as a share of our overall property portfolio.

C3. Share, and number, of new homes (homes that were completed in the last financial year), allocated between specified categories:

	Total homes 31/3/23	New homes 2022/23	As % of stock
General needs (social rent)	9,153	24	0.30%
Intermediate rent	128	0	0.00%
Affordable rent	2,776	271	9.80%
Supported Housing	137	0	0.00%
Housing for older people	25	0	0.00%
Low-cost home ownership	2,750	151	5.50%
Care homes	0	0	0.00%
Private Rented Sector	313	0	0.00%
Total	15,282	446	2.92%

Building new affordable homes is one of our main corporate objectives. It is a core purpose to house as many people in housing need as we can, while investing in our existing homes, including reducing their environmental impact and maintaining our long-term financial viability.

Our Corporate Plan for 2021/26 includes the goal to build 2,250 homes during that period, and to maintain a development pipeline of 1,600 homes through that period. During the year, we reduced the annual target from 500 homes to 400 homes, which reduces our target over the plan period to 1,950 homes. This reflects Paradigm's strong commitment to continue to build new affordable homes while maintaining our long-term capacity to invest under current regulatory and economic conditions, including the regulatory cap on rent increases for 2022/23.

C4. How is Paradigm trying to reduce the effect of fuel poverty on its customers?

We established a cost-of-living group that used a mixture of leading and lagging indicators which provide information relating to fuel poverty. We have used our Customer Support Fund to provide 300 fuel vouchers to those in greatest need. We have also targeted homes with low EPC ratings in providing additional support, as well as prioritising these homes for retrofit works to improve their comfort and energy efficiency.

C5. What % of rental homes have a three-year fixed tenancy agreement (or longer)?

FTC >3 Years	All tenancies	FTC >3 Years (% of total)
33	12,219	0.27%

We have set out in our Corporate Plan our intention to end the use of Fixed Term Tenancies. As set out in the ESG report for 2021/22, we had decided to stop issuing new FTTs from 1 April 2022, and have now substantially converted existing fixed term tenancy agreements - other than starter tenancies - to assured tenancies.

Building Safety and Quality



C6. What % of homes with a gas appliance have an in-date, accredited gas safety check?

We have 10,830 properties which require an annual gas safety check. 99.97% of our homes (as at the end of March 2023) had an in-date accredited gas safety check. The three properties that did not have a current gas safety check have all now been serviced. We follow a robust gas safety check process up to, and beyond, the expiry date. The process clearly demonstrates access attempts made and, in some cases, may require escalation to court action.

C7. What % of buildings have an in-date and compliant Fire Risk Assessment?

100% of the buildings which require them have an in-date and compliant Fire Risk Assessment (FRA). We have 636 blocks which require a FRA, and the frequency with which these FRAs are reviewed is based on risk criteria as set out in our document "Approach to Fire Risk Assessment Process".

The frequency of FRAs for these blocks is:

1yr	55 blocks
2yr	16 blocks
3yr	565 blocks

C8. What % of homes meet the Decent Homes Standard?

99.71% of the homes in scope meet the Decent Homes Standard. There are 36 homes which did not meet the standard out of 12,596 homes at 31 March 2023.

Of these, 26 are in relation to works which customers have refused.

The works required for these homes are in the following categories:

Category of works	No of properties	Customer refusals/programme
Thermal comfort (SAP)	10	6 homes in works programme/ 4 customer refusals
Insulation	17	All customer refusals
Windows	3	One customer refusal, two in customer consultation
Kitchen and bathroom	4	Two customer refusals, one in works programme, one in customer consultation
Heating	2	All customer refusals

Customer Voice



C9. What arrangements are in place to enable customers to hold management to account for provision of services?

We created and had approved a new Customer Engagement Framework, which supports our Customer Strategy in listening, understanding and acting on the feedback and experience by defining a clear feedback mechanism process. This incorporated a new Customer Experience Committee including customers, as well as the four co-regulation groups – the Readership Panel, Resident Quality Inspectors, New Paradigm Customer Oversight Group and Scrutiny Group.

Last year, almost 1,300 customers were directly engaged through 21 different projects that helped hold management to account, more than doubling the number of engaged customers (500 in 2021/22).

In terms of scrutiny, the Resident Services Panel held us to account on customer communications, ensuring we are inclusive and clear with our communication and that all customers can receive information in the right format and at the right time.

Resident Quality Inspectors – customers are able to access training and support to participate in inspections of estates and communities to assess the facilities and services that we provide, and to make suggestions for how we can improve them.

New initiatives such as “Time 2 Talk Day” and “Random Acts of Kindness”, reaching 587 customers and supporting a cultural shift and increased awareness of customer engagement across the business, were supported by 52 colleagues volunteering to take part.

A number of initiatives were held to engage customers at particular schemes with local issues, which resulted in improvement action plans addressing a range of issues from anti-social behaviour to signage and CCTV.

C10. How does Paradigm measure customer satisfaction and how has customer satisfaction changed over the last three years?

Since April 2019, IFF Research has conducted Paradigm’s customer satisfaction survey, which is a monthly tracking survey. It is designed to capture feedback from a representative sample of Paradigm’s customer population, regardless of whether they have had recent contact with us.

Fixed quotas are applied to the data collection to ensure the profile of the final sample is representative of Paradigm’s customer base by tenure, management region and age, without the need for weighting of the data.

Overall customer satisfaction (General Needs tenants)	21/22	21/22	20/21
	80%	80%	84%

Overall customer satisfaction (Homeowners)	22/23	21/22	20/21
	52%	55%	56%

Our Corporate Plan 2021/26 sets out objectives to achieve the following levels of customer satisfaction:

88% - General Needs customer satisfaction of 88% for those who rent their home from us

65% - Homeowner customer satisfaction of 65% for those who are shared owners or leaseholders

85% - Repairs customer satisfaction of 85% with our repairs service.

Performance on these measures has remained relatively stable. General needs satisfaction has remained at a level of 80% throughout the year. We continue to focus on the insights which surveying generates for us in relation to how we can improve satisfaction.

Satisfaction with repairs has improved through the course of the year and is 82.5%, ahead of the target of 78%, and the level of 73% in 2021/22. During the course of the year, we have invested significantly in our directly-employed workforce, which we have expanded even in a difficult market for recruitment. We have also significantly cleared the backlog of repairs from the pandemic to the extent that all categories of repairs – emergency, urgent and non-urgent – are meeting objectives for completion within target times, and exceeding our target for first time fixes at 91.1% (90%).

This repairs and maintenance service is the most important to customers and is an essential component of us keeping our homes safe and in good condition. It is our view that improvement on this measure will, over time, lift overall general needs customer satisfaction, taken together with our wider Customer Strategy objectives, including the benefits of our transformation programme.

Homeowner satisfaction has declined compared with last year. This reflects a wider trend within the sector, but it remains at a level which is not consistent with our targets. The key areas our homeowner customers want us to improve are repairing and maintaining communal areas, the value for money of service charges and our communications. Improvement projects are underway to address these areas,

including a comprehensive service charge project to fundamentally improve the information, transparency and ease of communications around the charges.

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?

In the last 12 months, we had one Ombudsman case upheld. This related to the management of anti-social behaviour and keeping victims informed of our action.

Following this, we reviewed our service with the help of specialist external advisors. For this part of our service, we now:

- Undertake a more systematic approach to advising customers what we are doing in the form of an action plan for their case, and progress against this
- Seek feedback on the service through satisfaction surveys
- Incorporate the relevant recommendations from the Housing Ombudsman's spotlight report into our Anti-Social Behaviour policy.

We had three other determinations not being upheld due to reasonable redress decisions.

Resident Support



C12. What support services does Paradigm offer to its customers? How successful are these services in improving outcomes?

Our approach has been to intensify our efforts to provide support to customers in the greatest need.

We have a Customer Support Team whose focus is to support and sustain tenancies. The team had a 55% increase in cases compared with last year, supporting 314 individual customers.

Paradigm's Support Offer to customers focuses on maximising income, providing direct tenancy support and funding external organisations to provide support to customers in the areas of mental health (MIND), hoarding, money and debt (Citizens Advice), and employment and training services.

We have also created a customer support hub on our website, which we use to ensure that the full range of support that we provide ourselves, or which is available through

local partners, is promoted to our customers and updated regularly.

We focused a grant programme on providing assistance both directly to customers who are the most vulnerable, or in the most severe financial difficulty, and to services provided by partners as noted above. 965 customers were supported through projects delivered by support partners, funded by us.

Examples of the outcomes include assistance to customers by Citizens Advice directly funded by us. Customers in these cases often have more complex money or debt problems. They have been assisted to secure benefits payments of over £280,000, but will also often have been given wider support through this process to stabilise their financial position so as to maintain their tenancy, and in some cases to begin to access other services which they require.

Our grants programme has also funded services which have helped customers into employment and which support customers who struggle with hoarding.

We have a clear working method by which we consider whether support needs are relevant when customers contact us through any route. We have promoted awareness and accessibility of the support we offer directly, or which is available to customers through our online support hub.

Following a consultation exercise with customers, and after consideration by the Customer Experience committee, we intend to continue to sustain our focus for customer support on cost-of-living/financial wellbeing and on mental health issues during 2023/24.

Placemaking



C13. Provide examples or case studies of where the housing provider has been engaged in placemaking or placeshaping activities.

We have established a systematic approach to supporting neighbourhoods where we own a significant number of homes, and are therefore able to work more closely with our customers in those areas, and with other local partners to improve the environment and amenities in those areas. We manage this approach through neighbourhood plans, for which our Customer and Neighbourhood teams hold the lead responsibility, as in the following examples.

Edwy Court

In February 2022, a group of customers residing in Edwy Court, Chesham, sent a letter to their Customer and Neighbourhood Officer requesting modifications to the communal garden at the back of the building. In response, we provided a gift in the form of solar lighting, permanent bench seating and a foundation for the seats. As a result of these improvements, the customers at Edwy Court are now enjoying their communal garden, which has become more user-friendly and sociable. We were pleased to be able to fulfil their request for enhancements to the area.

BEFORE



AFTER



Improving gardens at an Older Peoples Scheme

Our vision is to provide excellent customer service and do more by making the best of our resources. In line with this vision, several of our technicians used a corporate 'Giving Back Day' to build bespoke planters at Cherry Orchard after customers had expressed an interest in improving their gardens. Our Estates team then installed the planters and provided trays of mixed bedding. We also installed a trellis to hide unsightly charging points, providing a more attractive environment for our local communities and allowing our customers to enjoy a beautiful green space.

Our outdoor space at Lea Bridge House, our homeless hostel in East London, has also received a makeover. The garden has come to life with a pond, vegetable garden and outdoor football table, thanks to donations from some of our contractors. Customers are now able to enjoy the outdoor space and grow fruit, vegetables and other plants.



Climate Change



C14. Distribution of EPC ratings of existing homes (as at 31 March 2023)

EPC level	2021/22		2022/23	
	Number of homes	% of stock	Number of homes	% of stock
A	39	0.34	39	0.33
B	2,952	25.58	2,996	24.99
C	4,979	43.15	5,374	44.82
D	3,217	27.88	3,320	27.69
E or lower	353	3.06	100	0.83
Total	11,540		11,829	

This table reflects the recorded Energy Performance Certificate (EPC) ratings for homes as at 31 March 2023 (and comparator figures for the previous year).

We have a substantial programme to validate and update EPC data, and we have made significant progress during 2022/23 in that task.

70.14% of EPCs in this table are at level C or better, which is an increase in both the proportion and number of EPCs at that level. This improvement is a product both of work to increase the energy efficiency of our worst-performing homes, particularly those at EPC level E or lower, and of improving our data quality. The effect of the latter has been to improve reported EPC levels, for example, to reflect work undertaken to components such as windows, doors and insulation since the the previous EPC.

In relation to the development of new homes, our design standards do not mandate environmental performance standards higher than those which are required for planning or building regulation purposes. All but 3 of the new homes we developed in 2021/22 achieved at least EPC level B. Where we acquire new homes through planning gain arrangements (where developers build affordable homes and sell these on to Registered Providers), we have limited ability to require elevated design standards. Where we develop schemes ourselves, we take the opportunity to incorporate environmental sustainability measures that go further than mandatory or regulatory requirements.

C15. Distribution of EPC ratings of new homes (those completed in the last financial year).

All but three of the new homes which were completed in the last financial year had an EPC B rating.

C16. Scope 1, Scope 2 and Scope 3 greenhouse gas emissions

	2021/22	2022/23
Scope 1	807.38	769.15
Scope 2	74.41	77.28
Scope 3 (Operations)	140.11	49.86
Scope 3 (Housing Stock)	24,644.97	21,671.94
Total (mt CO₂ e)	25,666.87	22,574.36
Intensity ratio (per property)	2.15	1.85

Our reported emissions have largely reduced compared with the previous year, both in relation to Scope 1 and 2 emissions arising directly from operational activities and Scope 3 emissions. The table distinguishes between Scope 3 emissions from our housing stock (which is a modelled assessment based on EPC ratings) and Scope 3 emissions from our operations activities, including emissions arising from waste management.

The measurement ratio that we report is total gross emissions in metric tonnes CO₂ equivalent (mt CO₂e) per property. This intensity ratio has declined, principally driven by reduced Scope 3 emissions.

Our long-term goal is to become a net zero carbon business by 2050. This objective requires us to reduce gross emissions and the intensity ratio throughout that period. Our Scope 1 emissions have fallen by 4.7% compared with the previous year. This is substantially accounted for by a reduction in vehicle emissions, with this being the first full year of operating a wholly mild-hybrid van fleet, and closer attention to how works are scheduled and allocated. Other Scope 1 emissions from gas consumption across our corporate estate, mainly our offices, have increased by less than 0.5%.

Our Scope 2 emissions have increased by almost 4%. This is primarily because of additional cooling loads during the summer. We have reviewed energy consumption across our office estate, including a programme to update and replace existing fluorescent lighting with LED equivalents.

The reduction in measured Scope 3 emissions arises in large part from improving the quality and completeness of data, particularly in relation to the emissions from our homes.

C17. What energy efficiency actions has the housing provider undertaken in the last 12 months?

We have significantly enhanced our work in this area. During the year, we have recruited to new posts in the Property directorate leading on retrofit projects, including a dedicated post for resident engagement.

In relation to our existing homes, we have undertaken a range of focused projects designed to improve energy efficiency including:

- An ongoing programme of planned upgrades to existing homes as follows:

Boilers	Window and door replacement (full or partial)	Loft Insulation	Storage Heaters
333	416	44	7

- We installed specialist domestic energy efficiency software to support the delivery of our retrofit programme. This software enables us to carry out high-level analysis of the costs and impacts of different energy efficiency measures on our properties.
- We carried out 180 detailed retrofit assessment of homes to PAS2035 standards.
- We've taken an initial phase of retrofit projects for 100 of our least energy-efficient homes to design stage. We have identified a second phase of retrofit works to 250 homes and begun customer liaison visits for those.
- Our Customer Liaison Officers have contacted approximately 200 households providing energy efficiency advice and information about our plans for improving the energy efficiency of homes, subject to a detailed energy efficiency assessment.

- We have appointed a contractor on a four-year contract to support the delivery of retrofit works, providing specialist expertise in decarbonisation.
- We have carried out a review of the energy use in communal areas. We identified our highest using sites and engaged our electrical contractors to carry out lighting surveys and identify savings.

C18. How is the housing provider mitigating the following climate risks:

- Increased flood risk**
- Increased risk of homes overheating?**

Our Environmental Sustainability strategy includes the commitment to undertake a climate change adaptation risk assessment principally focusing on the risks from future flooding and overheating and potential resilience measures that can be built into our standard practice for asset management and development.

Paradigm carried out an initial assessment for these climate change adaptation risks in September 2022.

We have experienced limited impact of flooding to our homes. Our initial focus was on the extent of flood plain risks, for which our current risk is limited to less than 1.5% of our stock, and for which we have not had any recent occurrence of flooding. We will reassess this risk, and extend it to take account of our experience of flooding from extremes of rainfall overwhelming surface drainage. We will consider ways to identify those existing homes which are most at risk of more frequent or severe fluvial and pluvial flooding, the options for mitigation, and the thresholds which should be applied for new developments.

For overheating, we assessed the proxy risk through testing water quality in blocks of flats. Our information on the direct experience of overheating is based on insufficient data. We will reassess this risk and identify other options to provide more comprehensive data on overheating risk in our properties as the basis for incorporating

mitigations for existing properties in retrofit and other planned investment programmes.

Our reassessment of climate change mitigation risks will also include a more systematic view of the equality and diversity dimensions of climate change risks in our properties, in that the impact of those risks is higher for some groups than others.

C19. Does the housing provider give customers information about correct ventilation, heating, recycling etc? Please describe how this is done.

We give each resident a Home User Guide (HUG) when they move in, which includes all pertinent details relating to their home and the area in which they live. It includes contact details of relevant organisations, including National Grid, utility providers and their local council. Our HUGs provide the customer with details of how to ventilate their property, including any specific items that may be installed, such as trickle vents and extractor vents. They also include operating instructions for heating and hot water. We inform the customer about waste and recycling facilities, including local doorstep facilities and nearby recycling centres.

All sustainable features are outlined; if the home contains renewable energy, heat pumps and other energy conservation components, these are highlighted and specific operating instructions are included. We also provide details on the Energy Saving Trust and encourage the customer to save energy. We are reviewing our HUG, with an aim to improve how we disseminate information and its accessibility. We will consider how we can further support customer sustainability during that process.

Ecology



C20. How is the housing provider increasing green space and promoting biodiversity on or near homes?

Our Environmental Sustainability strategy includes a commitment to identify effective approaches to increase biodiversity in the way we manage green spaces around our existing homes and on new developments.

During the year we have developed a policy, which we will implement in 2023/24, which sets out our initial approach to this strategic objective. Its specific commitments include:

- A position statement on our adoption of the future planning obligations which will give effect to requirements for Biodiversity Net Gain on new developments.
- A commitment to treating our existing open spaces with a view to promoting biodiversity and developing the use of recognised measurement tools to systematically assess the biodiversity value of our property, and therefore the impact of activities which affect those open spaces.

The Environmental Sustainability Board have benchmarked our current position and have developed a Biodiversity Action Plan that identifies our priorities to improve biodiversity across our estate. Our natural capital is an asset which benefits our customers and communities; it also has the potential to benefit operations and business processes. Treating our natural capital as an asset reduces risk to the environment by accounting for it in decision making. As an asset we will need to identify policy solutions, associated risk and priorities for investment.

To facilitate this, we now work within a Biodiversity Policy and are in the process of developing procedures to implement our goals. We are also identifying suitable areas of land that can be used to enrich biodiversity on our estate. We intend to plant more trees, trial wild planting and identify sites that may be suitable for a reduced mowing regime.

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?

We do not have a strategy to manage and reduce all pollutants. We have clear plans and processes to manage specific pollutants where there are mandatory requirements, and our approach, set out in C16, monitors GHG emissions.

We monitor and manage asbestos across our portfolio, in line with legislation, and maintain a comprehensive register of where asbestos is present in our properties and its condition.

The work programme of the Environmental Sustainability Board for 2023/24 includes a project to assess the range of pollutant materials used in delivering operational activities and to set out a plan to mitigate the adverse impacts of this, either by better management and control of their use, or replacing them with less polluting materials.

Resource Management



C22. 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?

We do not have a strategy that specifies the general use of responsibly sourced materials within our development or operations activities.

During the year, we have started work on a sustainable procurement toolkit which we will implement in 2023/24. This will initially be applied to the largest contracts by value, and will provide a consistent approach for staff managing contracts to incorporate sustainability factors, both in relation to social value and environmental impact into the procurement and contract management process.

C23. Does the housing provider have a strategy for waste management incorporating building materials?

If so, how does the housing provider target and measure performance?

Our Environmental Sustainability strategy includes the target to reduce the waste going to landfill from operations activities, other than development, to zero. We have adopted a new waste management policy which documents our approach to waste management, including the adoption of a waste management hierarchy which prioritises waste reduction and options such as reuse and recycling ahead of disposal as the last resort.

We have adopted targets for operations activities to progressively reduce waste to landfill to zero over the period to 2025/26.

C24. Does the housing provider have a strategy for good water management?

If so, how does the housing provider target and measure performance?

We do not have an overall strategy for water management.

This is an objective in our Environmental Sustainability strategy, and we have included work to improve our understanding of this and to adopt an effective framework for reducing water consumption, recognising that reducing water consumption by customers will require an effective and focused partnership developed both with water companies and customers.

Structure and Governance



C25. Is the housing provider registered with the Regulator of Social Housing?

Yes.

Paradigm Housing Group Limited, registered provider number L4215

Paradigm Homes Charitable Housing Association Limited, registered provider number LH4138

C26. What is the most recent viability and governance regulatory grading?

The Regulator reconfirmed our G1/V1 rating on 14 December 2022 following a stability check.

C27. Which Code of Governance does the housing provider follow, if any?

Paradigm and its subsidiary companies follow the National Housing Federation's Code of Governance 2020. This code was adopted with effect from September 2021.

C28. Is the housing provider Not-For-Profit?

Yes.

Both Paradigm Housing Group and Paradigm Homes Charitable Housing Association are designated as non-profit Registered Providers of social housing on the Regulator's register.

C29. Explain how the housing provider's board manages organisational risks

We have in place a Board-approved risk management framework which identifies responsibility for risk at every level of the organisation. Accountability for risks is at Executive level of the organisation and all risks are updated regularly in line with the risk management framework. Detailed examination of specific risks is undertaken at the Audit and Risk Committee, which is a sub-committee of the Board. The chair of the Audit and Risk Committee provides a regular report to the Board on the committee's activities, and its findings. The Board also considers a quarterly risk update.

C30. Has Paradigm been subject to any adverse regulatory findings in the last 12 months (e.g. data protection breaches, bribery, money laundering, HSE breaches or notices) – that resulted in enforcement or other equivalent action?

No.

Board and Trustees



C31. What are the demographics of the board? And how does this compare to the demographics of the housing provider's customers, and the area that they operate in?
Add commentary if useful

Gender	Board 20/21	Paradigm customers	Paradigm operating areas
Female	36%	68%	51%
Male	64%	32%	49%

Ethnicity	Board 20/21	Paradigm customers	Paradigm operating areas
BAME	0%	21%	15.2%
White	92%	78%	78%
Other/prefer not to say	8%	1%	6.8%

C32. What % of the board AND management team have turned over in the last two years?
Add commentary if useful

Board

We have had 25% board turnover in the last two years. We have a maximum number of 12 Board members. The terms of four Board members expired during 2022. Three Board members were recruited during 2022 to replace the retiring Board members.

Executive

We currently have an Executive team of 7. Since January 2021, we have had one departing Executive Team member, and a permanent appointment to that post of Executive Director (Customer).

C33. Is there a maximum tenure for a board member?
If so, what is it?

Yes. 6 years. This can be extended by a further 3 year appointment up to a maximum of nine years in exceptional circumstances.

C34. What % of the Board are non-executive directors?

92% of the Board are non-executive directors. The only executive director on the Board is the Chief Executive.

C35. Number of board members on the Audit Committee with recent and relevant financial experience

Two board members – chairing the Audit and Risk Committee and the Treasury Committee.

C36. Are there any current executives on the Remuneration Committee?

No. Our Governance, Nominations and Remuneration Committee members are all non-executive directors.

C37. Has a succession plan been provided to the board in the last 12 months?

Adoption of the NHF Code of Governance 2020 means a shorter term limit for our non-executive directors. The Governance, Nomination and Remuneration (GNR) Committee and the Board oversee succession planning for the Board, and have reviewed these arrangements in the last 12 months.

C38. For how many years has the housing provider's current external audit partner been responsible for auditing the accounts?

Three years, including completion of the external audit for 2022/23.

C39. When was the last independently-run, board-effectiveness review?

The NHF Code of Governance requires that the Board consider its effectiveness annually. This should, as a minimum, take the form of a discussion at a Board or Committee meeting. In October 2019, the GNR Committee resolved to undertake a more formal assessment of its effectiveness on a two-year cycle. A formal assessment was completed for the 2020/2021 financial year. An informal, verbal assessment was completed at the session prior to the Board meeting held on 17 November 2021.

A formal assessment was carried out in January 2023 with the results and action plan presented at the Board meeting held on 23 March 2023. A follow-up discussion took place at the GNR Committee meeting held on 18 April 2023.

An independently-run Board effectiveness review has not been completed in the last 3 years.

C40. Are the roles of the chair of the board and CEO held by two different people?

Yes.

Julian Ashby acts as Chairman and is a non-executive director. Matthew Bailes is the Chief Executive Officer.

C41. How does the housing provider handle conflicts of interest at the board?

Board members are asked to declare any actual or potential conflicts of interest at the start of each Board and Committee meeting (having seen the Board agenda). Board and Committee members also complete an annual declaration of interests questionnaire with the results being reported back to the Board. All interests declared are recorded on a declarations of interest register. Following the adoption of the NHF Code of Governance 2020, the declarations of interest register is published on our external website.

The Code of Governance sets out how Board members should deal with any potential conflict of interest that arises. If a Board member declares an interest in a particular matter then they do not take part in the debate on that matter and they are not authorised to vote on that particular matter.

Staff Wellbeing



C42. Does the housing provider pay the Real Living Wage?

Yes.

C43. What is the gender pay gap?

We took a snapshot of our salary data on 5 April 2022, and this returned pay gap results for a total of 535 people consisting of 275 men and 260 women (compared with a total of 502 people in 2021 consisting of 261 men and 241 women). However, 18 employees were excluded as they were not in receipt of their full contractual pay on the snapshot date as they were on periods of approved absence. The detailed analysis is therefore based on 517 employees.

For the first time, we have reported a median gender pay gap in favour of women. The results show a median gender pay gap of -3.05 % in favour of women (compared with 4.37% in favour of men in 2021) and a reduced mean gender pay gap of 4.81% (10.92%, 2021).

Mean gender pay gap 2022 (2021)

Gender	Records	Average (mean) hourly rate of pay
Male	275 (261)	£21.81 (£20.87)
Female	260 (241)	£20.76 (£18.59)
Difference: 4.81% (10.92%)		

Median gender pay gap 2022 (2021)

Gender	Records	Median hourly rate of pay
Male	275 (261)	£17.71 (£17.39)
Female	260 (241)	£18.25 (£16.63)
Difference: -3.05% (4.37%)		

The overall gender distribution of the workforce has remained relatively balanced at a ratio of 51:49.

There remains a greater proportion of men (53%) in the fourth (most highly paid) pay quartile and the second pay quartile (78%). However, while the proportion of men in the second pay quartile has significantly increased, the proportion of men in the fourth pay quartile has significantly reduced year on year from 61% to 53%.

The proportion of females in the fourth pay quartile has increased by 8 percentage points from the previous year (which is an increase from 48 to 60 female employees).

The number of men and women according to quartile pay bands 2022 (2021)

	Number of employees	Males	Females	Split
Quartile 1 (lowest paid)	129	40	89	31:69 (28:72)
Quartile 2	129	101	28	78:22 (68:32)
Quartile 3	129	58	71	45:55 (51:49)
Quartile 4 (highest paid)	129	72	45	53:47 (61:39)

Our action plan

We will continue to take steps to sustain and improve our approach to eliminating structural gender imbalances in pay by:

- continuing to focus on the factors that contribute to our gender pay gap and working towards a higher degree of equality across Paradigm
- achieving the objectives set out in our published Equality, Diversity and Inclusion statement
- developing strategic partnerships with expert organisations, which will support us in achieving our EDI commitments, including that of gender equality
- continuing to support flexible and agile working practices to help colleagues achieve the best balance for their career goals and home life
- continuing to require our recruitment partners for senior and specialist roles to include multiple women on their shortlists, and scrutinising our recruitment advertising
- continuing to base salaries on the market "spot" salary and ensuring there is no bias towards either gender from the point of recruitment through to career development opportunities.

C44. What is the CEO-worker pay ratio?

The CEO to median employee pay ratio is 5.7:1. This is based on a CEO salary of £205,900 and median employee salary of £35,705.

C45. How does the housing provider support the physical and mental health of their staff?

We take a holistic approach to wellbeing support in areas which cover physical health, mental health, financial health, volunteering, personal growth and working environment. By offering support and/or activities across all six areas, we can contribute to maintaining a mentally and physically healthy workforce.

We also have:

- A well-established wellbeing-based benefits package, including a healthcare cash plan worth over £1,800 a year to be used for dental, visual, health and complementary health treatments, and a free 24x7x365 Employee Assistance Programme providing support, advice and counselling on mental, physical and financial issues.
- A regular programme of staff and manager training on wellbeing and in particular mental health. We have trained 28 Mental Health First Aiders and continue to train more as interest grows. We also signed the Time to Change pledge in 2019 demonstrating our commitment to improving our approach to supporting better mental health in the workplace.
- A commitment to staff safety which includes both mental and physical health, in line with our value of #SaferTogether. This included a very conservative and gradual approach to changing ways of working coming out of lockdowns as well as gathering regular feedback to ensure we were responding to feelings, ideas and challenges.
- Established flexible and agile practices to ensure that everyone at Paradigm has the opportunity to explore with their manager ways of working that provide the best balance for their career goals and home life.

C46. Average number of sickdays taken per employee

For 2022/23 the average days for absence was 8.9 days per year (7.7 days, 2021/22).

Supply Chain



C47/48. How are social value creation and environmental impact considered when procuring goods and services?

The Procurement Strategy includes the development of a social value toolkit. This was developed during the year for implementation during 2023/24, and incorporates consideration of both social value and environmental sustainability criteria.

Sustainability Financing Framework Statement



Our Sustainability Financing Framework (SFF) was published on our website prior to the issuance of our initial £350m sustainability bond in May 2021. Our initial £350m bond included a retained element of £100m meaning net proceeds of the issuance in May 2021 of £250m. Of the £250m, £200m was utilised for refinancing and £50m was fully allocated in financial year 2021/22 to eligible social and green projects which was 236 new homes representing six development schemes.

131 of the 236 homes have now reached practical completion and the rest of the 105 homes are all due to reach practical completion by March 2025.

The new homes that were completed achieved Energy Performance Certificate level (EPC) B.

DNV-verified full allocation of the net proceeds of the UoPTs had been fully allocated. Their report named DNV Green Bond Periodic Review 2022 is available on our website.

As stated in our SFF, we are committed to an external annual review and assurance that UoPT remains in compliance with our Framework at least once a year until all proceeds are allocated. As our 2021 bond proceeds have been fully allocated and we have not issued a new UoPT since, an annual review of UoPT for 2022/23 is not required.

Our performance against sustainability linked loans

Our Sustainability Performance Targets (SPTs) as part of our Sustainability Linked Loans include metrics relating to building new homes, energy performance of our existing homes and customer satisfaction as set out in the table below.

Sustainability performance targets (SPTs)			
Last day of the relevant Financial Year	"SPT 1" New Homes	"SPT 2" Energy Efficiency	"SPT 3" Customer Satisfaction (General Needs)
31 March 2023 Target	376	72.6	84%
31 March 2023 Performance	446	73.1	80%
Comment	446 new homes built as at the end of March 2023 above 376 SPT 1 target.	Average calculated SAP score of 73.1 as at the end of March 2023 above 72.6 SPT 2 target.	Customer Satisfaction (General Needs) score of 80% as at the end of March 2023 below 84% SPT 3 target.

DNV carried out an independent review of the three SPTs confirming we achieved two of our three SPTs. Their independent review report has been made available on our website.

Email

For all general enquiries – including complaints and compliments – please email:
ContactUs@ParadigmHousing.co.uk

Telephone

You can reach our Customer Services team by telephone on 0300 303 1010.
Our telephone lines are open Monday to Friday 8am – 5.30pm.
Please be aware that calls are recorded for training purposes.

Post

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