



Annual Report and
Financial Statements

Year ended 31 March 2022

Registered Company: 3451979

Registered Charity: 1065552

The Nationwide Foundation's trustees' report for the year ending 31 March 2022

About the Nationwide Foundation

The Nationwide Foundation is an independent charity that seeks to improve the lives of people in need. It does this by funding charitable causes and influencing for meaningful, long-term, and lasting systems change. At its heart, the Nationwide Foundation seeks to tackle the root causes of social problems that lead to disadvantage, poverty, and inequality. Key to the Nationwide Foundation's approach is creating a legacy, so that fewer people experience negative social outcomes in the future thanks to timely and innovative intervention today.

The Nationwide Foundation was established by Nationwide Building Society in 1997 as a fully independent charitable foundation. The Nationwide Foundation's main benefactor is Nationwide and it receives an annual donation from the building society.

Charitable objects

The Nationwide Foundation was established with the objects:

"To promote such purposes being exclusively charitable according to the law of England and Wales as the trustees shall from time to time determine. In carrying out the objects the Foundation may make and receive donations."

Decent Affordable Homes strategy overview

The Nationwide Foundation believes that everyone should have access to a decent home that they can afford. As a charity that helps to create positive and lasting changes to tackle disadvantage in the UK, the Nationwide Foundation uses its knowledge, leverage and funding of others to influence changes to the housing system and achieve its aim of increasing the availability of decent affordable homes for people in need.

The Nationwide Foundation is committed to its Decent Affordable Homes strategy, which started in 2013 and is due to run until at least 2031. This is in recognition of the severity of the housing crisis and the significant changes needed to help create a modern housing system that works for everyone.

The strategy is structured in phases: the first ran from 2013-2016; phase two from 2016-2021; and in 2021/22 the strategy entered its third phase.

Public benefit

Having somewhere safe and secure to live is a basic necessity, yet the lack of decent, affordable housing is one of the most pressing social problems facing the UK today, causing harm to the health of individuals, families, their communities and society at large.

The UK is facing a long-term housing crisis: homeownership is increasingly unaffordable; there is a severe shortage of social housing; and the options available in the private rented sector are too often unaffordable and of poor quality. The high cost of housing in many areas is a direct cause of poverty, with poor-quality housing exacerbating the impact of poverty and narrowing, or even blocking, the pathways available to people to improve their health, employment, education and family life.

The Nationwide Foundation's trustees understand that the conditions, stability and cost of housing have far-reaching impacts on the quality of people's lives. What is more, those who are vulnerable are most deeply affected by the damaging impacts of inadequate housing, while at the same time often being those with the least resource available to proactively change the housing system.

The Nationwide Foundation's Decent Affordable Homes strategy aims to tackle the root causes of those negative impacts by creating conditions for increasing the availability of good quality and affordable homes for all who need it, for as long as they need it.

The Nationwide Foundation's trustees refer to the Charity Commission's guidance on public benefit when reviewing the Nationwide Foundation's aims and objectives, in planning future activities, setting grant-making policy and making funding decisions.

Summary of the year

In 2021/22 the Nationwide Foundation continued to deliver phase two of the Decent Affordable Homes strategy. As more of the phase two projects reached maturity in this year, there was plenty of opportunity for the Nationwide Foundation and its grant-holders to use the evidence that has been gathered to share with stakeholders and key decision-makers.

At the same time, much of the Nationwide Foundation's focus was given to designing the third phase of the Decent Affordable Homes strategy. The intention was to build on the progress of the second phase and to ensure that the Nationwide Foundation was making good progress towards the aim of the strategy.

After reviewing the work and progress of phase two and how it could best impact systems change, the Nationwide Foundation's trustees agreed the shape of the next three-year phase which will focus on generating and using evidence to influence changes to the housing system so that the availability of decent affordable homes increases. A key part of phase three is to deliver knowledge that will lead to better understanding of the housing system by mapping its complexities and revealing levers for change.

Phase three of the strategy got underway during 2021/22.

Ongoing response to Covid-19

In the previous financial year, the Nationwide Foundation had identified that the impact of the pandemic had a particularly significant effect on those projects due to complete within 12 months. These projects had less time to recover from the impact of the pandemic and grant-holders were also entering a much more challenging funding environment. Therefore, these grant-holders were able to access a funding extension so they could complete their work. It was during 2021/22 that this funding was distributed.

In addition, in recognition of the toll taken on leaders and senior management teams during the pandemic, the Nationwide Foundation set up a fund to support the wellbeing of leaders at the organisations it funded. This was offered so that leaders could use it to care for their own wellbeing and strengthen their resilience, and therefore they could maintain strong leadership and continue to support the wellbeing of others over the coming months.

Learning and evaluation

The Nationwide Foundation wants to know what progress it is making towards achieving its outcomes; what it can learn from the activities it funds; and how it can use the learning to inform greater progress towards the outcomes.

The Nationwide Foundation received the final evaluation report on phase two of the strategy from Sheffield Hallam University. Learning from this was a key component of the design of phase three.

Grant-making policy

The Nationwide Foundation's trustees and staff strive for robust, transparent governance and grant-making policy, including commitment to:

- ensuring that the Nationwide Foundation's funds are deployed for maximum benefit

- developing its funding programmes by incorporating research and learning.

The Nationwide Foundation:

- seeks to fund work that addresses the root causes of social issues
- identifies specific funding criteria to make best use of the funds available; this is based on research, evaluations of previous work and stakeholder engagement
- awards funding to organisations delivering work in the UK.

The Nationwide Foundation is a Living Wage Friendly Funder and is committed to ensuring that fair wages are paid, as an obvious and simple way of helping to tackle poverty and disadvantage.

The Nationwide Foundation's impact on the environment

The Nationwide Foundation helps to reduce carbon emissions by:

- making environmentally responsible decisions about travel, avoiding unnecessary travel and using public transport
- including environmental considerations in its investment policy
- supporting grant-holders to make environmentally responsible decisions by ensuring that the level of funding awarded is not a barrier to doing so.

Decent Affordable Homes Phase Two

Some of the activity during 2021/22 was carried out to deliver Decent Affordable Homes phase two, which began in 2016. The strategy of phase two is shown below.

Decent Affordable Homes Phase Two	
Our vision is	for everyone in the UK to have access to a decent home that they can afford
Our aim is	to increase the availability of decent, affordable homes for people in housing need
Our charitable focus is	on solutions that reach people who are, or are at risk of being, in need
Our commitment is	long term (10 years)
Our strategic approach is	to influence changes to the housing system by supporting, testing and evidencing solutions for increasing the availability of decent, affordable homes for people in housing need
To do this we will	<p>use all of our resources to</p> <ul style="list-style-type: none"> • support new ideas for solutions • support practical experience to learn what works on the ground • connect those with knowledge to those with power to make change happen at scale • collaborate and engage with others

Our programmes are	Nurturing Ideas to Change the Housing System	Backing Community-Led Housing	Transforming the Private Rented Sector
The change we want to see (our outcomes)	Ideas for protecting and creating decent, affordable homes flourish and result in changes that lead to an increased number of homes for people in need	Community-led housing delivers an increased number of homes for people in need	The private rented sector provides homes for people in need, which are more affordable, secure, accessible and better quality
To make the changes we want to see happen, our funding focusses on	<p>Generating more ideas on how to protect and increase the supply of decent affordable homes</p> <p>Having an improved understanding of which ideas have the potential to create change</p> <p>Changing policy and practice to support the implementation of ideas</p>	<p>Ensuring there is better access to information, support, advice and technical expertise that is needed to progress a scheme</p> <p>Increasing the availability of suitable and affordable finance at every stage</p> <p>Increasing access to land and properties currently not used as homes</p>	<p>Ensuring there is more robust evidence of the solutions to address the issues of cost, quality, security and access in the private rented sector is available and used to inform policy and practice</p> <p>Making sure tenants have a stronger voice in the debates on the private rented sector and housing</p>

Decent Affordable Homes Phase Three

Strategic review

A review of the Nationwide Foundation's Decent Affordable Homes strategy ran from September 2020 until June 2021 to consider how phase two of the strategy would evolve into phase three.

The review was informed by an evaluation of phase two which was undertaken by Sheffield Hallam University and delivered in the previous year. This evaluation confirmed that the Nationwide Foundation had been making good progress in phase two, and that there was opportunity to build on the learning in phase three.

The Nationwide Foundation's strategic review identified that the Nationwide Foundation's collaborative approach should continue, as it is valued and it contributes to achieving better results. It also highlighted that the Nationwide Foundation can and should use its name, voice and influence more.

In June 2021, the board of trustees approved the outline of the phase three strategy.

Decent Affordable Homes phase three has three pillars:

- **Generating the evidence** for meaningful ways to change the housing system
- **Using the evidence** to influence changes to the housing system
- **Revealing the housing system** to show the complex networks of cause and effect and where there are levers to transform the system

Features of Decent Affordable Homes phase three

Phase three builds on the excellent headway that was made in phase two. The first two pillars of this phase focus on generating and using the evidence that comes from the work we funded in phase two.

We will continue to support projects which were funded in phase two to build evidence and learning, with greater emphasis on how that evidence and learning can be used to influence change.

The test and learn nature of the work means that generation and use of evidence happens at the same time and that learning gathered along the way is used to adapt and then retest to build stronger evidence.

Pillar three – revealing the housing system - brings one new large strategic project to the Nationwide Foundation's portfolio. This work has two components: first, to map the complexities of the housing system to identify causal loops and levers for change within it. The second component is to create a systems change framework to help build an understanding of how change can happen and how stakeholders who share a common vision can work together. This work will convene change agents, such as key organisations, stakeholders and funders, around a route map to deliver the changes.

Activities and achievements in 2021/22 across phase two and phase three

Grant-making

The Nationwide Foundation has three programmes and in all these programmes, funding was granted during 2021/22 – the vast majority from the budget for phase two.

In the year 2021/22, the Nationwide Foundation awarded £1,377,970 in grant funding for charitable work that aligned with the objectives of Decent Affordable Homes phase two. This figure includes grants awarded to existing phase two projects, for Covid-19 support and for added value.

There were two pieces of work that were funded under phase three of the strategy, totalling £386,415. These were awarded to Fair Housing Futures and the Town and Country Planning Association.

Influencing change

It is the Nationwide Foundation's belief that strategic change is required across the UK's housing system. This change will mean that effective and long-lasting improvements can happen to reduce the harm that poor quality and unaffordable housing causes and perpetuates.

Influencing key decision-makers and stakeholders is fundamental to the Nationwide Foundation's approach. Much of the Nationwide Foundation's time is spent working with and alongside grant-holders in support of the programmes' aims.

The Nationwide Foundation influences for positive change in two ways; indirectly, by funding others that share the Nationwide Foundation's vision and partnering with grant-holders to disseminate and amplify their evidence and learning; and directly, through its own activities, such as meetings, writing consultation responses, and engaging with governments and other stakeholders. The Nationwide Foundation also convenes and connects as a way of building consensus and voice across sectors and between stakeholders.

Since the beginning of phase two of the Decent Affordable Homes strategy, the Nationwide Foundation has been expanding its influencing activities across all three of its programmes to bring about changes to the housing system. However, to take this even further, a key organisational focus of phase three will be driving up the stakeholder engagement and public affairs activity carried out by the Nationwide Foundation. This will allow the Nationwide Foundation to make a greater contribution to the aim of the strategy to increase the availability of decent, affordable homes for people in need.

The Nationwide Foundation's Programmes

Nurturing Ideas to Change the Housing System

Activities, achievements and outcomes

The Nurturing Ideas to Change the Housing System programme ensures that ideas for protecting and creating decent, affordable homes flourish and that these ideas result in changes that lead to an increased number of homes for people in need.

Moving towards legislation that will make homes healthier environments

The Nationwide Foundation has been funding the Town and Country Planning Association to persuade the government to legislate the built environment in order to prevent the creation of poor-quality housing. The Town and Country Planning Association aims to ensure that new legislation will implement 11 high-level principles to be adhered to when new homes are being built, which, taken together, define what is meant by a decent home.

During 2021/22, the healthy homes campaign found an opportunity to influence by working on an amendment to the Building Safety Bill as it was undergoing scrutiny in the House of Lords. The proposed amendment was to extend the definition of safety so that it is not just the absence of immediate physical harm, but also includes the consideration of wider health and wellbeing. The amendment had cross-party support when it was presented at committee stage in February 2022, and the Nationwide Foundation convened bishops and peers to meet with the Town and Country Planning Association to build support for the healthy homes principles. Although the amendment was not passed by the House of Lords at the subsequent report stage, the government minister agreed that how to bring health and wellbeing into the built environment should be on his agenda.

In addition, through direct influencing activity, the Nationwide Foundation responded to the housing, communities and local government select committee's consultation on permitted development rights, drawing on the Town and Country Planning Association's [No Place for Placemaking](#) report, which was funded by the Nationwide Foundation and which examined the impacts of permitted development rights on place-making. Specifically, the Nationwide Foundation's response highlighted that permitted development rights can play a role in increasing the supply of new homes, but numbers should not be prioritised over decency standards and good design in place-making. When making new legislation, the government introduced safeguards to permitted development rights, which included light and minimum space standards, which the campaign called for.

To take the healthy homes campaign to the next level, in March 2022 a 36-month grant of £404,482 was awarded to the Town and Country Planning Association from the Decent Affordable Homes Phase Three budget. This will allow the evidence gathered to date from the healthy homes campaign to be used to influence policy and practice.

Accessing land to support the delivery of decent affordable homes

The Nationwide Foundation knows that accessing land is a key barrier to building genuinely affordable and decent homes and therefore it seeks to find ways to change the system to more easily release suitable land. During the year, Housing Justice, a funded project that has been exploring how surplus church land can be used to create decent and genuinely affordable housing in Wales, has delivered an interactive mapping tool to identify all Welsh church land. This mapping tool now plays a key role in enabling Housing Justice to work more effectively with churches to identify surplus land and ownership quickly. Housing Justice works with social housing developers that are searching for suitable land for development of homes which are genuinely affordable. The ambition of this approach is for it to be replicable across other faith groups which own land and want to deliver genuinely affordable homes. An indicator of the relevance of this project came during a debate in the House of Lords in 2021, brought by the Archbishop of Canterbury, when evidence from Housing Justice into accessing church land was used as an example of good practice.

Meanwhile, We Can Make, a project run by Knowle West Media Centre and funded by the Nationwide Foundation, has been exploring innovative ways to use microsites on a housing estate in south Bristol to

create affordable homes through modern methods of construction. In July 2021, the land transfer process for the microsites was officially approved by the secretary of state. This achievement means that a new supply of land exclusively for community-led genuinely affordable housing has been created and We Can Make has a tested and proven model for affordable housing delivery that can now be adopted and adapted to other communities.

[Engaging with members of the House of Lords](#)

The House of Lords' Built Environment Committee undertook an inquiry on meeting housing demand. Evidence taken from the Nationwide Foundation's submission was referenced in [the Committee's report](#) in the chapter on housing types and tenures. This was a wide-ranging inquiry that allowed the Nationwide Foundation to present robust evidence about housing solutions, tenure mix and planning and innovation opportunities that had been drawn from funded projects.

[Changing the way that the public thinks about housing](#)

The Nationwide Foundation is funding the Frameworks Institute to bring forward new, tested ways to discuss housing so that the public is engaged and supportive of moves to transform the housing system to deliver more decent, affordable homes. This project reached a landmark achievement in 2021/22 with the publication of its strategic brief: [Communicating About Housing in the UK: Obstacles, Opening and Emerging Recommendations](#). The key document provided valuable insight into the way the public understands housing issues, and it also forms the basis of the next phase in the research, which is to design and test ways of talking about housing that shift hearts and minds to build public support for more decent and affordable housing. As part of the mobilisation of this framing guidance, bespoke workshops were provided for Shelter and other key stakeholders to disseminate the work.

[Securing long-term funding for Housing First](#)

Housing First improves the lives of homeless people with multiple and complex needs by providing them with a home that they can call their own at the very start of long-term support. The Nationwide Foundation jointly funds Homeless Link to expand its Housing First services across England, and the evidence from this has been used to help secure long-term funding. Homeless Link's submission to the government's Spending Review 2021 provided evidence to make a case for a national programme for Housing First. The submission contributed to the government's decision to allow local authorities to apply for funding of up to three years under its Rough Sleeping Initiative; previously, this was limited to one year. This will markedly improve the Housing First services as they are eligible to apply to this fund. The Nationwide Foundation provided Homeless Link with an added value grant to attend the Housing First international conference to share its learning that graduations from Housing First are very low in England and therefore that support needs to be commissioned for the long-term.

Backing Community-Led Housing

Activities, achievements and outcomes

The Backing Community-Led Housing programme enables the community-led housing sector to deliver an increased number of homes for people in need.

Activity to directly influence for sustainable finance for community-led housing

Community Housing Fund distribution

During the year, the government's £4 million Community Housing Fund Revenue Programme 2021/22 awarded 52 grants to community organisations across England which are planning to deliver over 1,200 additional affordable homes. This distribution of funds was a significant outcome for the Nationwide Foundation and its grant-holder, the Community Land Trust Network, because for a number of years both organisations have collaborated to campaign for investment in this fund. The Nationwide Foundation's continued engagement in this sustainable investment for affordable community-led housing work this year included a member of the Nationwide Foundation's staff sitting on the grants panel for the fund and the Nationwide Foundation calling for an extension to the fund in a submission to the government's autumn 2021 Spending Review.

Proving community-led housing has a pipeline of homes

The Nationwide Foundation recognised that there was a need to evidence the scale of demand for community-led housing to make the case for the government's Community Housing Fund and for the delivery of homes via alternative sources of funding. Therefore, the Nationwide Foundation co-funded research with Power to Change, revealing that 12,000 community-led homes were in the pipeline. The new [research](#) informed key decision-makers when it was launched by the Community Land Trust Network in September 2021 at an event attended by the minister of state for housing.

Evidencing the speed of delivery for community-led housing

Sheffield Hallam University extracted evidence from its review of the Nationwide Foundation's strategy proving that it takes the same length of time or quicker for community-led housing groups to build new homes compared to private housebuilders ([Sheffield Hallam University – Nationwide Foundation](#)). This knowledge equipped stakeholders in the community-led housing sector with data to influence for more community-led housing schemes.

Ground rents exemption for community-led housing

In June 2021 the government published a bill to ban ground rents and it included an exemption for community land trusts. The Nationwide Foundation has been supporting its grant-holder, the Community Land Trust Network, to raise awareness of this issue over the last five years, so this was a good outcome. The exemption will ensure community land trusts can work in partnership with housing associations to build affordable homes; keep them in community ownership; and generate a small income for the community.

Other activities, achievements and outcomes in Backing Community-Led Housing

Government support for the Right to Build Taskforce

There was a key outcome in the Nationwide Foundation's support of self and custom-build this year, as the government announced further support and funding for the Right to Build Task Force. This taskforce was funded from scratch by the Nationwide Foundation through Nacsba, with support beginning in 2017. The taskforce's value is still recognised and it is now sustainable without the Nationwide Foundation's support.

Exploring the barriers that black and minority ethnic communities face in the sector

New funding of £21,600 was awarded in 2021/22 to Leeds Community Homes to fund the delivery of a one-year project. Despite the recent expansion of the community-led housing sector, it has not extensively engaged with or been taken up by black and minority ethnic communities in the UK. This research will explore the barriers encountered by black and minority ethnic communities in developing community-led housing. Community-led housing may offer one solution to black and minority ethnic communities that are seeking both affordable and secure housing and the opportunity to influence and shape the planning,

development and allocation of housing. This research supports the Backing Community-Led Housing programme by aiming to make community-led housing solutions more available and accessible in England.

[Wessex Community Assets grant ended](#)

Wessex Community Assets' four-year grant to strengthen the support for community-led housing in Devon, Dorset and Somerset came to an end in 2021/22. The funding enabled Wessex Community Assets to work with local organisations in Torbay and Mendip to explore options for community-led housing to support the specific needs of people who are homeless. A focus of this grant was how to establish financial sustainability, and the outcome is that both areas are now operating a financial model to raise funds to purchase and refurbish properties that can be rented to people in housing need.

[New Economics Foundation grant ended](#)

The New Economics Foundation's three-year funding came to an end in 2021/22. The purpose of this work was to create the conditions in which surplus public land is better used to deliver affordable homes, including for community-led developments. A key part of the work has been the data research looking at sales of public land for affordable housing, which was previously unreported by government. The New Economics Foundation disseminated the innovative research methods to the public accounts committee. This resulted in the Department for Levelling Up, Housing and Communities commissioning Ordnance Survey to use this methodology to report on affordable and social housebuilding as part of the ongoing public land sale programme. The New Economics Foundation maintained dialogue with the Department of Levelling Up, Housing and Communities and influenced to secure an ongoing commitment for the data to be published on a yearly basis. This will ensure there is improved transparency and better access to public land for community-led groups.

[Long-term empty properties are brought into use for people in housing need](#)

The Nationwide Foundation had one remaining grant from phase one of Decent Affordable Homes. During 2021/22, this funded work ended. YMCA Glenrothes has converted empty properties into homes for seven families or 11 people sharing.

[Adding value](#)

There were three added value grants awarded for Backing Community-Led Housing grant-holders in 2021/22. Communities Housing Trust has been funded to attend the Scottish Chartered Institute of Housing conference to share learning and experience of delivering community-led housing in Scotland. Meanwhile, human resources support was provided to South of Scotland Community Housing, and East Midlands Community Land Trust received support for its outcomes monitoring and reporting.

Transforming the Private Rented Sector

Activities, achievements and outcomes

The Transforming the Private Rented Sector programme wants to ensure the private rented sector provides homes for people in need which are more affordable, secure, accessible and better quality.

With the government considering how it would bring forward a Renters' Reform Bill, the Nationwide Foundation invested much of its energies this year into influencing for changes to legislation on private renting. This once-in-a-generation opportunity to improve the rights and protection given to private tenants in England has a clear link with the Nationwide Foundation's long-term aim to strengthen the voice of renters. The focus was on ensuring that renters had better security of tenure and would know they could stay living in their homes for as long as they wanted or needed to; and also to ensure that the forthcoming changes to legislation would not lead to unintended consequences and would address other pressing issues in the sector, such as access to justice, safety, decency, and affordability.

Renters' Reform Coalition blueprint

The Nationwide Foundation helped create and fund the Renters' Reform Coalition to offer solutions for reform to the private rented sector. The Nationwide Foundation is an active member of the coalition, along with national housing and homelessness charities, renter unions, advice centres and thinktanks.

In March 2022, the coalition launched its blueprint for reform, which is a milestone in the national campaign to secure meaningful change to private renting. [Safe, Secure and Affordable Homes for All: A Renters' Blueprint for Reform](#) sets out solutions for reform shaped by the experiences of the renters that Renters' Reform Coalition members work with.

Following the launch in Parliament, which was attended by the minister for rough sleeping and homelessness, members of the coalition, including a representative from the Nationwide Foundation, were invited to speak to the minister at a specially convened roundtable.

Learning from the Scottish private rented sector

During 2021/22, research being carried out by Indigo House into the impact of changes to the Scottish private rented sector continued to gather evidence. This research, funded by the Nationwide Foundation, is being used both with Scottish Government and to help guide the Westminster government in its reforms. This year Indigo House focused on understanding the experiences of landlords and low-income tenants. As part of its effort to influence, Indigo House presented at the UK Collaborative Centre for Housing Evidence's Scottish Housing Policy Conference: A Fair, Flexible Future Rental Market, which took place in February 2022. The presentation, titled 'Getting the right balance – opinion from tenants and landlords,' was informed by the research that the Nationwide Foundation is funding.

Engaging with the Department for Levelling Up, Housing and Communities

The Nationwide Foundation has built up robust funded evidence on the private rented sector and used it during 2021/22 to influence changes to the system ahead of the Renters' Reform Bill White Paper. In the course of the Department for Levelling Up, Housing and Communities' evidence gathering in preparation for the white paper, this evidence was applied to demonstrate which changes would have the greatest positive impact.

No-DSS case, Shelter

Following on from the discrimination case in the previous financial year that set a powerful precedent to protect tenants from 'no DSS' discrimination, Shelter, which led the court action, was shortlisted for an award by the Sheila McKechnie Foundation in May 2021. The Nationwide Foundation had contributed towards the legal action by underwriting the costs. Among the successes of the campaign that the awards identified were:

- i. The Competition and Markets Authority updated guidance to state that any landlord or agent who untruthfully claims to have a DSS restrictive mortgage is acting unlawfully.
- ii. The prime minister confirmed that the government is working to tackle the problem and the housing minister stated that 'if the sector is unwilling to take action, the government will then explore all options to remove this practice'.

[Evidence on the make-up of the private rented sector](#)

In June 2021, new research was published by the University of York's [Centre for Housing Policy](#) which was funded by the Nationwide Foundation. In [Property Supply to the Lower End of the English Private Rented Sector](#), questions are posed about how the lower end of the private rented sector can be sustained in light of research findings that landlords are indicating that they will be exiting the market. The research, carried out by Dr Julie Rugg, included assessing the impact of reduced investment in social housing, changes to the benefits system and the impact of landlords leaving the market.

The Nationwide Foundation had previously funded other research reports by the University of York into the private rented sector and this portfolio of work continues to have relevance and attract attention. The evidence was used in the roundtables with the Department of Levelling Up, Housing and Communities, and it also drew the attention of BBC Radio Four's You and Yours programme. The Nationwide Foundation facilitated an interview with Dr Julie Rugg, who spoke about the findings of this latest report.

[Tenants' voice projects](#)

The Nationwide Foundation continued to fund seven tenant voice projects with the overall aim of strengthening the voice of tenants in debates on the private rented sector and housing. The projects are spread across England, Scotland and Northern Ireland, and each has a different model for engaging renters to support them to have a voice.

The projects have made solid progress on building awareness of renter rights with the tenants they have engaged and also of gathering evidence on issues affecting renters. Over the past year, many of the projects have moved into supporting tenants to advocate directly with local and national decision-makers, with some winning early political commitments. Highlights include:

- Citizens Advice held a roundtable with the Department for Levelling Up, Housing and Communities where a panel of renters shared their own experiences and thoughts on private renting reform.
- Renters' Voice in Northern Ireland successfully influenced for an extension of the emergency Notice to Quit legislation, and two tenants from the project gave evidence to the committee for communities in November 2021 on Northern Ireland's Private Tenancies Bill.
- In Manchester, Greater Manchester Tenants' Union won a commitment for renters to be involved in co-producing the mayor's Good Landlords Scheme.
- Renters from the Tenants United project (Bristol Fair Renting Campaign) gained a commitment from the Bristol mayor to improve private renting locally.

[Using evidence from place-based funding to influence change](#)

Fair Housing Futures received an additional £73,714 of funding from the budget for phase three of the Decent Affordable Homes strategy. This was so that the evidence that has been created over the last four years can be used to influence changes to the private rented sector in Greater Manchester. Fair Housing Futures is a place-based collaborative programme to innovate and improve upon services and interventions in Greater Manchester's private rented sector housing, intent on finding system-wide solutions to transform renting for vulnerable tenants.

Fair Housing Futures mapped the private rented sector in Greater Manchester to identify the key problems in the region and awarded grant funding to five organisations via the Community Foundation of Lancashire and Merseyside to test innovative solutions to these problems. In this way, Fair Housing Futures is developing an evidence base, informed by tenant experience, of ways of addressing problems.

Over the remainder of the project, with this new funding, Fair Housing Futures' primary focus will be to convert this learning into lasting change in Greater Manchester by influencing for policy and practice changes in line with the recommendations coming out of the project.

Future Plans

Strategic focus

The Nationwide Foundation's strategic focus during 2022/23 will be on embedding and delivering phase three of the Decent Affordable Homes strategy. This will include:

- Delivery of pillars one and two of Decent Affordable Homes phase three, ensuring that funded projects from phase two continue to generate and use evidence to give these projects the best chance of success. These projects will receive both financial support and support from the Nationwide Foundation's other resources, such as its voice and name.
- Using learning from the funded projects to increase our knowledge and understanding of how systems change happens in the UK housing system and adapting our programme theories of change accordingly.
- Initiating the delivery of pillar three of phase three which is to map the housing system so that it is properly understood.
- Increasing and developing the Nationwide Foundation's influencing activity so that it is better able to contribute to making changes happen alongside its grant-holders.
- Increasing the Nationwide Foundation's understanding of how low-cost homes can be both environmentally friendly and genuinely affordable.

Grant-making activities

The Nationwide Foundation's grant portfolio is made up of mainly multi-year grants that will be ongoing during 2022/23. Some of these projects will receive additional funding under phase three to take them to the next level of generating more evidence and using what has been discovered.

Work due to be undertaken or completed by grant-holders in 2022/23 includes:

- The Nationwide Foundation will be playing an active role as a member of the Renters' Reform Coalition to influence the **shape of the Renters' Reform Bill** so that there is better protection for vulnerable renters in the private rented sector.
- The Nationwide Foundation will be supporting dissemination of the latest **RentBetter research from Indigo House**, which examines the impact of recent changes to the private rented sector in Scotland. This dissemination activity aims to influence the Scottish government's consultation response and its next tenancy reform bill. The Nationwide Foundation will also be using the evidence to guide the government's changes to renting in England.
- The Nationwide Foundation will be supporting funded projects to strengthen their transition into **using the renter voice** they have built. This will involve ensuring renters contribute to public debates on housing so that there is more chance of their views being reflected in future change to policy and practice at a local and national level. This includes influencing forthcoming legislation in England, Scotland and Northern Ireland.
- Fair Housing Futures will be evaluating the five test and learn projects and the evidence will be used to begin **influencing policy and practice changes to private renting in Greater Manchester**.
- The Nationwide Foundation and co-funders Joseph Rowntree Foundation will be launching the Talking about Housing toolkit to provide the housing sector with frames proven to **shift public thinking on housing matters**. Once the toolkit is launched, the focus will be mobilisation so that key stakeholders understand and embrace the frames.
- The Wales Cooperative Centre, which is funded by the Nationwide Foundation, will be influencing to **increase the Welsh government's commitment to community-led housing**.

- Research by Leeds Community Homes will deliver recommendations for ways in which the community-led housing sector can support black and minority ethnic communities to create the affordable homes they want and need. The findings will be shared with sector representatives, funders and policy-makers at local, regional and national level, with the longer-term aim that more black and minority ethnic people access community-led housing.
- Town and Country Planning Association will be using its funding awarded under phase three of the strategy to build a cross-parliamentary network. This will **establish core support for the healthy homes principles campaign** from stakeholders who understand the critical links between housing and health. Town and Country Planning Association will also be working with local authorities to embed the healthy homes principles into local policy.

Future uncertainties

The Nationwide Foundation is mindful that the national and global context can affect our programmes. The following, in particular, have been identified as potentially impacting on our and our grant-holders' work in 2022/23:

- The **war in Ukraine** may continue to push up prices and affect the capacity and resources of the government and other public sector bodies.
- The **cost-of-living crisis** and global economic uncertainty may increase poverty and homelessness.
- Sharp rises in **inflation** and the cost of construction may affect the financing and affordability of community-led housing and other projects, as well as further reducing affordability for renters and home-buyers.
- The **Covid-19** pandemic is still a potential disruptor. The Nationwide Foundation is resilient, with all staff now mostly working from home, but grant-holders may be affected and government policy-making would likely slow should restrictions return.

The Nationwide Foundation will monitor these and other issues that arise and adapt accordingly.

Structure, Governance & Management

Governance

The Nationwide Foundation:

- Is a company limited by guarantee (no. 3451979) and a registered charity (no. 1065552) which operates in accordance with its Articles of Association and Revised Memorandum.
- Is governed by a board of up to 10 trustees which set the policies and strategy of the Foundation and approves large grants. During 2021/22 nine trustees served on the board.
- Has up to seven trustees who are appointed by the board, following open advertisement and interview, and up to three trustees who are appointed by Nationwide Building Society.
- Appoints trustees for up to three terms of three years, following the consideration and approval of the board. All trustees undergo an in-depth induction and are offered training as well as opportunities to attend meetings with funded organisations alongside Nationwide Foundation staff. The board typically meets four times a year, plus an annual strategic away day. In 2021/22 the board met virtually four times due to the ongoing Covid-19 situation.
- Has trustee committees and groups, to which it delegates various aspects of the Nationwide Foundation's work, with oversight and ratification of their decisions by the board:
 1. Finance and risk committee (comprising five trustees, the chief executive and accountant): in 2021/22 this committee advised on audit, risk oversight, budget and investments.
 2. Nominations and remunerations committee (comprising five trustees including the chair, vice-chair and at least one Society appointed trustee who is included in the quorum): during 2021/22 this committee managed the appointment of a new charity member trustee.
 3. Strategy steering group (comprising five trustees, the chief executive, head of programmes and communications, policy and public affairs manager): this group was established in 2019/20 to give input to the development of phase three of the Decent Affordable Homes strategy. It was discontinued following the approval of the strategy outline in June 2021.
- Reviews its application of the Charity Governance Code every three years. This last took place in September 2019. The Governance Code was refreshed in 2020 and the Nationwide Foundation reviewed its application of the two updated principles (integrity and equality, diversity and inclusion) in October 2021. Actions were agreed to improve the Foundation's application of both principles. The next full review is due to take place in 2022.
- Maintains a risk register to identify the major risks to which the Nationwide Foundation is exposed. During the year, the board reviewed the register. The major risk identified over the following 12 months was the loss of staff, partly due to being a small team and because of possible disruption relating to Covid-19 and uncertainty about strategic direction, due to the ongoing strategy review. Over three years the greatest risks were identified as loss of staff, reduced funding and projects failing to achieve outcomes.
- Undertakes an independent audit of its internal controls every two years. This last took place in 2019/20 and concluded that key controls worked, were efficient and built to last. Agreed actions for some improvements were implemented during 2020/21.
- Has a conflicts of interest policy for both trustees and staff and maintains a register of declarations that is regularly shared with the board. Trustees declare conflicts of interest at the start of each meeting and withdraw from decisions where there is a conflict. A code of conduct also exists for trustees.
- Reviews its governing document every three years. This last took place in 2019/20.

Equality, diversity and inclusion

- Following a review of the updated Charity Governance Code principles, the Nationwide Foundation will be reviewing its equality, diversity and inclusion policy in 2022/23.

- Using the Governance Code's guidance, trustees will consider how equality, diversity and inclusion are important to the Nationwide Foundation in its particular context and in the delivery of its aims.

Staff

- The staff implement the policies and strategies set by the board.
- The trustees have delegated responsibility to the chief executive to approve grants of up to £75k.
- All staff are employed by Nationwide Building Society and receive remuneration in accordance with their employment contract with the Society. The Foundation's Nominations and Remunerations Committee sets the chief executive's salary within the parameters of Nationwide Building Society's salary bands.

Key relationships

- Nationwide Building Society is the Nationwide Foundation's main benefactor and supplier of in-kind support, including offices.
- The Nationwide Foundation is a member of the following networking and support organisations: Association of Charitable Foundations (ACF), Association of Chief Executives of Voluntary Organisations (ACEVO) and National Council of Voluntary Organisations (NCVO).

Fundraising activity

The Nationwide Foundation had no fundraising activities requiring disclosure under S162A of the Charities Act 2011. Almost all the Nationwide Foundation's income comes from an annual donation from Nationwide Building Society and a funding agreement is in place which sets out the basis for the donation.

Statement of trustees' responsibilities

The trustees (who are also directors of the Nationwide Foundation for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and;
- that trustee has taken all steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial Review

Income

Income for 2021/22 totalled £1,770,175 (2020/21: £2,282,589). This is primarily made up of an annual donation from Nationwide in 2021/22 of £1,700,000 (2020/21: £2,000,000). In addition to the annual donation, in 2021/22, the Society donated services to the Nationwide Foundation totalling £99,755 (2020/21: £95,782). This represents the provision of office space, technology, legal and accountancy support.

The Nationwide Foundation's principal source of income is an annual donation from Nationwide Building Society. The donation is received annually and is at least 0.25% of Nationwide's pre-tax statutory profit averaged over three years. Nationwide provides a three-year donation floor to provide the Foundation with a commitment that supports the Foundation to plan for the medium term. The floor can only be adjusted in specified extraordinary circumstances. Those extraordinary circumstances happened in 2020/21 due to the impact of Covid-19. Nationwide Building Society provided confirmation early in the year that it would not adjust the floor and the floor amount would be honoured.

Expenditure

Expenditure for 2021/22 totalled £2,315,899 (2020/21: £1,905,175). The majority of the Nationwide Foundation's funds are used to award grants for charitable purposes, and to cover the costs of running the Nationwide Foundation. Grants are paid in instalments, and multi-year grants are released annually, subject to approval from the chief executive. Each grant is subject to monitoring to ensure satisfactory progress.

There was a reduction in expenditure in two areas during the year: support costs were lower, due mainly to pandemic-related travel restrictions; and grant expenditure was lower because the focus was on supporting and managing ongoing multi-year grants during the pandemic.

Reserves policy

The trustees review the reserves policy annually and monitor the level of reserves throughout the year. Reserves held throughout 2021/22 were in-line with the reserves policy.

All the Nationwide Foundation's reserves are unrestricted and trustees have agreed how and why the funds should be designated as set out below:

Designated to	Purpose	Amount 2022/23
Contingency fund	<p>To hold sufficient funds to deal with an unexpected and significant event, such as the withdrawal of support from our main benefactor. This is comprised of:</p> <ul style="list-style-type: none">• running costs for up to three years to manage existing funding commitments and give trustees time to consider what action to take• costs of third-party expertise to assist the trustees in what may be complex circumstances.	<p>This amount is determined annually following a review of a budget tailored to the specific circumstances of the Nationwide Foundation losing its income.</p> <p>Target - £550,000</p>

Pledged fund	To hold sufficient funds to meet all funding commitments to grants that have been awarded but not yet released.	This is determined by the amount that has been awarded in grants but not yet released.
Allocated fund	To hold the funds that have been allocated by the trustees to each funding programme, but not yet awarded as grants. Funds from this designation are awarded over the duration of the funding programme, which is usually across multiple years. The allocated fund may have sub-categories for different funding programmes.	This is determined by taking the agreed budget for funding programmes and deducting the funds that have been awarded to date.
Programme related investment fund	The value of programme related investment commitments. These funds can only be realised by disposing of the investment in line with the terms of that investment.	Determined by the value of the programme related investments that have been awarded.

Note 16 of the accounts provides details of the amounts designated at 31 March 2022.

Investment policy

The Nationwide Foundation’s investment policy sets out the following objectives:

- to produce the best financial return within an acceptable level of risk
- to preserve the value of the Foundation’s capital
- to hold sufficient levels of liquid funds to make grant payments, award new grants, cover running costs and any unanticipated cashflow requirements.

The investment policy identifies the Foundation’s attitude to risk, which recognises that charitable activity is funded from the annual donation and the Foundation’s activity is not reliant on income from investments. This is why preserving the value of its capital in real terms is an objective and minimal risks are taken. The policy specifies the criteria that must be applied when making different types of investments to manage the risks. This includes spreading the funds across different financial institutions that meet a set of requirements, such as minimum credit ratings and being based in the UK.

The trustees have considered the ethical standards that the Foundation wishes to meet through its investments and the following statement is included in the investment policy:

“The Nationwide Foundation is committed to ensuring that all investment decisions are made responsibly. The Foundation has a strong preference for an ethical investment portfolio that is consistent with the values and objectives of the Foundation.”

In addition to broad ethical considerations that take into account the impact that the assets being invested in have on society, specific consideration will be given to investment in assets that directly relate to the strategy at the time. The Foundation will not invest in assets that are in conflict with the strategic objectives.

For example, while delivering the Decent Affordable Homes strategy, funds will not be invested in residential property that does not support the creation of decent, affordable homes.

The policy permits trustees to manage the Nationwide Foundation's investments up to an agreed amount. In 2021/22 this amount was £7.5m. The use of an investment manager is reviewed annually.

During 2021/22 the Nationwide Foundation started a comprehensive review of its investment policy to ensure that the policy allowed for the Foundation to make the best use of its assets. This review will be completed in 2022/23.

Investments

The majority of funds are held in either fixed-term or instant access cash accounts on which interest is earned. Interest earned in 2021/22 totalled £9,549 (2020/21: £27,277).

In 2021/22 the Foundation held funds in CCLA's COIF Charities Ethical Investment Fund as it met the Foundation's risk requirements and ethical standards.

At 31 March 2022 the value of the investment was £694,444 (31 March 2021 £622,515), a gain of £71,929. The investment performance was strong throughout the year, despite the pandemic and Brexit-related economic uncertainty. The investment met the investment objectives set out above.

Programme related investment policy

The policy on social investments adheres to the following guidance from the Charity Commission:

“Programme related investments (also known as social investments) are made directly in pursuit of the organisation's charitable purposes. Although they can generate some financial return (funding may or may not be provided on commercial terms), the primary motivation for making them is not financial but to further the objects of the funding charity.”

During the year:

- No new programme-related investments were made during the year
- Repayments were received from existing social investments (£7,584 from Community Land Trust Fund II and £2,730 from Communities Housing Trust – previously HSCHT)
- Interest earned during 2021/22: £2,625 (2020/21: £2,476).

Financial outlook

The Nationwide Foundation has a minimum donation committed from Nationwide for 2022 and 2023 which, due to pre-pandemic wider market conditions, is slightly less than 2021/22. The Nationwide Foundation has planned for this reduction in income by designating surplus funds in previous years to a future fund in order to smooth the reduction in income and maintain charitable activity as far as possible.

The longer-term economic outlook remains uncertain as the UK economy recovers from the impact of Covid-19 and Brexit. This uncertainty may lead to a reduction of the minimum donation commitment for the 2023/24 donation. The Nationwide Foundation's trustees monitor this throughout the year and are prepared to be responsive and flexible to any changes.

Guarantees

The guarantor members of the charity, who are also the trustees, guarantee an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2022 was 9 (2020/21: 9). The members are only entitled to voting rights and do not have a beneficial interest in the charity.

Auditors

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

Approval

The trustees have agreed these financial statements which have taken advantage of the small companies exemptions provided by section 415a of the Companies Act 2006.

Approved by the board of trustees on 15 September 2022 and signed on behalf of the board of trustees by the chair and another trustee:

Chair

Saphié Ashtiany

Trustee.....

Sarah Mitchell

Trustees/Directors

Terrie Alafat ◊

Saphié Ashtiany (chair) ∞

Antonia Bance ∞

Sara Bennison † ∞ (resigned xxxxxx)

Rob Collins † ◊

Gill Leng ◊

Judith McNeill

Sarah Mitchell (vice-chair) ◊ ∞

Usha Prashar † ∞

Christopher (Kit) Beazley ◊ (appointed 24 April 2022)

Rachael Sinclair (appointed 15 August 2022) †

Anya Martin (observer - not a director. Observership ended July 2022)

† Appointed by Nationwide Building Society

◊ Member of the Finance and Risk Committee

∞ Member of the Nominations and Remunerations Committee

Chief Executive: Leigh Pearce

Company Secretary: NBS CoSec Limited

Accountant: Daisy Pittams

Auditors: Crowe U.K. LLP, Aquis House, 49-51 Blagrove Street, Reading, Berkshire, RG1 1PL

Bankers: CAF Bank, 25 Kings Hill, West Malling, Kent, ME19 4JQ

Investment managers: CCLA Investment Management Limited and CCLA Fund Managers Limited, Senator House, 85 Queen Victoria Street, London, EC4V 4ET

Solicitors: Bates Wells Braithwaite, 10 Queen Street Place, London, EC4R 1BE

Registered charity no. 1065552 Registered company no. 3451979

Registered office address: Nationwide House, Pipers Way, Swindon, SN38 1NW

Independent Auditor's Report to the Members of The Nationwide Foundation

Opinion

We have audited the financial statements of The Nationwide Foundation ('the charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context were Charity Commission regulations, taxation legislation, employment legislation and General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within timing of recognition of income, the application of grant expenditure and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for bias, reviewing the grant recognition calculations and supporting documentation, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alastair Lyon

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Reading

Date:

**THE NATIONWIDE FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

	Notes	2022 £	2021 £
INCOME AND ENDOWMENTS FROM:			
Donations and legacies	2	1,770,175	2,159,530
Income from investments	3	9,549	27,277
Other incoming resources	4	99,755	95,782
Total income and endowments		1,879,479	2,282,589
EXPENDITURE ON:			
Charitable activities	5	(2,315,899)	(1,905,175)
Total expenditure		(2,315,899)	(1,905,175)
Net gains on fixed asset investments		73,614	119,990
Gains/(losses) from movements in foreign exchange		9,130	(9,162)
Net (expense)/income and net movement in funds		(353,676)	488,242
Fund balances brought forward		4,228,618	3,740,376
Fund balances carried forward	16	3,874,942	4,228,618

The notes on pages 4 to 13 form part of these financial statements.

All income is unrestricted. All amounts relate to continuing operations.

There were no recognised gains or losses other than the net income for the year in the Statement of Financial Activities (2021: £nil).

THE NATIONWIDE FOUNDATION
BALANCE SHEET
AS AT 31 MARCH 2022
COMPANY REGISTERED NUMBER: 3451979

	Notes	2022 £	2021 £
FIXED ASSETS			
Programme related investments	10	230,727	251,746
Investment	11	694,444	622,515
TOTAL FIXED ASSETS		925,171	874,261
CURRENT ASSETS			
Programme related investments	10	14,810	2,065
Debtors	12	10,251	14,208
Fixed term deposits		1,100,000	2,000,000
Cash at bank		2,493,981	2,112,280
TOTAL CURRENT ASSETS		3,619,042	4,128,553
CURRENT LIABILITIES			
Creditors	13	(669,271)	(774,196)
NET CURRENT ASSETS		2,949,771	3,354,357
TOTAL ASSETS LESS CURRENT LIABILITIES		3,874,942	4,228,618
NET ASSETS	14	3,874,942	4,228,618
UNRESTRICTED FUNDS OF THE CHARITY			
Designated funds	16	3,874,942	4,228,618
TOTAL FUNDS		3,874,942	4,228,618

The notes on pages 29 to 37 form part of these financial statements.

The financial statements were approved by the board of Trustees on 15 September 2022 and signed on behalf of the board of trustees by the chair and another trustee

}

} Chair - Saphié Ashtiany

}

}

} Trustee - Sarah Mitchell

}

**THE NATIONWIDE FOUNDATION
CASH FLOW STATEMENT
AS AT 31 MARCH 2022**

	2022 £	2021 £
Cash flows from operating activities		
Net movement of funds per statement of financial activities	(353,676)	488,242
Adjustments for:		
Interest from investments	(9,549)	(27,277)
Decrease in debtors	3,957	26,911
Decrease in creditors	(96,648)	(755,287)
Gains on fixed asset investments	(73,614)	(119,990)
(Gains)/losses from movements in foreign exchange	(9,130)	9,162
Net cash used in operating activities	(538,660)	(378,239)
Cash flows from investing activities		
Fixed term deposits redeemed	2,000,000	3,000,000
Fixed term deposits issued	(1,100,000)	(2,000,000)
Interest from investments	9,549	27,277
Receipts from programme related investments	9,959	56,392
Net cash generated from investing activities	919,508	1,083,669
Effect of exchange rate changes on cash and cash equivalents	853	(9,162)
Increase in cash and cash equivalents in the year	381,701	696,268
Cash and cash equivalents at the beginning of the year	2,112,280	1,416,012
Total cash and cash equivalents at the end of the year	2,493,981	2,112,280

Cash and cash equivalents comprises cash at bank.

**THE NATIONWIDE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. Accounting policies

Charity information

The Nationwide Foundation is a company limited by guarantee (registered number 3451979), which is incorporated in the UK. The address of the registered office is Nationwide House, Pipers Way, Swindon, SN38 1NW.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2019), applicable UK accounting standards including the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006.

The Nationwide Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going concern

The Nationwide Foundation has cash resources and has no requirement for external funding. The Trustees have a reasonable expectation that the Nationwide Foundation has adequate resources to continue in operational existence for the foreseeable future, and for the year ended 31 March 2022 have considered in this assessment the war in Ukraine, ongoing Covid-19 impacts and the developing cost of living crisis. They continue to believe the going concern basis of accounting is appropriate in preparing the annual financial statements.

Significant judgements and estimates

The management consider that there are no material judgements in applying accounting policies or key sources of estimation uncertainty.

Accounting policies

The following accounting policies have been applied consistently in the preparation of the financial statements.

(i) Income

Both donation income and interest income are credited to the Statement of Financial Activities when a receipt is probable, there is evidence of entitlement and it can be measured reliably.

(ii) Grants

Grants are charged to the Statement of Financial Activities when an unconditional commitment has been made to provide the grant. Grant commitments made with conditions are pledged and provided for in the designated fund.

(iii) Programme related investments

Programme related investments that are loans are accounted for at the outstanding amount of the loan less any provision for unrecoverable amounts. Programme related investments are held at cost as the Foundation is unable to obtain a reliable estimate of fair value.

1. Accounting policies (continued)

(iv) Donated goods and services

Donated goods and services represent Nationwide Building Society specialist staff services and accommodation costs which have not been directly charged to the Foundation.

(v) Allocation of expenditure

Staff costs have been apportioned on the basis of the approximate time allocated by the Chief Executive and other officers between the Foundation's charitable objectives and governance. Where possible, other costs are allocated on an individual basis to the relevant objective or to governance costs. If costs are not directly attributable to particular objective(s) or to governance, they are apportioned using the same basis as the staff costs. The allocation methodology is reviewed annually to ensure that it is still appropriate.

(vi) Designated funds

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of such designated funds is set out in the notes to the financial statements.

(vii) Irrecoverable VAT

Irrecoverable VAT is charged to the Statement of Financial Activities.

(viii) Cash flow statement

A cash flow statement has been prepared under FRS 102. Cash and cash equivalents represent cash in hand and notice deposits of less than 30 days.

(ix) Pension costs

The officers of the Foundation are part of Nationwide Group pension arrangements. The only pension costs to the Foundation are the employer's pension scheme contributions which are re-charged to the Foundation. Pension scheme liabilities are borne by the Society.

(x) Debtors

Debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

(xi) Creditors

Creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

(xii) Financial instruments

The Nationwide Foundation holds financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments include debtors and creditors. Debtors and creditors are initially recognised at transaction value and subsequently measured at amortised cost. Note 15 provides more information on financial instruments where future cash flows are anticipated, with financial assets referring to fixed asset investments, debtor balances excluding prepayments, cash and cash equivalents, and financial liabilities referring to all creditor balances excluding deferred income.

1. Accounting policies (continued)

(xiii) Fixed asset investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations throughout the year.

(xiv) Gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Gains and losses are calculated as the difference between the market value at the balance sheet date and opening market value (or purchase value if the date is later).

(xv) Foreign currency translation

Foreign currency transactions are translated into sterling using the exchange rates prevailing at the dates of the transactions. Monetary items denominated in foreign currencies are retranslated at the rate prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the retranslation are recognised in the statement of financial activities.

2. Donations and legacies

	2022 £	2021 £
Nationwide Building Society	1,770,000	2,159,230
Other donations	175	300
Total	1,770,175	2,159,530

3. Income from investments

	2022 £	2021 £
Bank interest receivable	6,924	24,801
Interest from programme related investments	2,625	2,476
Total	9,549	27,277

4. Other incoming resources

	2022 £	2021 £
Donated services from Nationwide Building Society	99,755	95,782
Total	99,755	95,782

Donated services are analysed in note 5(b).

5. Analysis of total expenditure

2022	Decent Affordable Homes funding strategy	Governance costs	Total
Charitable activities by objective			
	£	£	£
Staff costs	366,857	33,312	400,169
Support costs	37,667	13,923	51,590
Grants	1,764,385	-	1,764,385
Donated services	91,127	8,628	99,755
Total	2,260,036	55,863	2,315,899

2021	Decent Affordable Homes funding strategy	Governance costs	Total
Charitable activities by objective			
	£	£	£
Staff costs	394,466	26,018	420,484
Support costs	57,098	11,399	68,497
Grants	1,320,412	-	1,320,412
Donated services	88,579	7,203	95,782
Total	1,860,555	44,620	1,905,175

For further analysis of staff costs see note 6.

	2022 £	2021 £
(a) Analysis of support costs		
Administration and IT	66,411	45,387
Learning and evaluation and system mapping	(14,821)	23,110
Total	51,590	68,497

	2022 £	2021 £
(b) Donated services		
Specialist staff services	33,755	29,782
Facility costs	66,000	66,000
Total	99,755	95,782

Donated services represent the cost of specialist staff services and accommodation which have not been directly charged to the Foundation by Nationwide Building Society. In addition, Nationwide Building Society provides the Foundation with other services such as IT support which cannot be readily quantified. IT costs for the maintenance of the Foundation's grants administration system are paid by the Foundation and are included in support costs.

	2022 £	2021 £
(c) Analysis of governance costs		
Staff costs	33,312	26,018
Trustees' expenses	165	-
Audit costs (inclusive of irrecoverable VAT)	13,758	11,399
Donated services	8,628	7,203
Total	55,863	44,620

6. Staff costs

The officers of the Foundation are employed by Nationwide Building Society and assigned to the Foundation for the duration of their employment under the terms of the Framework Agreement between the Society and the Foundation.

The amounts charged as direct staff costs comprised:

	2022 £	2021 £
Salaries	285,581	310,883
Social security	31,686	33,087
Pension contributions	82,902	76,514
Total staff costs	400,169	420,484

The average number of persons employed by the Society who acted as officers of the Foundation was 8 (2021: 8). The number of employees of the Society who acted as an officer of the Foundation receiving emoluments of over £60,000 and less than £70,000 was 1 (2021: nil) and emoluments of over £70,000 and less than £80,000 was nil (2021: 1). All staff receive emoluments, including benefits in kind, in accordance with Nationwide Building Society employment policies. For details of pensions costs see note 1(ix).

The average number of employees during the year comprises the following:

	2022	2021
Decent Affordable Homes funding strategy	7	7
Governance	1	1
Total	8	8

7. Net income resources for the year

Net income for the year is stated after charging:

	2022 £	2021 £
Trustees' expenses	165	-
Auditors' remuneration:		
Audit services - current year	9,965	9,495

None of the trustees / directors received any emoluments in respect of services to the Foundation (2021: nil).

Trustees' expenses

Trustees' expenses include amounts reimbursed to trustees for out-of-pocket expenses and amounts paid for by the Nationwide Foundation to third parties for costs such as travel, accommodation, subsistence and training. During the year, 1 trustee (2021: none) received reimbursements of personal travel and subsistence expenditure amounting to £165 (2021: nil).

8. Grants payable

The Nationwide Foundation committed to the following grants during the year in relation to its Decent Affordable Homes strategy.

All grants are made to institutions.

	2022	2021
	£	£
DECENT AFFORDABLE HOMES FUNDING STRATEGY		
Affordable Housing Commission	10,000	63,139
Citizens Advice	45,888	43,779
Communities Housing Trust (previously HSCHT)	43,226	90,000
COVID-19 support fund	310,317	69,493
Decent Affordable Homes - Added Value	5,989	10,231
Shelter (DSS discrimination case)	1,700	2,124
East Midlands Community Led Housing	24,777	35,500
Fair Housing Futures	127,305	48,449
Housing Justice	93,715	43,680
Frameworks	83,399	-
Greater Manchester Tenants Union (previously Tenants Union)	-	25,338
Homeless Link	45,000	45,000
Indigo House	127,381	1,000
Leeds Community Housing	21,600	-
Living Rent	5,000	28,415
National Community Land Trust Network	75,000	24,100
National Housing Federation	-	42,056
Networking and best practice for Tenants' Voice Programme	-	4,500
New Economics Foundation	-	62,468
Renters' Reform Coalition (previously Generation Rent)	93,844	83,156
Renters' Rights London	11,499	37,639
Renters' Voice NI (previously Housing Rights)	51,332	52,280
Shelter (tenant voice project, Bristol)	27,410	40,538
South of Scotland Community Housing Trust (previously Dumfries)	37,200	43,956
Town & Country Planning Association	259,110	23,356
University of Huddersfield	-	10,516
University of York	(48)	-
Wales Co-operative Centre	121,342	225,081
We Can Make	117,399	-
Wellbeing Support Programme	-	42,000
Wessex Community Assets Ltd	-	47,618
Zacchaeus 2000 Trust	25,000	75,000
Total	1,764,385	1,320,412

9. Taxation

Corporation tax payable for the year ended 31 March 2022 was £nil (2021: £nil).

10. Programme related investments

	2022 £	2021 £
Non-current assets		
Community Land Trust Fund II	26,461	42,375
Communities Housing Trust	54,266	59,371
Community Led Housing Fund	150,000	150,000
	230,727	251,746
Current assets		
Communities Housing Trust	2,730	-
Community Land Trust Fund I	3,750	2,065
Community Land Trust Fund II	8,330	-
	14,810	2,065
Total programme related investments at 31 March	245,537	253,811

The Foundation has four ongoing programme related investments:

- Community Land Trust Fund I is due to be repaid during 2022-23.
- Community Land Trust Fund II is due to be repaid during 2022-23.
- Community Led Housing Fund is due to be repaid during 2025-27.
- Communities Housing Trust is due to be repaid over the next 15 years.

11. Fixed asset investment

	2022 £	2021 £
Balance at 1 April	622,515	502,525
Revaluations	71,929	119,990
Balance at 31 March	694,444	622,515

The fixed asset investment comprises funds held in CCLA's COIF Charities Ethical Investment Fund.

12. Debtors

	2022 £	2021 £
Accrued interest	739	7,201
Prepayments	9,512	7,007
Total	10,251	14,208

13. Creditors

	2022	2021
	£	£
Amounts falling due within one year		
Grants payable	509,548	587,865
Programme related investment commitments	100,000	100,000
Other creditors	33,120	35,824
Accruals	26,603	50,507
Total	669,271	774,196

14. Analysis of net assets between funds

	Designated Fund	
	2022	2021
	£	£
Fixed assets	925,171	874,261
Current assets	3,619,042	4,128,553
Current liabilities	(669,271)	(774,196)
Total	3,874,942	4,228,618

15. Financial instruments

	2022	2021
	£	£
Financial assets measured at amortised cost	3,594,720	4,119,481
Financial assets measured at fair value	694,444	622,515
Financial liabilities measured at amortised cost	(669,271)	(774,196)

Financial assets measured at amortised cost comprise all cash and cash equivalents and debtor balances excluding prepayments.

Financial assets measured at fair value comprises a fixed asset investment.

Financial liabilities measured at amortised cost comprise all creditor balances excluding deferred income.

16. Designated funds

The designated funds, represented below, are allocated as per the reserves policy described in the trustees' report and as per note 1(vi).

2021/2022	As at 1 April 2021	Incoming resources	Resources expensed	Transferred	Gains and losses	As at 31 March 2022
Decent Affordable Homes strategy:						
Future funds	1,017,858	1,779,724	-	(2,880,326)	82,744	-
Allocated:						
Phase 2	284,691	-	(308,176)	104,090	-	80,605
Covid-support fund	655,507	-	(320,662)	(110,000)	-	224,845
Phase 3	-	-	(134,828)	2,093,473	-	1,958,645
Pledged	1,466,751	-	(1,000,719)	349,278	-	815,310
Programme related investment	253,811	-	-	(8,274)	-	245,537
Learning & evaluation	-	14,821	-	(14,821)	-	-
Running costs	-	-	(466,580)	466,580	-	-
Other designated funds:						
Contingency fund	550,000	-	-	-	-	550,000
Total	4,228,618	1,794,545	(2,230,965)	-	82,744	3,874,942

2020/2021	As at 1 April 2020	Incoming resources	Resources expensed	Transferred	Gains and losses	As at 31 March 2021
Decent Affordable Homes strategy:						
Future funds	547,982	2,186,807	-	(1,827,759)	110,828	1,017,858
Allocated:						
Phase 2	-	4,851	(344,358)	624,198	-	284,691
Covid-support fund	-	-	(69,493)	725,000	-	655,507
Pledged	2,320,475	(4,851)	(906,561)	57,688	-	1,466,751
Programme related investment	310,203	-	-	(56,392)	-	253,811
Learning & evaluation	11,716	-	(23,110)	11,394	-	-
Running costs	-	-	(465,871)	465,871	-	-
Other designated funds:						
Contingency fund	550,000	-	-	-	-	550,000
Total	3,740,376	2,186,807	(1,809,393)	-	110,828	4,228,618

Donated services from Nationwide Building Society are not included in the designated fund.

17. Related parties

The Nationwide Foundation is an independent charity, set up and funded by Nationwide Building Society (“the Society”). A legal contract called the Framework Agreement sets out the working relationship between the Society and the Nationwide Foundation and encompasses the provision of funds and donated services including office space, technology and other support. All financial donations and donated services are disclosed in the financial statements. The Society can appoint three of ten trustees. In the opinion of the board, there is no ultimate controlling party of the Nationwide Foundation.

All staff and trustees are asked annually to record any conflicts of loyalty or interest and to declare them at the start of each board and committee meeting. During the year ended 31 March 2020, one related party transaction was registered: One trustee (Saphié Ashtiany), was also a trustee of the Joseph Rowntree Foundation (JRF). In 2019/20 the Nationwide Foundation agreed to jointly fund the Frameworks Institute with JRF. The trustee was not involved any decisions relating to the grant paid.

Total aggregate compensation paid to key management personnel (the Chief Executive) amounts to £85,266 (2021: £92,958).

18. Post balance sheet events

In June 2022, a donation of £2,405,000 was received from the Nationwide Building Society. These funds were designated for the Decent Affordable Homes Strategy as per the reserves policy in the trustees’ report.