



Annual Report and  
Financial Statements

Year ended 31 March 2023

Registered Company: 3451979

Registered Charity: 1065552

# The Nationwide Foundation's trustees' report for the year ending 31 March 2023

## 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 2016-2022; and in 2022 the Nationwide Foundation 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 2022/3 the Nationwide Foundation fully entered phase three of the Decent Affordable Homes strategy. The object of phase three is to build on the progress of the second phase, which generated a host of useful evidence about the housing system, and to generate interest in that evidence amongst key decision-makers so that it is used to inform policy-making.

The Nationwide Foundation has begun to carry out more influencing work in its own right, alongside continuing to support the influencing work of its grant-holders. This work will increase in future years. Exploring the Nationwide Foundation's capacity to influence, and assessing the impact of this work, is key to the phase three strategy. Some projects which began in phase two have also continued into phase three, continuing to gather and use evidence.

### **Response to the cost-of-living crisis**

Economic difficulties hit the UK in 2022, with the Nationwide Foundation's funded projects affected by steep rises in costs of construction, staffing, energy, travel and food. Some projects which assist those in need directly also reported a sudden increase in demand, as more people's bills and living costs became unsustainable.

The Nationwide Foundation carried out a survey to discover what support grant-holders needed to maintain their projects. Responses showed that needs were wide-ranging and that a one-size-fits-all support package would not be appropriate. Bespoke support was offered to grant-holders in response to requests and the Nationwide Foundation worked with organisations individually.

### **Learning and evaluation**

Learning is a vital part of phase three of the Decent Affordable Homes strategy. The Nationwide Foundation seeks to gain an understanding of how its work and the work of its grant-holders is influencing change in the housing system and has partnered with an external organisation to surface and understand this collective learning.

This understanding will become usable lessons and insights that enable evidence-led decisions about what the Nationwide Foundation and others do next. By looking for indicators of what has helped or hindered progress, and focusing on trying to understand how progress happened, the paths to systems change can be made clearer.

Moving into 2023/24, the Nationwide Foundation and its partner organisation will gather the experience and knowledge of its ecosystem of grant-holders and stakeholders. It will seek to develop this into learnings which will be useful not only for trustees, staff members and grant-holders of the Nationwide Foundation, but for the wider housing sector. Work has also begun on building understanding of the housing system itself by mapping its complexities and revealing levers for change.

## 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 the 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 Three

## Strategic review

The Nationwide Foundation refined its strategy as it moved fully into phase three of Decent Affordable Homes for 2022/23. While the overall strategic direction remains unchanged, the three high-level pillars that initially outlined the phase three strategy have been fine-tuned into five more detailed strategic objectives.

Establishing clear strategic drivers is key to ensuring that the Foundation can deliver on its stated mission: this is a commitment to what we aim to achieve within phase three of Decent Affordable Homes.

Underpinning the strategic drivers are five organisational objectives, which show what needs to be done in practical terms to achieve the Foundation's mission.

**Our purpose** is to tackle the root causes of disadvantage, poverty, and inequality.

**Our vision** is for everyone in the UK to have access to a decent home that they can afford.

**Our mission** is to increase the availability of decent, affordable homes for people in need by using our funding and other assets to influence changes to the housing system.

## Decent Affordable Homes phase three has three strategic priorities:

- **Generating the evidence** for meaningful ways to change the housing system, continuing support of work begun in phase two.
- **Using the evidence** to influence changes to the housing system.
- **Increasing shared understanding of the housing system** and how change happens, so that we and other change-makers are better informed to make decisions about where our contribution will have the most impact.

## These are supported by five organisational objectives:

- Ensure the Foundation has the capabilities, capacity and confidence to deliver phase three of Decent Affordable Homes and beyond.
- Create an inclusive, efficient and empowered organisation where its staff and partners thrive.
- Embed learning into our governance and culture.
- Create collaborative and supportive partnerships based on trust and common purpose.
- Strengthen the Foundation's profile and influence with key decision-makers.

## Values

Following the strategic review above, the Nationwide Foundation considered and agreed a new set of values.

The values shape the decisions that the Nationwide Foundation and its staff make, from big to small. They reflect the way we have conversations, the way we work with others and individually, and the way we see the world. We believe our values are the guiding lights that will allow us to achieve our mission: to increase the availability of decent affordable homes for people in need by using our funding and other assets to influence changes to the housing system.

## We are courageous

Changing systems requires ambition, action and conviction. Driven by our mission and compassion, we take measured risks and bold steps to explore the system and to influence those with the power to change

it. We are not afraid to ask difficult questions, to challenge our own thinking or to try an approach for the first time. We are independent thinkers who confront stereotypes, nurture innovation, and break down barriers in our work to make the housing system fairer for people in need.

### **We are collaborative**

We value the experience, expertise and views of others. We believe that the greatest success comes from collaboration and in pursuing collective goals. To achieve this, we listen to voices from across the spectrums of backgrounds, politics and beliefs. We convene, connect and champion those diverse voices to learn from each other and influence change in the UK housing system. Committed to social justice and inclusivity, we are equitable, decent and empathic in all our dealings with others.

### **We trust**

Our integrity, transparency and credibility means that we are trusted for our knowledge. We do what's right and take decisions by considering which action will lead to the greatest long-term improvement in the lives of people in need. In turn, we place trust in our colleagues and in our partners, creating an environment in which they have the space to do their best work.

### **We are evidence-led**

Our work is led by evidence. With an open-minded approach to new ideas and the rigour to test them, we nurture innovation. Our work is focused through the lens of long-term systems change: we seek to understand what works, what doesn't work and what we could do better. We learn from all that we do, reflect on our own work and turn our new understanding into action. Through sharing our insightful learning openly, we advance knowledge and help others to make a difference too.

### **We are committed**

We believe that change is possible and that we can catalyse it. We know that change can take a long time, and we have the perseverance, patience and conviction to pursue long-term systems change. Our vision of a positive, hopeful future is clear in our minds. We are optimistic, but we are prepared for challenges along the way: by being creative and adaptable, we will find ways through difficulties.

## Activities and achievements in 2022/23 across phase three

### Grant-making

The Nationwide Foundation has three programmes and in all these programmes, funding was granted during 2022/23 – the vast majority from the budget for phase three.

In the year 2022/23, the Nationwide Foundation awarded £3,010,523 in grant funding for charitable work that aligned with the objectives of Decent Affordable Homes phase three. This figure includes grants awarded to existing phase two projects for cost-of-living support and for added value. Added value grants are made to make the most of opportunities that arise to extend the reach of the funded work directly or to support an organisation to build resilience or skills, so that it is better placed to deliver the funded work.

### 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, events, 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.

A key organisational objective of phase three of the Decent Affordable Homes strategy is to increase the stakeholder engagement and external affairs activity carried out by the Nationwide Foundation. The groundwork for this was laid in 2022/23. In addition to continuing to support the influencing work of grant-holders across all three of its programmes, the Nationwide Foundation actively sought out opportunities to raise its own profile amongst key stakeholders in the housing system. The purpose of this is to increase the number and quality of opportunities that the Foundation has for using its body of evidence to influence effective, long-term improvement to the housing system 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.**

#### Ensuring that our homes support our health

The Nationwide Foundation funds the Town and Country Planning Association's Healthy Homes campaign, which seeks to introduce a Healthy Homes Act that prevents the creation of poor-quality, health-damaging housing. The campaign aims to implement 11 high-level principles for new-build housing which, taken together, define what is meant by a decent home.

In 2022/23, the Town and Country Planning Association built up core support for the Healthy Homes Act. The Healthy Homes Bill, a private members' bill originating in the House of Lords, received its second reading in July 2022. It reached committee stage in December 2022 and awaits its third reading, the last stage before it proceeds to the House of Commons.

Momentum for the campaign was kept up through regular articles driven by the Town and Country Planning Association and thought pieces by prominent housing spokespeople, including key supporter Lord Crisp. In January 2023, the Town and Country Planning Association held a reception meeting for campaign supporters and briefed peers on a proposal to include the core principles of the Healthy Homes Act in a new section of the Levelling Up and Regeneration Bill.

The Town and Country Planning Association also worked with local authorities to embed Healthy Homes principles into local policy.

#### 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, so it seeks to find ways to change the system to more easily release suitable land.

In Bristol, the Nationwide Foundation has funded WeCanMake, a project by Knowle West Media Centre that enables a community land trust to help people create homes on small parcels of land in a low-density housing estate. Homes are built using sustainable, local materials in response to specific housing need, such as overcrowding or homelessness. This is a pioneering approach. The ambition is to enable other areas to replicate this proven and tested model through raising awareness amongst national and local power-holders, as well as community groups.

Two homes have now been delivered onsite: the Nationwide Foundation has granted additional funding to deliver a total ten pilot homes, to deeply explore challenges and possibilities, and to open the WeCanMake model for adaptation and adoption by others. In February 2023, the project published a playbook and film demonstrating how the WeCanMake model works. A launch event held at Nationwide's London offices was well-attended both in-person and virtually, and an accompanying media campaign resulted in high levels of broadcast and print coverage, in addition to interest from ministers. Following the launch, the project was inundated with approaches from a wide range of stakeholders.

Another funded project, Faith in Affordable Housing by Housing Justice, was also granted a further two years of funding by the Nationwide Foundation. One of the biggest barriers to creating affordable housing is unlocking land, and this project in Wales connects faith organisations with surplus land to housing associations. Together in partnership, these organisations create affordable homes on the land. In 2022, Faith in Affordable Housing's pipeline had grown to 364 and was recognised by Welsh government as one of Wales's largest pipelines for affordable housing delivery.



### Shifting public attitudes on housing

The Nationwide Foundation and its co-funder, the Joseph Rowntree Foundation, launched a Talking about Homes toolkit in February 2023 to provide the housing and health sectors with frames proven to change the way people think about housing matters. A successful campaign of digital, media and direct promotion spread the word of the report to people working in relevant communications roles. A webinar launching the toolkit 'sold out' in capacity terms. Work to further promote the toolkit will be ongoing in 2023/24.

### Driving forward ideas for greater affordability

The Nationwide Foundation's funding of the Affordable Housing Commission, which produced a set of seminal reports assessing problems with housing affordability in the UK and proposing solutions. Following completion of the work, the Nationwide Foundation has been sharing the report to influence relevant discussions of housing policy. In 2022/23, influencing work focused particularly on three of the report's recommendations.

Firstly, replacing the current definition of 'affordability' with a definition linked to income, which would alleviate the current problem of 'affordable' housing often being unaffordable for many people. The Nationwide Foundation met with a number of think-tanks, policy officials and local authorities to explore this concept.

Secondly, the concept of a conversion fund became particularly topical as private rents rose and increased private renting standards were proposed. This fund would allow properties no longer wanted by their private sector landlords to be purchased by social landlords and brought up to standard for social use. The Nationwide Foundation has attended roundtables and engaged in discussion around this idea with political representatives and peers, laying the groundwork to explore it further in future years.

Thirdly, the creation of a national strategy for housing in England. The Nationwide Foundation has been working in partnership with the Church of England who also called for such a strategy in its 'Coming Home' report. This partnership will continue to work on creating a cross party housing strategy in 2023/24.

## 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.**

[Improving access to information, support, advice and technical expertise that is needed to progress a community-led housing scheme](#)

As part of its continued work to support the strengthening of community-led housing infrastructure, the Nationwide Foundation awarded funding to the Community Land Trust Network to commence a review of infrastructure provision across the UK. This will consolidate learning about how the infrastructure that supports the sector can be most effective and self-sustaining and deliver the most promising models to scale and grow.

[Activity to directly influence for sustainable finance for community-led housing](#)

[Community Housing Fund distribution](#)

In 2021/22, the government's Community Housing Fund Revenue Programme awarded £4 million to community organisations across England which were planning to deliver over 1,100 additional affordable homes. This fund was strongly supported by the Nationwide Foundation and its grant-holder, the Community Land Trust Network. It increased the potential pipeline of community-led homes to over 23,000 and grew a network of 25 enabler hubs covering most of England. However, it closed for all areas outside London in March 2022 and for London in March 2023, and has not been renewed.

The Nationwide Foundation and the Community Land Trust Network have continued to campaign for reinstatement of this fund or an alternative. Continued engagement included attending conferences, meeting and questioning MPs, and maintaining strong links with the Department for Levelling Up, Housing and Communities. Funding for the Community Land Trust Network has been agreed for a further two years to enable this influencing work to continue at a pivotal time for the sector in England.

[Affordability research with Sheffield Hallam University](#)

As the cost of materials, staffing and land rose in 2022/23, anecdotal evidence suggested that community-led housing schemes were struggling to deliver homes that were truly affordable. To explore the extent of this issue, the Nationwide Foundation awarded a seven-month grant to Sheffield Hallam University to research current affordability within community-led housing. This research will provide valuable evidence to shape the Nationwide Foundation's support of community sector, in addition to helping the wider sector to consider future strategies.

[Taking community-led housing to the next level in Wales and Scotland](#)

The Nationwide Foundation collaborated with its grant-holder Cwmpas (formerly the Wales Co-operative Centre) in strengthening support for community-led housing in Wales.

The programme manager supported Cwmpas in engaging with the Senedd on barriers and challenges faced by communities in taking ownership of publicly- or privately-owned assets. Its suggestions were included within the recommendations of the inquiry's report.

The Nationwide Foundation granted an additional three years of funding to Cwmpas, with the aim of building on its knowledge and growing reputation so that more groups take forward community-led housing schemes across Wales. Cwmpas also began work on delivering a pilot capital grant fund with the Welsh government, which will be used to secure land and assets for affordable community-led homes.

[Boosting community-led housing in Scotland](#)

From autumn 2022, the Nationwide Foundation has been working with the Scottish Government to help community-led housing to become a more established, sustainable part of the overall affordable housing landscape in Scotland. Success came in the form of commitments to community-led housing in the Scottish Government's overarching housing strategy, 'Housing to 2040'. These included a remote, rural and island action plan and consideration of funding for community housing trusts to support this plan's delivery. The Nationwide Foundation was able to connect Scottish officials to their counterparts in Wales to facilitate sharing of experience. Discussions are ongoing and will continue into 2023/24.

## 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.**

#### Influencing private sector tenancy reform

In summer 2022, the government released its White Paper on A Fairer Private Rented Sector, which formed the basis of proposals for the Renters' Reform Bill.

The Bill represents a once-in-a-generation opportunity to improve the rights and protections given to private renters in England. It links clearly to the Nationwide Foundation's long-term aim to strengthen the voice of renters and improve their protections from poverty and harm. Through its grant-holder, the Renters' Reform Coalition, and through its own direct activity, the Nationwide Foundation has sought to influence the upcoming Bill so that it has as positive an impact as possible on the lives of renters, particularly those most in need. The focus is on addressing pressing issues within the sector, such as quality, safety, security of tenure and access to justice.

The basis for this work is the Renters' Reform Coalition's [Safe, Secure and Affordable Homes for All: A Renters' Blueprint for Reform](#), which sets out solutions for reform shaped by the experiences of the renters with whom Coalition members work. Alongside this, the Foundation's views are informed by our wider work on the private rented sector, including multiple research projects and work to promote tenant's voice.

Additional funding has been agreed for the Renters' Reform Coalition to continue its work to call for and shape the Renters' Reform Bill; and to influence renting reform outside of the Bill where there is a strong fit with its Blueprint or the aims of the Transforming the Private Rented Sector programme.

#### Sharing timely findings from Scotland

The White Paper's publication coincided with the release of wave two findings from RentBetter, research conducted in Scotland by the Nationwide Foundation's grant-holder Indigo House. This segment of the research explored the impacts of 2017 tenancy reforms in Scotland on renters with lower incomes and those in housing need, as well as the experiences and future plans of landlords. Findings provided important insights into gaps in legislation that were being exploited by non-compliant landlords, in addition to barriers which prevented those tenants who were most vulnerable to harm from using their new rights.

The Nationwide Foundation's work to share this key understanding included meeting with the Scottish Government's minister for tenants' rights alongside Indigo House, submitting articles to legal industry publications, and writing to stakeholders including MSPs and charities. The findings were also used to provide recommendations for forthcoming private rented sector reform in England, including through consultation responses, blogs and media, and meetings with officials and ministers from the Department for Levelling Up, Housing & Communities.

#### Keeping the Renters' Reform Bill in the spotlight

Since the publication of the White Paper, the Nationwide Foundation and its grant-holders have called for the government to commit to a timeline for publishing the Bill. Both organisations held meetings, released statements and blogs, and sent joint and individual letters to supply evidence of the urgent need for legislation to officials and politicians across parties.

In summer 2022, the Renters' Reform Coalition published research showing strong public support for rental reform across the political spectrum. This research was referenced in articles in national media co-ordinated by the Coalition. In September 2022, it held a parliamentary reception supported by the Nationwide Foundation, at which the research was presented. This event was well-attended by Members of Parliament, sector organisations and private renters.

In March 2023, the Nationwide Foundation supported the Renters' Reform Coalition in holding the largest ever private renters' day of action in Westminster. The event received national media coverage and was attended by the housing minister, who confirmed that the Bill would be published before autumn 2023.

### Working to improve standards

Alongside the Renters' Reform Bill, the government has committed to extending the decent homes standard to the private rented sector for the first time. The Nationwide Foundation and its grant-holders responded to a consultation on this matter in winter and spoke to power-holders on quality, regulation and enforcement within the sector. This included the Nationwide Foundation's chief executive speaking at a Westminster Social Policy Forum panel; a summit held by the Mayor of London; and the Building Society Association.

### Engaging with the Department for Levelling Up, Housing and Communities

The Nationwide Foundation has built up a body of evidence around the private rented sector and used it in responses to two further significant consultations in 2022/23, relating to short-term holiday lets and the extension of the decent homes standard to the private rented sector.

### 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.

At the beginning of 2023, the Nationwide Foundation released a report evaluating these models, which provided recommendations for others considering setting up a project to hear and amplify the voices of tenants. As part of its work to share learning, the Nationwide Foundation sought industry media coverage of the report, sent it to charities and power-holders with potential influence over making tenant voice heard in decision-making, and co-hosted an event in Northern Ireland to promote the learnings. This resulted in significant interest in the report. Follow-up meetings were held with local and national power-holders, and other funders, to share best practice in successful tenant voice work.

Further funding for the seven tenant voice projects was agreed until the end of 2024. They will continue to support tenants to be involved in local, regional and national decision making on the private rented sector, and increase their focus on supporting those tenants who are most vulnerable to harm.

### Using evidence from place-based funding to influence change

In Greater Manchester, the Nationwide Foundation has funded Shelter to deliver the Fair Housing Futures project. This has tested a number of pioneering projects to improve the private rented sector, including a new model which provides loans to landlords to improve property standards in return for meaningful benefits to tenants. The five projects were evaluated and the evidence was used to begin influencing policy and practice changes to private renting. The partnership Board of the project, which includes powerholders and key stakeholders from across the private rented sector in Greater Manchester, used the evidence from the projects and their own expertise to develop and publish a set of recommendations for local, regional and national government on policy changes that would make the private rented sector fairer and drive up standards. This manifesto for change, titled the 'Plan for better renting in Greater Manchester', was launched with the Mayor of Greater Manchester.

# Future Plans

## Strategic focus

The Nationwide Foundation's strategic focus during 2023/24 will be on delivering phase three of the Decent Affordable Homes strategy. This will include:

- Delivery of strategic priorities one and two of the 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.
- Increasing and developing the Nationwide Foundation's reputation and profile as a knowledgeable voice in systems change so that it is better able to contribute to making changes happen alongside its grant-holders.

## Grant-making activities

The Nationwide Foundation's grant portfolio is made up of mainly multi-year grants that will be ongoing during 2023/24. 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 2023/24 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.
- 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.
- With the support of the Nationwide Foundation, Knowle West Media Centre will continue to raise awareness of WeCanMake and encourage other areas to utilise its **pioneering model for creating affordable homes**.
- Indigo House will work towards releasing its third wave of **research into Scottish tenancy reforms** in 2024.
- The seven tenant voice projects will continue **helping tenants' voices to be heard** in public debate, with a renewed focus on those most vulnerable to harm.
- Housing Justice will continue to test and refine the Faith in Affordable Housing partnership model, improve access to and understanding of legal guidance, and influence denominations to put in place policies and processes that **enable faith groups to turn land into affordable housing**. It will also influence Welsh government to support more smaller affordable housing sites and conversions.
- The Nationwide Foundation and co-funders Joseph Rowntree Foundation will continue to increase awareness, understanding and use of the Talking about Homes toolkit. Mobilisation will focus on the housing and health sectors, providing them with frames proven to **shift public thinking on housing matters**. Further work will be carried out to explore how the frames can be used in conjunction with other existing framing toolkits around changing public ideas about poverty.

- The Nationwide Foundation and its grant-holders within community-led housing will continue to influence for **sustainable funding of the sector**, including a replacement for the Community Housing Fund in England.
- The Nationwide Foundation will continue to **increase its own influence and understanding** of best practice in shaping positive change to the housing system. This work will include arranging more events to convene and connect key powerholders and experts, alongside greater digital and media campaigning.
- Cwmpas (formerly the Wales Co-operative Centre), which is funded by the Nationwide Foundation, will deliver a pilot capital grant fund, influence to **increase the Welsh government's commitment to community-led housing** and continue to deliver training to local authorities.
- The Town and Country Planning Association will continue to **progress the Healthy Homes Bill** and to work towards incorporation of the eleven Healthy Homes principles in legislation.

### Future uncertainties

The Nationwide Foundation is aware 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 2023/24:

- The **war in Ukraine** may continue to increase 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 homelessness and raise costs for projects.
- 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.
- A **general election** is expected before the end of DAH3, which may result in changes in key political stakeholders.

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 2022/23 ten trustees served on the board.
- Has seven trustees who are appointed by the board, following open advertisement and interview, and 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 2022/23 the board held all four meetings in person.
- 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 2022/23 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):
- Reviews its application of the Charity Governance Code every three years. This last took place in September 2022. The review concluded that the Foundation fully applies most of the recommended practices and its approach is in keeping with the spirit of the code. Actions were agreed to make improvements to a small number of partially applied recommended practices in relation to diversity. The next full review will take place in 2025.
- 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 or under-performing staff and key personnel, due to the ongoing impact of prolonged remote working and capacity issues in a period of change and growth for the Foundation. Over three-years the greatest risks were identified as loss or underperforming of staff and key personnel, and projects failing to achieve outcomes.
- Undertakes an independent audit of its internal controls every three years. This last took place in 2019/2020 and concluded that key controls worked, were efficient and built to last. Agreed actions for some improvements were actioned 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 2023/24.
- Using the Governance Code's guidance, trustees will consider how equality, diversity and inclusion are important to the Nationwide Foundation in its 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 situation 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 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 2022/23 totalled £2,469,659 (2021/212: £1,770,175). This is primarily made up of an annual donation from Nationwide in 2022/23 of £2,405,000 (2021/22: £1,700,000). In addition to the annual donation, in 2022/23, the Society donated services to the Nationwide Foundation totalling £124,341 (2021/212 £99,755). 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.

### Expenditure

Expenditure for 2022/23 totalled £2,635,057 (2021/22: £2,315,899). 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.

### Reserves policy

The trustees review the reserves policy annually and monitors the level of reserves throughout the year. All the Nationwide Foundation's reserves are unrestricted, and trustees set out how and why the funds should be designated as set out below:

Designated to	Purpose	Amount 2022/23
<b>Contingency fund</b>	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: <ul style="list-style-type: none"><li>• running costs for up to three years to manage existing funding commitments and give trustees time to consider what action to take</li><li>• costs of third-party expertise to assist the trustees in what may be complex circumstances.</li></ul>	This amount is determined annually following a review of a budget tailored to the specific circumstances of the Nationwide Foundation losing its income.  Target - £550,000
<b>Pledged fund</b>	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.
<b>Allocated fund</b>	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.	This is determined by taking the agreed budget for funding programmes and deducting the funds that have been awarded to date.

	The allocated fund may have sub-categories for different funding programmes.	
<b>Programme related investment fund</b>	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 2023.

### Investment policy

During 2022/23 the Nationwide Foundation undertook a comprehensive review of its investment policy to ensure that the policy allowed for the Foundation to make the best use of its assets.

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

- to maintain real value; the overall return across the portfolio should be in line with inflation
- 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 the 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 consider 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 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 2022/23 this amount was £7.5m. The use of an investment manager is reviewed annually.

### Investments

Most funds are held in either fixed term or instant access cash accounts on which interest is earned. Interest earned in 2022/23 totalled £64,659 (2021/22: £9,549).

In 2022/23 the Foundation held funds in CCLA’s COIF Charities Ethical Investment Fund as it met the Foundation’s risk requirements and ethical standards.

On 31 March 2023 the value of the investment was £680,541 (31 March 2022 £694,444), a loss of £13,903. The investment performance has struggled throughout the year due to inflation, rising interest rates, political uncertainty, and unexpected events.

## 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 (£2,730 from Communities Housing Trust)
- Interest earned during 2022/23: £2,020 (2021/22: £2,625).

## Financial outlook

The Nationwide Foundation has a minimum donation committed from Nationwide for 2023 and 2024 which, due to better than expected profits is higher than previous years.

The current cost of living crisis will continue to dominate the UK economic, social and political context during 2023. Housing costs play a significant role in this crisis, given they are a major household expenditure which is rising across tenure types. We are committed to funding activity and supporting our grant holders to find workable solutions to rising housing costs and associated problems, and to keep the impact of rising housing costs on the political agenda. We will also continue to push for change through our own influencing and public affairs activity. In addition, we are aware of the impact the crisis is having on our grant holders and are committed to continuing to support them during this period.

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 2024 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 2023 was 10 (2021/22: 9). The members are only entitled to voting rights and do not have a beneficial interest in the charity.

## Auditors

New auditors will be assigned for the 2023/24 audit.

## 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 7 September 2023 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 ∞

Kit Beazley ◊

Rob Collins † ◊

Gill Leng ◊

Judith McNeill

Sarah Mitchell (vice-chair) ◊ ∞

Rachael Sinclair † ∞ (appointed 15th August 2022)

Usha Prashar † ∞ (retired 9 June 2023)

† Appointed by Nationwide Building Society

◊ Member of the Finance and Risk Committee

∞ Member of the Nominations and Remunerations Committee

**Acting Chief Executive:** Sam Stewart

**Company Secretary:** NBS CoSec Limited

**Accountant:** Kayleigh Keville

**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 2023 which comprise 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 2023 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 trustees' 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 its 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 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
- 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 on page 16, 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 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 based on these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

### **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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **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



**THE NATIONWIDE FOUNDATION  
STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2023  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

	Notes	2023 £	2022 £
<b>INCOME AND ENDOWMENTS FROM:</b>			
Donations and legacies	2	2,405,000	1,770,175
Income from investments	3	64,659	9,549
Other incoming resources	4	124,342	99,755
<b>Total income and endowments</b>		<b>2,594,001</b>	<b>1,879,479</b>
<b>EXPENDITURE ON:</b>			
Charitable activities	5	(2,635,057)	(2,315,899)
<b>Total expenditure</b>		<b>(2,635,057)</b>	<b>(2,315,899)</b>
Net (losses)/gains on fixed asset investments		(13,903)	73,614
Gains/(losses) from movements in foreign exchange		74	9,130
<b>Net (expense)/income and net movement in funds</b>		<b>(54,885)</b>	<b>(353,676)</b>
Fund balances brought forward		3,874,942	4,228,618
<b>Fund balances carried forward</b>	16	<b>3,820,057</b>	<b>3,874,942</b>

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 (2022: £nil).

THE NATIONWIDE FOUNDATION  
BALANCE SHEET  
AS AT 31 MARCH 2023  
COMPANY REGISTERED NUMBER: 3451979

	Notes	2023 £	2022 £
<b>FIXED ASSETS</b>			
Programme related investments	10	201,176	230,727
Investment	11	680,541	694,444
<b>TOTAL FIXED ASSETS</b>		<b>881,717</b>	925,171
<b>CURRENT ASSETS</b>			
Programme related investments	10	37,631	14,810
Debtors	12	21,195	10,251
Fixed term deposits		1,100,000	1,100,000
Cash at bank		2,652,846	2,493,981
<b>TOTAL CURRENT ASSETS</b>		<b>3,811,672</b>	3,619,042
<b>CURRENT LIABILITIES</b>			
Creditors	13	(873,332)	(669,271)
<b>NET CURRENT ASSETS</b>		<b>2,938,340</b>	2,949,771
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>3,820,057</b>	3,874,942
<b>NET ASSETS</b>	14	<b>3,820,057</b>	3,874,942
<b>UNRESTRICTED FUNDS OF THE CHARITY</b>			
Designated funds	16	3,820,057	3,874,942
<b>TOTAL FUNDS</b>		<b>3,820,057</b>	3,874,942

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

The financial statements were approved by the board of Trustees on 7 September 2023 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  
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Net movement of funds per statement of financial activities	(54,885)	(353,676)
<b>Adjustments for:</b>		
Interest from investments	(64,659)	(9,549)
(Increase)/decrease in debtors	(10,944)	3,957
Increase/(decrease) in creditors	203,594	(96,648)
Losses/(gains) on fixed asset investments	13,903	(73,614)
Gains from movements in foreign exchange	(74)	(9,130)
<b>Net cash provided by (used in) operating activities</b>	<b>86,935</b>	<b>(538,660)</b>
<b>Cash flows from investing activities</b>		
Fixed term deposits redeemed	2,000,000	2,000,000
Fixed term deposits issued	(2,000,000)	(1,100,000)
Interest from investments	64,659	9,549
Receipts from programme related investments	6,730	9,959
<b>Net cash generated from investing activities</b>	<b>71,389</b>	<b>919,508</b>
Effect of exchange rate changes on cash and cash equivalents	541	853
<b>Increase in cash and cash equivalents in the year</b>	<b>158,865</b>	<b>381,701</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,493,981</b>	<b>2,112,280</b>
<b>Total cash and cash equivalents at the end of the year</b>	<b>2,652,846</b>	<b>2,493,981</b>

**THE NATIONWIDE FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**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. 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.

**(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.

**1. Accounting policies (continued)**

**(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 incurred by 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.

**(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).

1. Accounting policies (continued)

(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

	2023	2022
	£	£
Nationwide Building Society	2,405,000	1,770,000
Other donations	-	175
<b>Total</b>	<b>2,405,000</b>	<b>1,770,175</b>

3. Income from investments

	2023	2022
	£	£
Bank interest receivable	62,639	6,924
Interest from programme related investments	2,020	2,625
<b>Total</b>	<b>64,659</b>	<b>9,549</b>

4. Other incoming resources

	2023	2022
	£	£
Donated services from Nationwide Building Society	124,342	99,755
<b>Total</b>	<b>124,342</b>	<b>99,755</b>

Donated services are analysed in note 5(b).

5. Analysis of total expenditure

2023	Decent Affordable Homes funding strategy	Governance costs	Total
Charitable activities by objective	£	£	£
Staff costs	383,300	76,458	459,758
Support costs	88,655	16,368	105,023
Grants	1,945,934	-	1,945,934
Donated services	111,458	12,884	124,342
<b>Total</b>	<b>2,529,347</b>	<b>105,710</b>	<b>2,635,057</b>

5. Analysis of total expenditure (continued)

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
<b>Total</b>	<b>2,260,036</b>	<b>55,863</b>	<b>2,315,899</b>

For further analysis of staff costs see note 6.

	2023 £	2022 £
<b>(a) Analysis of support costs</b>		
Administration and IT	86,161	66,411
Learning and evaluation and system mapping	18,862	(14,821)
<b>Total</b>	<b>105,023</b>	<b>51,590</b>

	2023 £	2022 £
<b>(b) Donated services</b>		
Specialist staff services	58,342	33,755
Facility costs	66,000	66,000
<b>Total</b>	<b>124,342</b>	<b>99,755</b>

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.

	2023 £	2022 £
<b>(c) Analysis of governance costs</b>		
Staff costs	76,458	33,312
Trustees' expenses	1,340	165
Audit costs (inclusive of irrecoverable VAT)	15,000	13,758
Other administration costs	28	-
Donated services	12,884	8,628
<b>Total</b>	<b>105,710</b>	<b>55,863</b>

## 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:

	2023 £	2022 £
Salaries	335,144	285,581
Social security	42,760	31,686
Pension contributions	81,854	82,902
<b>Total staff costs</b>	<b>459,758</b>	<b>400,169</b>

The average number of persons employed by the Society who acted as officers of the Foundation was 8 (2022: 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 (2022: 2) and emoluments of over £70,000 and less than £80,000 was 1 (2022: nil). 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:

	2023	2022
Decent Affordable Homes funding strategy	6	7
Governance	2	1
<b>Total</b>	<b>8</b>	<b>8</b>

## 7. Net income resources for the year

Net income for the year is stated after charging:

	2023 £	2022 £
Trustees' expenses	1,340	165
Auditors' remuneration:		
Audit services - current year	15,000	11,958

None of the trustees / directors received any emoluments in respect of services to the Foundation (2022: 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, four trustees (2022: one) received reimbursements of personal travel and subsistence expenditure amounting to £1,340 (2022: £165).



## 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.

	2023	2022
	£	£
<b>DECENT AFFORDABLE HOMES FUNDING STRATEGY</b>		
Affordable Housing Commission	-	10,000
Camden Federation of Private Tenants	73,165	11,499
Citizens Advice	77,916	45,888
Communities Creating Homes DAH3	123,618	121,342
Communities Housing Trust (previously HSCHT)	34,552	43,226
COVID-19 support fund	10,000	310,317
Decent Affordable Homes - Added Value	2,000	5,989
DSS discrimination case	-	1,700
East Midlands Community Led Housing	20,223	24,777
Fair Housing Futures	90,284	127,305
Faith in Affordable Housing	135,096	-
Frameworks	124,000	83,399
Greater Manchester Tenants Union (previously Tenants Union)	119,596	-
Highlands Small Communities Housing Trust (HSCHT)	13,334	-
Homeless Link	118,108	45,000
Housing First England	1,830	-
Housing Justice	-	93,715
Housing rights	25,972	51,332
Indigo House	-	127,381
Leeds Community Housing	-	21,600
Living Rent	65,364	5,000
National Community Land Trust Network	144,757	75,000
Networking and best practice for Tenants' Voice Programme	8,580	-
Renters' Reform Coalition (previously Generation Rent)	371,895	93,844
Sheffield Hallam University	21,975	-
Shelter	38,280	27,410
South of Scotland Community Housing Trust (previously Dumfries)	42,726	37,200
Tenants together	12,742	-
Test & Learn Fund	(17,965)	-
Town & Country Planning Association	-	259,110
University of York	(195)	(48)
We Can Make	238,849	117,399
Zacchaeus 2000 Trust	49,232	25,000
<b>Total</b>	<b>1,945,934</b>	<b>1,764,385</b>

## 9. Taxation

Corporation tax payable for the year ended 31 March 2023 was £nil (2022: £nil).

## 10. Programme related investments

	2023 £	2022 £
<b>Non-current assets</b>		
Community Land Trust Fund II	-	26,461
Communities Housing Trust	51,176	54,266
Community Led Housing Fund	150,000	150,000
	<b>201,176</b>	<b>230,727</b>
<b>Current assets</b>		
Communities Housing Trust	2,840	2,730
Community Land Trust Fund I	-	3,750
Community Land Trust Fund II	34,791	8,330
	<b>37,631</b>	<b>14,810</b>
<b>Total programme related investments at 31 March</b>	<b>238,807</b>	<b>245,537</b>

The Foundation has three ongoing programme related investments:

- Community Led Housing Fund II is due to be repaid during 2023-24.
- 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

	2023 £	2022 £
Balance at 1 April	694,444	622,515
Revaluations	(13,903)	71,929
Balance at 31 March	<b>680,541</b>	<b>694,444</b>

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

## 12. Debtors

	2023 £	2022 £
Accrued interest	14,086	739
Prepayments	7,109	9,512
Total	<b>21,195</b>	<b>10,251</b>

13. Creditors

	2023	2022
	£	£
<b>Amounts falling due within one year</b>		
Grants payable	685,463	509,548
Programme related investment commitments	100,000	100,000
Other creditors	48,946	33,120
Accruals	38,923	26,603
<b>Total</b>	<b>873,332</b>	<b>669,271</b>

14. Analysis of net assets between funds

	Designated Fund	
	2023	2022
	£	£
Fixed assets	881,717	925,171
Current assets	3,811,672	3,619,042
Current liabilities	(873,332)	(669,271)
<b>Total</b>	<b>3,820,057</b>	<b>3,874,942</b>

15. Financial instruments

	2023	2022
	£	£
Financial assets measured at amortised cost	3,766,932	3,594,720
Financial assets measured at fair value	680,541	694,444
Financial liabilities measured at amortised cost	(873,332)	(669,271)

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).

2022/2023	As at 1 April 2022	Incoming resources	Resources expensed	Transferred	Gains and losses	As at 31 March 2023
<b>Decent Affordable Homes strategy:</b>						
Future funds	-	2,469,659		(2,455,830)	(13,829)	-
<b>Allocated:</b>						
Phase 2	80,605	-	(37,173)	(43,432)	-	-
Covid-support fund	224,845	-	(10,000)	(214,845)	-	-
Phase 3	1,958,645	-	(1,463,546)	270,572	-	765,671
Pledged	815,310	-	(435,215)	1,504,346	-	1,884,441
Programme related investment	245,537	-	-	(6,730)	-	238,807
Learning & evaluation	-	(18,862)	-	400,000	-	381,138
Running costs	-	-	(545,919)	545,919	-	-
<b>Other designated funds:</b>						
Contingency fund	550,000	-	-	-	-	550,000
<b>Total</b>	<b>3,874,942</b>	<b>2,450,797</b>	<b>(2,491,853)</b>	<b>-</b>	<b>(13,829)</b>	<b>3,820,057</b>

2021/2022	As at 1 April 2021	Incoming resources	Resources expensed	Transferred	Gains and losses	As at 31 March 2022
<b>Decent Affordable Homes strategy:</b>						
Future funds	1,017,858	1,779,724	-	(2,880,326)	82,744	-
<b>Allocated:</b>						
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	-	-
<b>Other designated funds:</b>						
Contingency fund	550,000	-	-	-	-	550,000
<b>Total</b>	<b>4,228,618</b>	<b>1,794,545</b>	<b>(2,230,965)</b>	<b>-</b>	<b>82,744</b>	<b>3,874,942</b>

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 2023, one related party transaction was registered: One trustee (Saphié Ashtiany), was also a trustee of the Joseph Rowntree Foundation (JRF). In 2022/23 the Nationwide Foundation agreed to jointly fund the Frameworks Institute with JRF.

Total aggregate compensation paid to key management personnel (the Chief Executive) amounts to £90,570 (2022: £85,266).

## 18. Post balance sheet events

In June 2023, a donation of £3,870,000 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.