



# Our Impact in 2021/22



# Lendology 2021/22 Snapshot

Lendology CIC is an established not-for-profit lender that works with homeowners to fund home repairs and improvements that during 2021/22 saw:

**£1.75 million**  
worth of lending

**153**  
owner occupier households helped

**18**  
partnerships with local councils

**226**  
approved loans

**6**  
rental properties improved

**£2.58**  
of social impact generated for every £1 invested by council partners

**16**  
empty properties brought back into use

**39%**  
reporting a positive effect on their financial wellbeing

**100%**  
of surveyed councils report being very satisfied or satisfied with their partnership with Lendology and the achieved outcomes

**£5.4 million**  
of Social Impact created through its lending activities

**71%**  
stating a positive effect on their health and wellbeing

“

I've been able to stop internal water damage thanks to new gutters and down pipes. The new windows have stopped the window drafts and made the house incredibly energy efficient

Lendology borrower

# Introduction

Lendology CIC is a social enterprise lender that works with homeowners to fund home repairs, improvements, adaptations and energy efficiency measures. We currently manage over £10 million on behalf of local councils and have made a positive difference to over 1,500 households. We look beyond the figures, it's the impact on our clients that matters and our Annual Social Impact Report is created to evidence this.

## Our Mission

Working with council partners, we provide access to low cost, responsible finance. We make our lending decisions with people, for people and put impact before profit.

## Our Vision

We disrupt traditional lending with our decisions powered by partnerships and people, enriching homes and lives through affordable finance.

## Our Values

Not just words, they are reflected in everything we do, regardless of whether you are a client/customer, partner or colleague.

**Respectful** • We are considerate of the needs, abilities and qualities of our colleagues, clients and partners.

**Expert** • We are proud of our knowledge and expertise and the positive impact that brings to our clients and partners.

**Dynamic** • We engender a positive attitude, full of energy and new ideas to continuously develop our services, products and relationships.

**Supportive** • We help each other, our clients and partners to thrive and succeed.





Working with a range of council partners, Lendology provides access to low cost, responsible finance. Unlike other lenders, Lendology assess everyone based on their unique financial circumstances, making their lending decisions with people, for people and putting impact before profit.

This report documents our activities across 2021/22 and provides an independent assessment of the benefits this has generated. It has been reviewed by the Financial Inclusion Centre – a not-for-profit research firm by combining:

- analysis of data for the 226 loans delivered during this period;
- structured surveys sent to 180 borrowers via email and post, and completed by 70 customers (representing 39% of clients during 2020/21); and
- 19 surveys conducted with representatives from 14 of Lendology's 18 council partners.

“

The Social Impact report that we produce each year goes some way towards highlighting the fundamental need for the service that we provide. Without the funds provided by each of our council partners, we would not be able to help these homeowners from across the region. The assumption that the inhabitants in the South-West are affluent and do not require assistance has to be changed. Each year the council enables us to support clients who have a variety of needs however we are still talking to some homeowners who have no central heating or hot running water in their homes.

I am delighted that yet again we could make a positive difference last year, and whilst we had a record lending year, it is not the money that drives us to do more, but the impact that the loans we provide have. This report enables us to show the difference that a council loan has made to the family, the home, and the community as a whole.

**Emma Lower, Lendology CEO**

# Addressing local need

Lendology currently operates across the South West region that faces a combination of social and economic challenges:

## Financial vulnerability



11.4% of households in fuel poverty<sup>[1]</sup>

## Poor quality housing stock



16% of households living in a non-decent home<sup>[2]</sup>

## Ageing population



24.2% excess winter deaths<sup>[3]</sup>

## Economic hardship



51.2% of adults without emergency savings<sup>[4]</sup>

## Housing demand pressures



4% increase in households on local authority waiting lists, compared to the previous year<sup>[5]</sup>

## Long-term empty properties



have increased by 19%, with over 2.6 million homes in the South West remaining empty<sup>[6]</sup>

## Meeting climate change targets



66 median energy efficiency score of existing homes, compared to 83.9 for new homes<sup>[7]</sup>

# Why housing is important

Housing is a 'social determinant of health' that can dramatically impact physical and mental health inequalities throughout life. Over 4 million households in England currently live in properties that do not meet basic standards<sup>[2]</sup>. This issue is compounded by the lack of affordable housing and the rising numbers on council housing waiting lists who are often left living in temporary, insecure, inadequate and costly accommodation. Improving and maximising the effective use of existing housing stock is therefore critical to helping address the housing crisis and support local economies. It will also play a key role in reducing emissions to achieve climate change targets, as well as helping stimulate local economies.

## Case study

Mr C's home was suffering with a bad leak in the roof, causing water to enter his home. It was a thatch roof which required extensive repairs. Following a Lendology loan, the thatch is now watertight and Mr C feels "a great sense of relief. No more emptying buckets and mopping up when it rains". Mr C felt it very unlikely that he would have been able to fund the works to his home without a Lendology loan, and found the whole application process very straightforward, the team were happy to answer all of his questions and the contract was very easy to understand. He now feels more independent and happier to invite friends and family into his home.

# Lending in 2021/22

Lendology provides a variety of loan products and schemes designed to meet the wide ranging financial and housing needs of the communities they serve. Owner occupiers, private sector landlords, empty property owners, first time buyers and park homes owners can apply for a home improvement loan fixed at 4% interest. Loans are available from £500 to £20,000 or more depending on the local council policy.

Individuals with poor credit, in retirement, self-employed or in receipt of state benefits as their sole income can apply. In this way, Lendology are able to serve a wide range of applicants, some of whom may typically be excluded from the finance sector.

During 2021/22, Lendology approved:

226 loans

£7,743

average loan size

16

empty properties brought back into use

153

owner occupier households helped

6

rental properties improved

£1.75 million

worth of lending

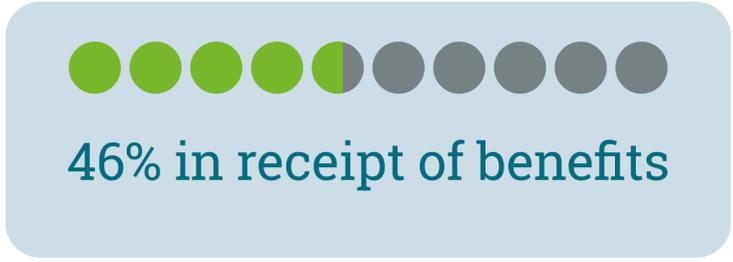
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The home improvements that I applied for allowed me to buy double glazing. This has already improved my energy usage and reduced my energy bills despite price increases

Lendology borrower

# Customer profile

Lendology works with a diverse profile of customers supporting them with borrowing that they often struggle to secure elsewhere.



29% either did not know their credit rating, or described their credit rating as fair, poor or very poor

**£20,180**  
Average median household income

“  
**It allowed us, two vulnerable people to stay in our home, as the condition of the roof was very poor, in fact dangerous to live in**  
Lendology borrower



# Customer experience

47% of survey respondents stated that they had **few alternative borrowing options** other than from Lendology

93% of those who borrowed from Lendology in 2021/22 were **very satisfied**, and 7% were **satisfied** with their loan and the service they received





# Why do our clients choose Lendology?

Borrowers had the option to select more than one answer:

**67%**

liked that Lendology works in partnership with their local council

**24%**

said the loan rate / loan repayments were cheaper than other lenders

**46%**

liked the fact that Lendology is a not for profit lender

**6%**

said that they applied to other lenders first but were declined

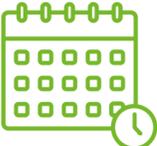
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Lendology works very well for us. The process feels really personalised and tailored to what we needed, and we are always able to speak to someone about it if we need to. It feels like a safe, secure way of borrowing

Lendology borrower

# Improving homes

Lendology enables physical improvements to be made to properties that can;



Enable long-standing issues to be addressed



Bring empty properties back into use



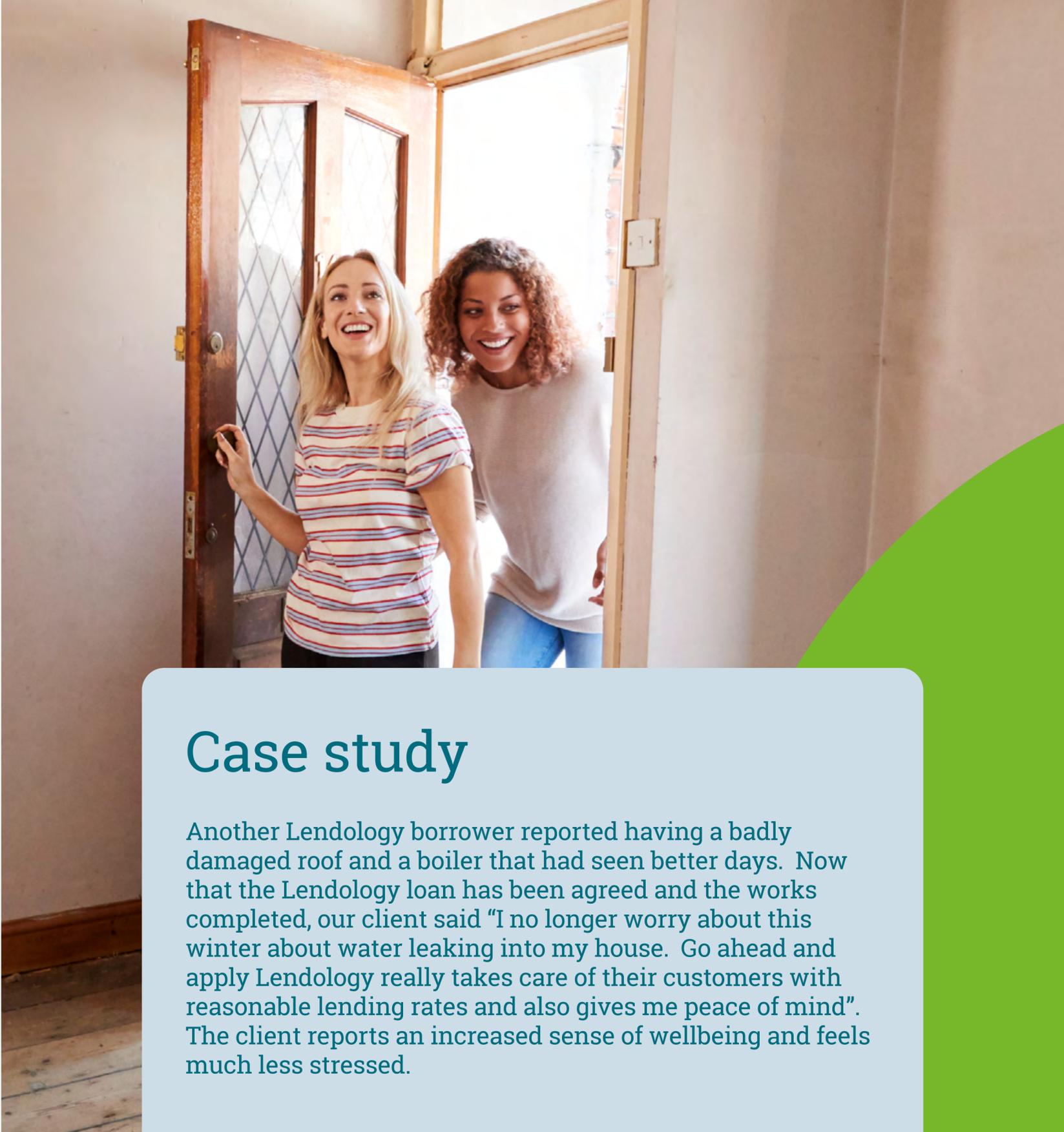
Help improve accessibility



Ensure dwellings are more energy efficient



...Or just makes home more enjoyable to live in



## Case study

Another Lendology borrower reported having a badly damaged roof and a boiler that had seen better days. Now that the Lendology loan has been agreed and the works completed, our client said “I no longer worry about this winter about water leaking into my house. Go ahead and apply Lendology really takes care of their customers with reasonable lending rates and also gives me peace of mind”. The client reports an increased sense of wellbeing and feels much less stressed.

# Property improvements

## 5.5 years

Was the average length of time that customers lived with their property issues

## 82%

Reported that their improvement works improved the energy efficiency of their property

Condition of the dwelling is causing major/moderate problems:

**71%** before → **6%** after

“

**The whole process has been clear and straightforward; such a relief compared to experiences talking to other potential lenders. Thank you so much to all at Lendology**

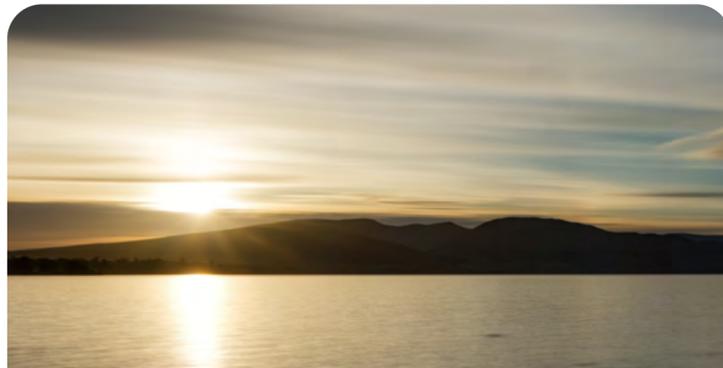
Lendology borrower



# Changing lives

By improving their homes, Lendology helps realise various financial benefits and health and wellbeing improvements for supported households.

## Health and wellbeing



71% reported that the improvements to their property had a positive effect on their health and wellbeing



71% reported that the issues with their property had caused them stress, depression or anxiety

Feeling **in control** of their situation:

20%  $\longrightarrow$  64%  
before after

66% saw a reduction in their level of stress, depression or anxiety after completing their home improvement works

## Financial benefits



69% reported that the improvements to their property had a positive effect on their financial wellbeing

Struggling to manage financially

47%  $\longrightarrow$  33%  
before after

Managing their finances well

44%  $\longrightarrow$  60%  
before after

Enough money to keep home in decent state of repair:

34%  $\longrightarrow$  74%  
before after

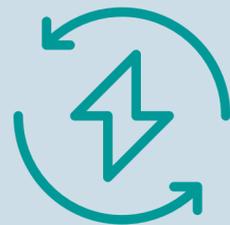
# Generating social impact

Lendology is more than just a lender. By helping improve the homes and lives of its customers, these outcomes also generate additional value that can be measured in pounds and pence.

£0.35 million of operational costs  
+  
£1.75 million of lending in 2021/22  
= **£2.1 million**  
total investment

Resulted in a total of  
→ **£5.4 million**  
worth of social impact being generated

The social impact being generated can be broken down as:



£0.15 million of energy efficiency improvement



£0.14 million of physical improvements



£0.85 million of financial health benefits

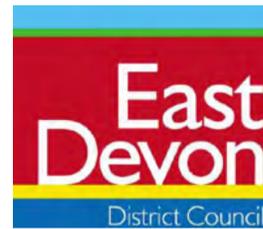


£4.3 million of health and wellbeing benefits

**This means that every £1 invested by councils generates £2.58 in social impact**

# Working in partnership

We currently work in partnership with 18 councils, recycling their funds to deliver lending to homeowners across the private sector. We are creating new partnerships with councils across the UK.



“

Lendology offer a professional service, flexibility and are customer focused. They provide a valuable option for the residents of Dorset to improve their homes that the Council would not otherwise be able to provide

Richard Conway, Housing Standards Service Manager, Dorset Council



**100%** of our council partners are **very satisfied** or **satisfied** with our partnership and the outcomes we achieve together.

**93%** of our existing council partners said the Lendology partnership **contributes towards strategic climate change objectives.**

“

Lendology provides a service that enables the Council to meet both our objectives in our Council Plan and also within our housing strategy. A low cost solution enables positive housing outcomes particularly within housing enforcement and empty homes

Alison Dolley, Private Sector Housing Manager, Teignbridge District Council

# Delivering council priorities and objectives

Our work delivers a variety of objectives for our current local council partners. We work with our partners to understand the requirements of a loan scheme and provide our expertise for developing policies which deliver results.

75% of our council partners are 'very satisfied' with the outcomes achieved by Lendology, with the remaining 25% being 'satisfied'.

“

**Cost effective, focused and innovative partner developing and delivering a range of offers that as a local authority we have neither the time nor expertise to do**

Janet Williams, Public Health and Housing Manager,  
Torridge District Council

## Council priorities and objectives:



Non-decent homes



Supporting older residents



Reduce empty properties



Local housing demand



Climate change



Economic impact

-  Extremely important
-  Very important
-  Somewhat important





# Calculating social impact

Social impact measurement provides a method for placing a value (in pounds and pence) on outcomes related to people's wellbeing. FIC designed the structured questions within the customer survey in order to translate to the outcomes provided by the HACT social value bank. Using the 70 survey responses, 302 positive reportable changes were identified relating to 19 individual HACT outcomes across 4 categories:

- energy efficiency;
- physical/property improvements,
- individual financial health; and
- individual health and wellbeing.

The relevant financial proxy figures for each outcome (based on the respondents age) were applied to the 302 changes with 'deadweight' reductions applied to counter the 'would some of it

happened anyway' argument. Based on the survey results, this provided a total social impact figure of £2,020,599 with average social impact per person figure for each of the 4 categories able to be calculated based on number of survey responses. These average figures were then extrapolated across the whole loan book to provide the estimate of social impact for all 174 Lendology borrowers in 2021/22 of £5,424,768.

Finally, the ratio of investment to social impact was then produced, using the following details:

- Staffing / admin costs = £350,570
- Lending = £1,750,897
- Total = £2,101,467

This can be split across the 4 categories using their proportional contribution towards the total social impact.

# Report references

[1] Sub-regional fuel poverty data: <https://www.gov.uk/government/statistics/sub-regional-fuel-poverty-data-2022>

[2] Local authority estimates have been produced using data from the English Housing Survey (2020/21), which highlighted that in 2020, 16% of housing failed to meet the Decent Homes Standard: <https://www.gov.uk/government/statistics/english-housing-survey-2020-to-2021-headline-report>

[3] <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/bulletins/excesswintermortalityinenglandandwales/2020to2021provisionaland2019to2020final#excess-winter-mortality-across-regions-of-england-and-in-wales>

[4] Taken from the UK Financial Vulnerability Index, created using unique data from Lowell and publicly available measures. Lowell is one of the largest credit management services companies in Europe: <https://apps.urban.org/features/uk-financial-vulnerability-index/>

[5] Ministry of Housing, Communities and Local Government: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-rents-lettings-and-tenancies>

[6] Action on Empty Homes: <https://www.actiononemptyhomes.org/facts-and-figures>

[7] <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/articles/energyefficiencyofhousinginenglandandwales/2021#:~:text=The%20median%20energy%20efficiency%20score,72%2C%20equivalent%20to%20band%20C.>

