

Church Commissioners for England

# Strategic Land Portfolio

Strategic Land ESG report:  
Baseline analysis of portfolio performance

March 2023



# Introduction

The Church Commissioners for England's (CCE) strategic land team brings forward land for new development across England. [Our Approach to Strategic Land report](#) outlines how we strive to create new developments that enhance their surroundings, provide safe new homes and create job opportunities, as well as safeguard habitats and enhance biodiversity.

The portfolio has the capacity to deliver c. 30,000 new homes, of which around 9,000 will be classed as 'affordable' as defined by current planning legislation. About 6,000 new homes are currently subject to live planning applications.

Environmental, Social and Governance (ESG) principles are already a core part of our approach, as evidenced in the case studies appended to this report, and are now being integrated into our governance structure. As ethical investors we are committed to pushing the agenda and setting the standard within the development industry, which aligns with CCE's broader portfolio wide approach to Responsible Investment (RI), and our RI principles of *Respect for People* and *Respect for the Planet*. Our ESG process will allow us to bring all our values and activities under one framework to maximise our positive impact.

We committed in 2020 to developing a formal ESG framework to meaningfully scrutinise the portfolio's performance, and develop a toolkit to maximise the wider benefits that our developments can deliver.

The first stage was to undertake a comprehensive analysis to identify our key ESG topic areas. Ten areas were identified and the process culminated in the publication of our [ESG materiality report](#) in February 2021, which should be read in conjunction with this document.

The ten topic areas allowed us to identify performance metrics from which we could then baseline the current performance of the strategic land portfolio. Against these metrics we were able to identify areas of our approach that are performing strongly, should be developed or require improvement. The results of which are outlined in this report.

This baselining exercise represents the second key stage to developing an ESG framework that will be applied across our portfolio. By undertaking this process, we aim to become industry-leading, help shape the future delivery of housing and be better placed to contribute to, and collaborate in, the ESG conversation.

## The 10 identified ESG topic areas





# Baselining the portfolio – Identifying performance metrics

ESG topic areas	ESG metrics
i. Climate change & Net zero carbon	1. Fossil fuel free operations 2. Sustainable urban drainage solutions
ii. Mobility & transport connectivity	3. Public transport accessibility 4. Encouraging active travel
iii. Biodiversity	5. Biodiversity net gain 6. Maintaining habitats 7. Providing public green space
iv. High quality building design	8. Active frontage approach
v. Housing access & affordability	9. Affordable housing 10. Enhancing housing supply
vi. Placemaking & social inclusion	11. Proximity to public recreational space 12. Enabling social inclusion
vii. Empowering local communities	13. Diverse methods for engagement 14. A sense of place and belonging
viii. Strategic land stewardship	15. Wider stakeholder engagement and broader partnerships 16. Long-term stewardship
ix. Business ethics & integrity	17. ESG screening of consultants 18. ESG screening of housebuilders
x. Transparency & accountability	

In order to undertake the baseline analysis of the portfolio, it was necessary to translate the ten topic areas into a set of metrics and associated Key Performance Indicators (KPI's) in order to enable performance against each topic area to be robustly assessed.

The metrics identified were focussed on generating impact in the early stages of the planning process (from local plan promotion through to securing outline planning permission), which is the stage in which we are most heavily involved.

They also looked to where our portfolio can enable the maximum social and environmental impacts, as well as influence our development partners to maintain the same ethical standards we aspire to.

A total of 18 metrics were identified.

ESG metrics were not identified for the 'transparency and accountability' topic area as this is a future-looking matter that is about the transparency and accountability of our ESG Framework once implemented. Accordingly, it was not considered to be relevant to the baselining of the portfolio's current ESG performance.

# Baselining the portfolio – Methodology

In 2021 we initiated a baseline review of our portfolio to assess its ESG performance against our identified topics areas. This allowed us to:

- Identify the areas where we are doing well and achieving above industry standards.
- Determine how we might evolve our current practice to capitalise on and maximise our impact.
- Identify areas in which there are gaps and opportunities for us to improve.



Chosen site	Number of homes per site
Darton	Up to 150
Northallerton	
Brockman's Lane	
Falmouth	150-500
Buckden	
Greetwell	
Bracebridge Heath	500-1,500
Hereford	
Ely Phase 1	
Chidswell	1,500+
West Bersted	
Barnham, Eastergate and Westergate	

## Our Baseline Key highlights



12 sites were chosen as a representative sample of our portfolio, equating to 43% of our sites at the planning application or sale stages. The sites ranged from 150 homes to those with over 1,500 homes. The 12 sites will deliver in excess of 9,000 new homes in total.

The identified sites were chosen based on several criteria: their stage in the planning process (to ensure there was sufficient data available to successfully inform the analysis), their scale and their location. We were eager to capture the diversity of the portfolio in terms of both site scale and geography.

The below steps outline the baselining process that was undertaken by independent consultant Hoare Lea. Ensuring a full and detailed understanding from the start gives us a deeper insight into the real impact we are having on people and places. This has enabled us to confidently identify where we are performing at our best and where we should focus interventions to ensure we deliver maximum ESG impacts.



# Results

The baseline analysis of the strategic land portfolio has enabled us to understand the portfolio's current position, identifying areas of success, gaps, and opportunities for growth. The results of this process will be presented in the following sections.

The results of the analysis identified that the strategic land portfolio is currently performing strongly in respect to ESG and our ten key topic areas. We consider that this represents a strong position from which we can build upon moving forward.

It is our intention to use the results as the starting point for developing an ESG Framework which we intend to formally implement across the portfolio. This will allow us to build upon our existing strong performance and further improve our ability to deliver tangible ESG benefits.

The results have been classified under three main categories: “Good”, “Evolve” and “Improve”.

Where performance is already deemed to be ‘Good’, the analysis has allowed us to identify how we can further build on this and deliver even greater outcomes in the future.

Evolve categories, identified where the chosen metrics did not allow us to effectively measure performance, and therefore require revision going forwards in order to effectively deliver on the ESG requirements.

A small number of areas were identified where improvement is required. This is not surprising given that we are yet to formally incorporate ESG criteria into our development schemes.

We are committed to making appropriate interventions to ensure good performance is achieved on future projects against all of our key topic areas.



# Results



## Strong performance:

Our ESG consultant Hoare Lea considers that reliable data shows the metrics are achieving the desired performance on 80% or more of sampled sites across 6 of our ESG topic areas.

## Impact: what have we achieved?

The results show us that against these metrics, the sampled portfolio is performing well against our aspirations and topic areas. We are eager to continue delivering strong performance in these areas in order to further enhance our positive impacts.



### ESG topic area

### ESG metric KPI

Climate Change and Net Zero Carbon



Application of sustainable urban drainage solutions as predominant solution for managing rainwater runoff and flood risk.

Mobility & transport connectivity



Encouraging active travel through the inclusion of new useable cycling and pedestrian links.

Placemaking & social inclusion



Publicly accessible, flexible and multifunctional recreational space within walking distance of housing (see also case study on p.14).

Housing access & affordability



Provision of local policy compliant affordable housing (see also case study on p.12).

Enhancing housing supply – new homes delivered as a percentage of net additional homes identified in local and neighbourhood plans.

Empowering local communities



Applying diverse methods for engagement through multiple community engagement channels (see also case study on p.11).

Strategic land stewardship



Engagement with Church Institutions and wider stakeholders (see also case study on p.15).



# Results



## Refinement:

Going forward in some cases, the identified metrics may be unsuitable to report accurately and consistently against the topic areas.

## Evolving: what have we learned?

The areas in the table require changes in the way we measure performance. We believe we are likely to be performing well across many of these topic areas but were not able to capture this effectively. Our ESG consultant Hoare Lea considers that the ESG KPI's used did not lead to consistent and comparable data capture meaning tangible conclusions on performance could not be drawn.

## In respect to the evolve categories, the baselining process has provided us with three key lessons:

- 1. Data availability:** Some of our metrics required information that was not available at the outline planning application stage. We will streamline our data collection processes to ensure we align data collection with availability during the planning process.
- 2. Effectiveness:** Some metrics did not capture the desired insight we were looking for. We will refine metrics, altering the questions we ask to gather the appropriate data for effective and consistent performance monitoring.
- 3. Increasing ambition:** In some areas we were outperforming our KPIs by some margin. We will adapt these KPI's accordingly.

## ESG topic area

## ESG metric KPI

### Climate Change and Net Zero Carbon



Creation of energy strategies that promote the least carbon intensive solutions achievable.

### Mobility & transport connectivity



Public transport accessibility via safe, convenient and walkable pedestrian routes.

### Biodiversity



Creation of biodiversity net gain cumulatively across the portfolio (see also case study on p.13).

Maintaining habitats through commitment to long-term management and maintenance of habitats.

Creation of safe, accessible and functional green space within 300m of homes (see also case study on p.14).

### High quality building design



Active frontage approach through a perimeter block led philosophy with active entrances in all streets.

### Placemaking & social inclusion



Social inclusion through the delivery of community facilities and associated social infrastructure.

### Empowering local communities



Fostering a sense of place and belonging through the long-term management and stewardship of public open spaces.



# Results



**Intervention / action is required:**

Reliable data shows desired performance is not achieved in more than 80% of sampled sites.

## Improve: What actions are we going to take?

The topic areas where improvement is required have not previously formed part of our approach to managing the strategic land portfolio. As such it is not surprising that they have been identified as requiring a change of approach. We are looking to focus on these topic areas moving forward, and we are committed to addressing these areas for further improvement and growth.

### ESG topic area

### ESG metric KPI

Strategic land stewardship



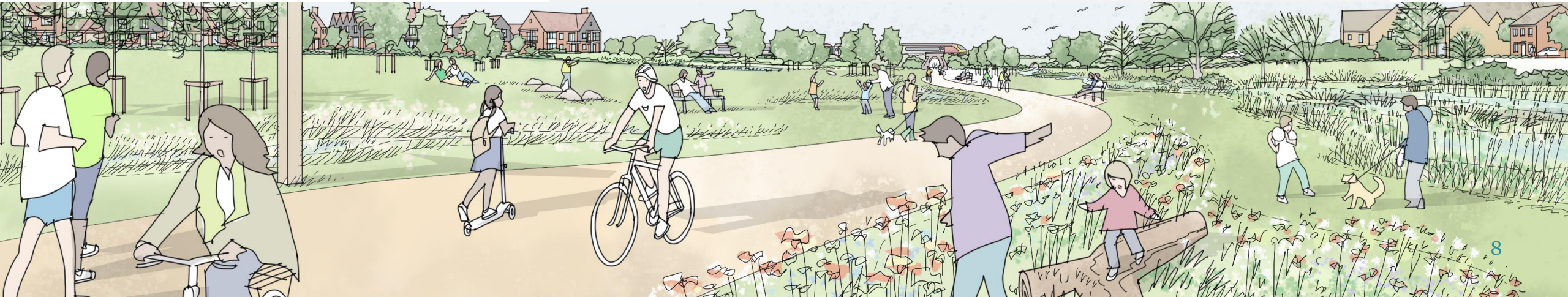
Long-term stewardship and interest maintained in development sites beyond the outline planning application stage.

Business ethics & integrity



ESG screening of project team consultants as part of the consultant selection process.

ESG screening of housebuilders as part of the site disposal / developer delivery agreement process.





# Next steps

There currently isn't an industry best practice approach for applying ESG to strategic land portfolios. The baseline assessment of our portfolio's current performance has enabled us to utilise independent, third-party expertise to establish and test key topic areas and associated metrics.

Going forward we will be using this to develop, in conjunction with our key stakeholders and consultant teams, an ESG Framework that will establish our commitment to ESG and identify the interventions that we will make to our projects. This will look to identify interventions that can be made at each stages of our strategic land promotion process, namely:

- Local plan promotion.
- Outline planning applications.
- Disposal / developer delivery agreement.

We consider that adopting this approach will ensure that the principles of our ESG topic areas become fully embedded into the future communities we will deliver. We will also look to establish effective mechanisms to capture the interventions we are making and the added value we are creating.

We will look to continue to assess the effectiveness of the ESG Framework and continue to evolve and refine as needed in order to maximise the strategy's performance and impact and reflect any changes in legislation.

We will continue to review at appropriate intervals the effectiveness and success of our ESG Framework, for our team and advisors to utilise, to ensure consistent and effective practice.





# ESG Case Studies

Examples of existing performance





## Community Consultation – Three Elms, Hereford

### ESG topic area – Empowering local communities

Community engagement is at the heart of our approach to new developments. In Hereford, the team undertook extensive consultation with Herefordshire Council and the local community prior to the submission of our outline planning application. This included a series of meetings with the council and key stakeholders as well as a community outreach process that centred on a community planning weekend.

Around 250 members of the local community attended this event which was held at the local high school. It provided an opportunity for the community to discuss the proposals, review exhibition material, participate in workshops, walk the site and surrounding area, and engage in hands-on planning and design sessions which informed and influenced the development process. The event also sought to capture the thoughts of the younger generation with pupils attending from Whitecross High School, whilst also providing learning opportunities for local students.

Following the planning weekend, the information collected was used to develop a 'vision' for the site, which was subsequently presented to around 100 members of the local community.

This is considered to represent a best practice example of engaging with local communities, with the process directly influencing and impacting the proposed masterplan.







## Affordable Housing Provision – Shepherdswell, Dover

### ESG topic area – Housing access and affordability

In 2021 the Archbishops' Commission on Housing Church and Community published the [Coming Home](#) report, which provides a Christian vision for 'good' housing. A key part of the report was the recognition that housing affordability needed to be comprehensively addressed across England.

In January 2022 the CCE, in partnership with English Rural Housing Association, received planning permission for 13 new homes, 10 of which will be affordable, in Shepherdswell, north Dover. The three market homes on the site will deliver bungalows. The new homes will allow older generations to downsize into age-appropriate accommodation, whilst enabling younger, low-income families to stay in houses within the village.

Whilst this level of affordable provision (77%) cannot be achieved on every site, the portfolio allows for appropriate sites to be identified where the provision of affordable housing can be maximised and exceed the local planning policy targets (usually around 30%).

The site at Shepherdswell, where development commenced at the end of 2022, supports the Archbishops' Commission's vision for delivering more affordable homes and supporting stronger communities, as outlined in the *Coming Home* report.



## Biodiversity Net Gain – Buckden, Cambridgeshire

### ESG topic Area – Biodiversity

Under the Environment Act 2021, most planning permissions granted in England will have to deliver at least 10% 'biodiversity net gain' (BNG) from November 2023. BNG means delivering measurable biodiversity improvements by creating or enhancing habitats in association with development. Whilst a relatively new requirement, we believe that the CCE is well placed, across our land portfolio, to deliver strong results. It is an area that we are eager to focus on in our ESG Framework, especially as it can also lead to associated positive social impacts.

In July 2022 we secured approval for 290 new homes in Buckden, Cambridgeshire. The site comprises agricultural land and, without appropriate mitigation, the development would result in direct and indirect impacts on existing habitat and protected species.

Our ecological appraisal concluded that the scheme's design needed to respond positively to the site's ecological context, to ensure that the development would lead to biodiversity enhancement. The approach employed at Buckden responded positively to this issue creating a landscape-led masterplan that enabled the delivery of a 23% BNG.

Not only will this lead to environmental improvements onsite, but it will also generate multiple benefits in respect to social and community value. The creation of a range of different habitats within the development will provide the community with access to nature that they wouldn't otherwise have had, engaging them with these different landscapes and their seasonality.







## Publicly accessible open space – BEW, Arun

### ESG topic area – Placemaking and social inclusion

In February 2022 the CCE submitted an outline planning application to Arun District Council for a residential-led development comprising up to 1,250 homes (including a 60-bed care home / senior living accommodation), a neighbourhood centre, a primary school (with nursery and SEND provision), and a realigned A-road. The site forms part of a wider allocation at Barnham, Eastergate and Westergate (BEW) that will deliver c. 4,300 new homes in total.

The proposed residential development incorporates substantial areas of public open space including parkland, amenity greenspaces, sports pitches, allotments and play space. This provision will be closely linked to a new network of watercourses and ponds provided for drainage, which will contribute to the biodiversity of the landscape. Across the whole allocation, 40 hectares of public open space will be provided, which equates to 34% of the development area. This significantly exceeds the local planning policy open space requirements. These new areas will not only benefit the residents of new homes but will also be accessible to the existing communities that surround the development.

This open space provision includes the 20 hectare Lidsey Rife Linear Park, a multifunctional space designed to integrate the existing landscape features such as watercourses, trees and hedgerows. The proposed level of open space will also facilitate the inclusion of 12km of walking and cycling routes, that will also link into the South Downs and Coastal cycle routes respectively, as well as a 4km walking and running route within the new community.



## ESG Seminar

### ESG topic area – Transparency and accountability

On the completion of our baselining analysis during 2022, we hosted an ESG seminar to update our key stakeholders and consultant teams on the progress we have made since the publication of our materiality report in 2021. We are committed to openness and transparency on ESG performance, which is a key facet of our approach to governance.

The seminar marked a key stage in the process as our consultant teams and stakeholders will be essential to us successfully implementing our ESG Framework and committing to our ESG Charter. They were also integral to the baselining process, working with our sustainability consultant Hoare Lea to obtain the necessary data to assess the current performance of the portfolio.

The seminar provided the opportunity for us to share the work we have undertaken, provide feedback on the results, and set out how we envisage our ESG Framework being implemented going forwards. The seminar generated an interesting and stimulating debate about the data capture process, how it can be improved and how ESG could be applied to our projects moving forward.





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