



Annual Review  
2007 – 2008



# Embracing Change



Group Chief Executive, Tom Dacey, left, was interviewed by journalist Nils Blythe for Radio 4 in May about the impact of the credit crunch on affordable housing.

## A review by our Chairman and our Chief Executive

The business year of 2007/08 has been dominated by a series of changes in our operating environment, some planned and some unforeseen.

The planned process of establishing a new regeneration body, the Homes and Communities Agency (HCA), alongside a new independent regulator for the sector, the Tenant Services Authority (TSA), finally took shape and should be operational towards the end of the financial year 2008/09. The Mayoral elections in London delivered more change, with Boris Johnson deposing the inaugural Mayor, Ken Livingstone, after two terms in office. We look forward to working with both new and familiar partners in the HCA, TSA and the Greater London Assembly (GLA).

Unforeseen change came in the form of the 'credit crunch'. The impact upon our sector, at the time of writing, is still emerging. What is very clear is that the combination of a reduction in the availability of capital finance, the wiping out of market value amongst the house builders, and the lack of mortgage finance for first time buyers has created a state of paralysis in the provision of new affordable housing.

It is doubly unfortunate that this comes at a time when the sector has the benefit of an exceptional spending round settlement and government recognition that the supply of affordable housing has to be increased.

The credit crunch has understandably posed questions about the deliverability of the Government's target of 240,000 additional new homes a year, by 2016, unless radical action is taken to kick-start the market.



Board Chairman, Andrew McIntyre



Group Chief Executive, Tom Dacey (centre), visited the Market Estate in Islington, with resident Board members David Kelly, left and Jim Hitch, right.

We think it is timely to ask whether the current model of developer-led regeneration and over-reliance on property sales has outlived its usefulness. The sector's traditional ability to trade out of poor market conditions is now hampered by exposure to market forces, as we are inextricably linked to the fortunes of the banking and house building sectors.

But a rapid recovery in the housing economy will not happen without radical action, backed with tangible support.

Our sector is committed for the long-term, not short-term gain and we have an enviable record in raising private finance, £50 billion to date. We are in the not-for-profit sector, with all of our proceeds reinvested in the work we do; and with government support for a bringing forward of planned investment we believe we can help kick-start the affordable house building programme.

## Social investment

Equally unforeseen, and unwelcome, has been the significant increase in consumer prices ranging from domestic fuel costs and petrol, to the household shopping basket. The impact upon those we house, often the most disadvantaged in society, will be considerable. But we will be doing our best to mitigate the effects of rising prices through the activities of our social investment teams.

Earlier in the year, following a period of consultation, we decided to wind up our charitable foundation. In order to better integrate this work into the mainstream of our service and extend its impact, we have consolidated its activities into the Operations directorate of the Group.

## Board and governance

On the domestic front there have been Board membership changes, with Letitia Stenning and Bob Sturgess retiring from the Group Board and the subsidiaries they represented. We would like to express our thanks to Letitia and Bob for their long service.

We have also commissioned an independent review of the governance arrangements of the Group, which will run into 2009/10. The review will ensure we are keeping pace with best practice in governance and remain ready to face the challenges of what appear to be difficult times ahead.

# A year of change and challenge

The past year has been exciting and challenging for everyone at Southern Housing Group. Plans we made last year have been put into action and are already having a positive impact for residents and staff.

One of the biggest changes involved Resident Services. From September 2007, we began using new housing teams to manage our homes, regardless of whether they are rented or owned. We also established specialist teams to focus on rent arrears and anti-social behaviour.

Our Development team also enjoyed a very successful year. We exceeded our Housing Corporation development targets by more than a third and several schemes won design awards. We are also well on track to comply with government Decent Homes targets by 2010.

James Butcher Housing Association was inspected by the Audit Commission in May 2007, received one star and has "promising prospects for improvement". This was an exceptional result only 12 months after joining the Group.

Early in 2008, we made a change to our community regeneration arm, Southern Housing Foundation, bringing its projects into the core of our services.

Southern Housing Group is also making a wider impact at a strategic level within the housing sector. In June 2008 Group Chief Executive, Tom Dacey, took over as chair of G15, a group of the 15 largest London housing associations.

## What we do

Southern Housing Group is one of the largest housing associations in southern England. We house 66,000 residents, own and manage 24,000 homes, employ 900 people and work with more than 80 local authorities.

Our job is to develop quality affordable housing and a range of housing options for rent and home ownership. We also manage our housing and resident services and social investment activities in the communities where our residents live. Our experience has taught us that investing in people and communities is as important as building homes and this philosophy has been the bedrock of our activities for more than 100 years.

Southern Housing Group is made up of the following:

- Southern Housing Group Limited is the asset-owning parent body, and registered social landlord, with 24,000 homes across London and the South East.
- Southern Housing Home Ownership markets a range of low-cost home ownership options.
- South Wight Housing Association joined the Group in 2002 and manages 3,000 homes on the Isle of Wight.
- James Butcher Housing Association joined the Group in April 2006 and manages 4,200 homes along the M4 corridor.
- Southern Space is a wholly-owned subsidiary of Southern Housing Group Limited set up in May 2005 to develop homes for outright sale.





## Caretaker Naz Uddin

Our caretakers play an important role in caring for their estates and giving residents the best possible service. One of them, Naz Uddin, resident caretaker at Selby Street in Whitechapel, received an award from the London Borough of Tower Hamlets for Outstanding Services to Young People. Naz has been Selby Street's caretaker since the scheme opened in 1998. He spends most of his spare time running football training for young people of all ages and offering support within the community. The awards were presented at Mulberry School for Girls in Whitechapel in May 2008.



## Community outreach at South Wight

Last year South Wight Housing Association launched two new outreach services to help vulnerable young people aged 16-25 who live on the Isle of Wight.

One of the services supports 20 young parents with day-to-day issues such as budgeting, paying bills and running a household. Our outreach workers also help around a dozen other young people to develop the skills they need to live independently. The service makes sure they're claiming the benefits to which they are entitled and getting support from other agencies.

In addition, South Wight's Domiciliary Care Unit was awarded the highest rating – a three star standard – from the Commission for Social Care Inspection, which stated that the service provides 'excellent' care of its residents and local people. The service provides two teams of trained carers, one works with 35 residents living in the community, the other supports 12 residents who live at Furze Brake sheltered scheme in Newport.

## New roles for staff

In September 2007 we recruited Anti-social Behaviour Caseworkers around the Group to address the growing concerns of residents. This team helps resolve resident disputes and specialises in handling cases which might be more difficult to resolve. We have introduced a central recording system for anti-social behaviour cases. This system helps us keep better records and has improved the way we respond to and report progress on dealing with anti-social behaviour issues raised by residents.

The Group also signed up to the Government's Respect agenda, illustrating its commitment to delivering solutions to incidents of anti-social behaviour that will be both long-lasting and maintainable. The agenda has already proved a cost-effective way of reducing anti-social behaviour on our estates.

More than 200 households are visited every week by our Income Recovery Officers. Based locally, the teams aim to help residents who are getting into financial difficulty, in making rent and service charge payments. They offer advice on benefits and filling in forms, as well as representing the Group when more formal action proves necessary.

Income Recovery Officer, Davinia Allen (1) and Anti-social Behaviour Caseworkers, Elaine DaCosta (2), Sabrina Sang (3) and Jonathan Cavanagh (4)



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# A fresh approach to resident services

We're always looking for ways to improve our services to residents and in 2007, we decided to take a fresh approach.

We have now combined the delivery of housing management services to residents, whether they rent or buy their home from the Group. The first point of contact for all residents is our Customer Service Centre in Horsham, with front line services provided by our resident services staff and specialist staff who focus on rent arrears and anti-social behaviour.

We took this step to make sure that all of our customers get a consistently high quality of service. Since most of our schemes feature a mix of tenures, it made good sense to give everyone living there one point of contact for all of their service enquiries.

The new integrated management approach went 'live' in the Group on 3 September 2007 and on 1 September 2008 for James Butcher Housing Association. To make sure the transition ran smoothly, a comprehensive range of training was offered to all staff within the new structure. We also upgraded our IT systems and set up a service charge team to improve the information made available on our services.

An interim review of the new arrangements has shown an acceptance among residents and staff that the new arrangements are starting to deliver positive results. Continued work is needed to realise the potential for further improvement to our service delivery to our residents.

## A promising inspection for James Butcher

James Butcher Housing Association was inspected by the Audit Commission in May 2007, received one star and has "promising prospects for improvement". The report acknowledged the progress James Butcher Housing Association had made since being released from the Housing Corporation's supervision in March 2006. James Butcher has also been developing resident involvement and services as part of its Building Blocks to Excellence strategy, enabling it to strengthen the way it works, so that it can deliver the services residents most need and want. From 1 September 2008 it is introducing the integrated housing management approach adopted by the Group in 2007.

# How residents made a difference

Changing the way we work in response to resident feedback is important and an area of continual focus as we look at developing services that are responsive to residents' needs.

Throughout the year, we invite residents to get involved in our work. We want to know how they experience our services and what we can do to improve them. We aim to provide good quality homes and services to all. We also strive to ensure that we are efficient, well-managed and provide good value for money.

We routinely monitor our performance, and we regularly compare our results with those of other landlords. But there's no doubt that our best reality check is the people who live on our schemes – because our services affect them directly.

In May 2007, we ran focus groups at our London region, Newport, Isle of Wight and Theale offices, as well as at estates in Hackney (English and Turkish-speaking events), Islington, Southwark, Brighton and Hove. We wanted to know what residents thought of our plan to manage all our homes together.

We took into account their suggestions when we launched the new arrangements. We tightened up our monitoring of contractors and we're prioritising estate inspections, and encouraging more residents to join us as we aim to improve scheme standards. We sent out letters and leaflets introducing the new teams by name and increased the number of scheme newsletters to keep people better informed.

## Involvement in governance

Residents also play an important role on the boards and committees of our organisation. Jim Hitch and David Kelly have joined the Board of Southern Housing Group. David Kelly is a resident at Market Estate in Islington and Jim Hitch lives at George Downing Estate in Hackney. They are also members of the Customer Services Committee, together with four other residents of the Group. Five residents also sit on the boards of South Wight Housing Association and James Butcher Housing Association.



## Closer to home

Our resident services team is the public face of Southern Housing Group because they're the people who look after residents at a local level.

Each of our Resident Services Managers (RSMs) looks after a patch of 800-1000 homes. It's their job to welcome residents, get to know their needs and work in partnership with other local agencies to deliver services residents want. RSMs also manage caretakers, cleaners and gardeners, making sure they provide the services and standards we expect.

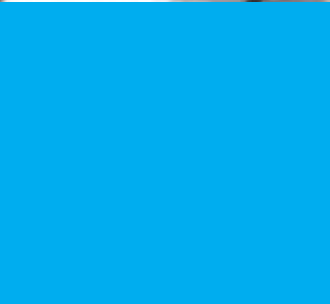
Also reporting to the RSMs are Resident Services Officers (RSOs) who spend a lot of time with residents. They look after day-to-day estate management, carry out inspections and monitor contractor work. Anti-social Behaviour Caseworkers and Income Recovery Officers work alongside the RSMs and RSOs to provide specialist skills and support.

Resident Services Co-ordinators handle each team's workload and administration. They arrange appointments and stay in contact with the Customer Service Centre, making sure phone calls and letters are answered.

The teams are overseen by Regional Operations Managers and supported by our leasehold support team.

Resident Services Manager, Lorna Wynter-Christie (1)  
and Resident Services Officer, Adam Clarke (2).





**Estate inspections are raising the standard**

We are always looking for ways to raise the standard of our estates – so who better to ask than the people who live there? Reg Burbidge is one of nine Southern Housing Group Ltd residents – three from each region - who became a Customer Service Monitor last year. Reg and his fellow monitors carried out formal estate inspections for us in a pilot scheme. They each made several visits to a number of schemes in their region, giving a score out of 10 each time. By September 2007, most of the estates were getting higher scores, as we responded to the monitors’ feedback.

Reg inspected three schemes during the pilot – Brewery Square in Clerkenwell, York Way Court at Kings Cross and Myddleton Grange in Hackney. “It was quite revealing and quite good to see that our properties compare very favourably with the properties next door,” he says.

The pilot scheme has proved so successful that our monitors recently began inspecting a new batch of estates in their regions.

Pictured top, Resident Services Officer, Rohima Khatun, left, with customer services monitors Tom Heaney and Karen Pannell.

Above left: Young residents, Lauren, Mickey and Anais (left to right), spent a Saturday helping to clean up their estate.



# 'I matter and Southern Housing Group cares'

We invite residents actively to help us do our job better. Some of them carry out checks on our performance, while others work with us to shape the way we deliver services.

In 2007/08, nine Southern Housing Group Ltd residents acted as Customer Services Monitors, inspecting our estates to help us improve standards. Five residents also joined our Customer Services Committee which is responsible for overseeing the management and maintenance of our properties and the services we provide to residents. James Butcher Housing Association has also been working with five other landlords on a resident inspection training project led by Windsor Housing.

Over the year, more than 70 members of the Group's residents' panel took up the invitation to act as mystery callers to our Customer Service Centre, reporting back on their experience. Two hundred residents also attended conferences covering each of our regions.

## New regional forums

We also began to set up regional forums for Southern Housing Group Ltd and South Wight HA. Around 100 residents expressed an interest in joining the forums. The first meetings will take place later in 2008 and forum members will meet with senior regional managers, consider reports, discuss local performance and suggest ways to improve services. James Butcher HA continues to work with its existing residents' consultative panel, and will be working to bring it in line with the Group approach.

## Having a say

We invited even more residents to tell us how we're performing through our resident surveys. In 2007/08 we carried out 15 surveys compared to an average of 4-5 in previous years. More than 10,000 people responded and we're aiming to gain even more responses next year.

## Repair surveys

Because repairs are always high on residents' list of concerns, we decided to run in-depth repair satisfaction surveys across the whole Group. The results showed that 88 per cent of those surveyed were happy with the service they received. Satisfaction levels rose to 90 per cent in the last quarter of 2007 and we aim to increase them to 95 per cent in 2008/09.

Three residents have also been taking part in the monthly meetings we hold with our repairs contractor partners. They keep an eye on our contractors' performance and make suggestions to improve the service.

# Providing decent homes for all

In 2007/08, we've made some big strides forward in bringing our properties up to the Decent Homes Standard.

In fact, we're now well on track to meet the Government's Decent Homes target for our properties by December 2010. By the end of March 2008, Decent Homes levels were at 93 per cent for Southern Housing Group Ltd, 89 per cent for James Butcher Housing Association and 79 per cent for South Wight Housing Association. During the financial year, we spent more than £12.2 million bringing a further 2,800 properties up to the standard.

Our work within the James Butcher Housing Association properties has made a particularly big impact. We completed a major programme of improvements to these properties, many of which focused on insulation and energy efficiency. As a result, we reduced the number of homes that didn't meet the Decent Homes Standard by two-thirds in a year. South Wight Housing Association also carried out works that included renewing electrical wiring, roofs, kitchens, bathrooms, heating systems, windows, and insulation.

After gaining residents' views at a Southern Housing Group estate at Stepney Green in Tower Hamlets, we decided it would be better to build additional homes and replace some blocks with new homes rather than upgrade the existing properties. At Lisgar Terrace, in Hammersmith and Fulham, we are planning a major improvement scheme for one of our oldest estates which will see residents housed in properties meeting modern standards, with additional units across the estate.

## Going the extra mile

While it's our obligation to make sure that all our residents live in decent homes, we want to do more than the minimum. For example, whenever we improve a home we bring every aspect of that home up to the standard, not only those elements we are obliged to tackle. If we upgrade a bathroom or kitchen, we don't merely replace units or the fittings; we also ensure the whole room is upgraded, including new tiling, flooring and decorations. We've called this approach 'Decent Homes Plus' and we're committed to it because we believe that by investing in our homes now, we can meet present and future requirements as well as provide long-term value for money.

## Cyclical redecorations

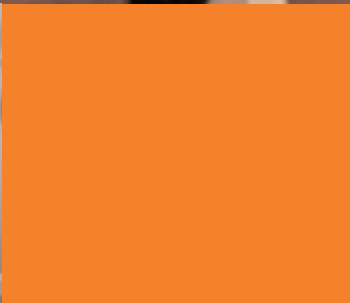
Our cyclical redecorations programme makes sure all our properties stay in good condition. Last year we changed the way these redecorations are carried out. We're now involved in a ten-year partnering agreement with a contractor who carries out all the redecoration of external and communal areas. This change has improved and standardised the quality of work across all mainland properties. Working with a single, long-term partner means we can manage the programme very efficiently. We're also working to give residents more information about planned redecorations to their homes through our internet site.

## Asset management

In 2007/08, we reviewed our asset management strategy in conjunction with focus groups of residents from across the Group areas. We've continued to appraise properties to ensure that they are fit for residents, acting on the results. For example, we are currently planning environmental improvements at Ixworth Place in west London, to begin in 2008/09.



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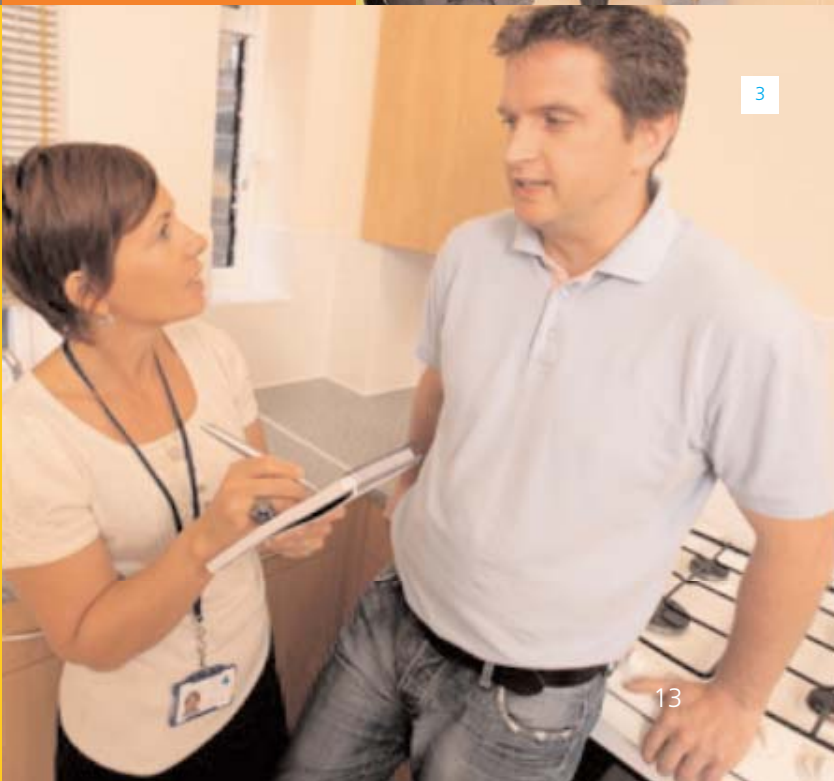
## Bedsits remodelled into flats

James Butcher Housing Association has remodelled existing bedsits and communal areas at two of its retirement rented schemes in Reading into flats for residents over 60 years old. Discussions with Reading Council confirmed that one and two bed retirement flats better reflect local demand. We consulted existing residents at both schemes before going ahead and kept them informed of progress while work was going on.

At Helen Court in Reading, four of the 62 bedsits have been converted into one bed flats. Redundant communal areas adjacent to the bedsits were incorporated into the new designs to create extra space. We took into account resident feedback from a previous project and included features such as showers instead of baths, and kitchens with external ventilation where possible.

Residents Gordon and Barbara Cook relax in their remodeled flat at Helen Court, Reading (1)

Lisa Burness from the Group's reinvestment team inspects the Decent Homes work at the Group's oldest estate in Liverpool Road in Islington with Mansell contractors (2) and resident John Daly (3).



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# More than just a place to live

Early in 2008 we made some changes to our community regeneration arm – formerly known as Southern Housing Foundation.

Following a period of consultation, we decided to change the Foundation's status as a separate legal entity and manage its activities within the Group. This change puts the Foundation's work at the core of our services, helps it become more mainstream and provides value for money.

Our Foundation team continues to support the quality of life of our residents, regardless of tenure. Its activities focus on issues that affect many residents, wherever they live – such as employment and training, poverty and developing young people – as well as neighbourhood-focused work, supporting and developing communities.

Specific projects include developing a range of sporting activities, for example through Brighton and Hove Albion FC and Access to Sport, and forming partnerships with Credit Unions and Financial Advice agencies. Alongside this work, we're carrying out research into residents' employment and training needs as part of a three-year strategy. We've also set up a pilot project looking at how families can get wider support within the community.

James Butcher Housing Association and South Wight Housing Association fund and manage their own separate community regeneration projects.





## Northbourne

Residents from the Northbourne estate in Farncombe in Surrey, above and left, have won recognition for their work in the community. Northbourne Action Group came second in the new 'We're proud of...' category in the south-east regional heats of the National Housing Federation's annual neighbourhood awards. With support from James Butcher Housing Association, the resident members of the action group have raised money, run arts projects, day trips and parties, organised a safety awareness day and an estate clean-up.

In partnership with Surrey police and other agencies, the members of the action group now play a key role in a number of projects in the Farncombe and Godalming area, including the local children's centre. They also helped to raise £58,400 for new play equipment for the Northbourne estate.



## Community project scoops award

The Phoenix Youth Group, a group of mainly residents who work as volunteers, won an award in July 2008 for their work in striving to create a new centre for youth, the Northbrook Project, at Durrington in Sussex. The project was one of three winners in the south-east region of the Nationwide Building Society's Community & Heritage Awards 2008, for its work with young people.

Having run a weekly youth club at Durrington since 2006, the Phoenix Youth Group set up a dedicated centre for youth called the Northbrook Project with New Life Church. It provides such projects as the youth club, support for young mums, disabled groups and assisting young people in finding employment. The shared premises, formerly a nursery school, were in need of major refurbishment. Southern Housing Group arranged for a £30,000 refit of the premises, donated by our maintenance contractors in the area, Connaught Plc. Southern Housing Group also contributed towards the cost of repairs, while the Foundation provided grants for furnishing and an official opening in September.

Residents Sue Goby, Shona Baxter and Sue O'Keeffe (left to right) celebrate their award.





## Financial inclusion saves money

The Financial Inclusion Service is one of our major Foundation success stories. Since 1 April 2008 we have provided a permanent Financial Inclusion Service for our residents in London, south-east and southern England. This scheme is designed to help residents overcome their rent arrears and aims to combat debt and financial exclusion.

Before making the service permanent, we ran a successful two-year pilot that proved popular with residents. We then asked Community Finance Solutions (CFS), the financial inclusion research and development unit of the University of Salford, to evaluate the service. The excellent news is that their research confirmed the service saves more money than it costs. The initiative has also created three jobs for Financial Inclusion Officers and the team is pictured above.

A service user said, "The financial inclusion service gave me peace of mind. This is absolute fact, the support was fantastic and totally non-judgmental."

Small grants helped fund an International Day in Hackney (1) and a community arts project at Fieldgate Mansions in East London (2).



# Grants make a big difference

In the past year more than 4,300 residents have benefited from small grants made by the Foundation.

The residents used the money towards the cost of running events and outings and to buy small items of equipment for events that benefit their communities. For example, in October 2007 we funded a party in Hackney that celebrated the rich cultural mix of residents in our sheltered housing community. A grant also went towards the cost of summer activities for 50 youngsters at the Royal Arsenal Estate, Woolwich and we provided money for furnishing the new community café in Aylesham, Kent. In 2007, we also set up a new fund to encourage residents to take part in sporting activities, with small grants available towards the cost of sports equipment, fees and travel.

## Study grants

Fourteen residents were awarded grants towards their study costs from the Sir Ashley Bramall Fund. These single grants, each of up to £500, were used to pay for course fees, books, study-related equipment and childcare costs and travel. Residents completed a diverse range of courses from a part-time degree in European Law, to an access course in social sciences and Teaching English as a Foreign Language. One resident, aged 81, put her grant towards the cost of a home study course in counselling.

Five residents on the Isle of Wight received grants from the South Wight Education and Training Support Grant Fund which was launched in 2007.



# Backing residents' great ideas

We're committed to backing residents' great ideas with cash funding and supporting other community initiatives.

One of the most exciting projects is London's School for Social Entrepreneurs (SSE) which is designed to give people the skills to drive their ambition and improve their communities. From February 2008, residents living anywhere in London were able to apply for a fully funded personal development and training programme with the SSE. In partnership with the Foundation, the SSE provided six places at a learning project which enables local people to turn a great idea into a community enterprise or business that will benefit their neighbourhood.

The offer is open to all Group residents in London. The applicants' funding package includes provision for the year-long learning programme and expenses including childcare and travel costs up to a maximum of £8,000. The SSE's approach is to enable students to learn by doing. It offers personal and project development and peer learning, and has resulted in a strong-track record of success. The courses are open to people of any age and background – all they need is a good idea for a project to make a difference in their chosen community and the passion, drive and commitment to make it happen.





## Residents go back to school

Rosa Goncalves was given a School for Social Enterprise (SSE) traineeship by the Foundation as a result of her work in her community on the Ferrier Estate, Greenwich.

As a trainee of the SSE programme, Rosa feels that her involvement has been of great benefit to her and to the residents she represents.

"It's had a massive impact. When you're a community activist and you want to better the area where you live, yet you have barriers, the SSE gives you ways to overcome them – realising your dreams as a reality," she says.

"The SSE has guided, supported and given me confidence. My dream is to establish a local social enterprise that will help residents to become trained, access the job market, become self-employed and deliver local services," adds Rosa.

Rosa is pictured, right, with Ian Baker, Development Manager, School for Social Entrepreneurs and Anabel Palmer, Foundation Director.



## Everything to play for

Brighton & Hove Albion's 'Albion in the Community' football inclusion project has been great news for some of our younger residents. This project was given almost £170,000 from the Football Foundation and £15,000 from the Foundation. In July 2007 around 20 boys and girls of all ages joined coaches from the club to have some fun and test their football skills at Collingwood Close in Peacehaven. The taster session led to 22 young people going on to a two-day coaching course and in early November 2007, 20 young residents from Whitebushes, West Durrington and Peacehaven went to France to take part in a training session and tournament.

Albion in the Community plans to offer more trips and coaching sessions for our young residents and those of eight other housing associations. Weekly coaching sessions will be run on the new green space at our Peacehaven Estate, which was opened in February 2008.

Pictured above, resident Kerry Keefe and her children Ellie and Charlie on the Peacehaven green space.



## Roedale Road

Roedale Road, Brighton is a small, mixed tenure scheme of seven rented houses and 14 shared ownership flats. In 2008, we successfully secured Government funding for renewable energy components to help make the development more sustainable. The grant covered half the cost of installing photovoltaic cells on the roofs of seven houses. These cells will provide 555kw of electricity per year – about a third of the electricity required by the three bedroom houses, which should significantly reduce the fuel bills for people living in these homes.



## Holborough Valley

Holborough Valley is an exciting development that uses a timber panel system imported from Canada, known as 'Super-E'. Super-E homes offer high energy efficiency and reduced heating costs and feature a heat recovery ventilation system. All have balconies or gardens and are designed in a 'New England' style, in a variety of colours. Cape Cod timber cladding helps the homes blend in with the rural surroundings and the development includes green spaces, lakes, cycle paths and local facilities. We were selected to provide the affordable housing element through a competition process by Berkeley Homes and Tonbridge and Malling Borough Council.

In June 2007 Cllr Jill Anderson, Tonbridge and Malling Borough Council's Cabinet Member for Housing, planted a cherry blossom tree to mark the completion of phase one at Holborough in Kent.



# Building sustainable communities

What is a sustainable community? Is it the way it's been designed and built? Or the way it's managed and supported? Southern Housing Group believes that all of these things are important in creating thriving places where people want to live.

One Gallions is a zero-carbon project in east London, where we are working with Crest Nicholson and BioRegion Quintain. The scheme will be located in our Thames Gateway region, and the development concept was awarded 'Housing Project of the Year' at the Mail on Sunday's British Homes Awards in June 2007. It will provide apartments and homes for family living, all based on the idea of creating a sustainable community. The aim is to significantly reduce One Gallions' eco-footprint, encourage sustainable lifestyles and minimise residents' energy and water costs.

## Energy efficient living

We've also increased the energy efficiency of many of our existing homes and given residents more information about how they can cut their energy usage. For example, solar power was harnessed at Springhead, South Wight Housing Association's eight-flat scheme in Niton. Funded by grants from Powergen and Sustain, we installed photovoltaic panels that will convert the sun's rays into power for communal lighting and residents' hot water. The grants meant that we did not have to pass on the cost of installing the panels to residents.

James Butcher Housing Association ran a series of resident roadshows bringing energy efficiency information to residents. Some 20 homes across the Group have also been trialling new Smart Monitors that show residents how much electricity they are using. A report, making recommendations based on this pilot scheme, will be published later in 2008.

## Greening our own 'home'

Every little helps when it comes to energy saving. As part of our sustainability action plan, we will install low energy light bulbs where appropriate in all of our new build schemes. We also believe sustainability should begin at home so we're looking at our own office premises too. In 2007, we set up a sustainability working group to help us reduce energy and waste in our buildings. We're now 'greening' our offices by every means we can, from using energy efficient light bulbs to sending IT systems into 'deep sleep' when not required, and encouraging staff to cycle to work through support in purchasing bicycles from local suppliers.

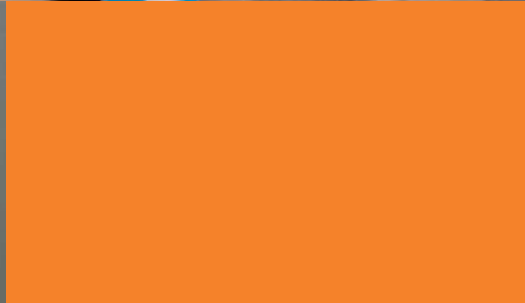
## Lucy moves into Royal Arsenal

Local primary school teacher Lucy Balcombe moved into her new flat at Southern Housing Group and Berkeley Homes' flagship regeneration and housing development at Royal Arsenal Woolwich. Lucy's new home is one of 20 affordable (intermediate) one and two-bedroom rental properties along with 93 shared-ownership apartments that Southern Housing Group offers at Base 18, a former military building at Royal Arsenal Woolwich.

As a school teacher at a local primary school, Lucy says it was imperative that she found an affordable home within an easily commutable distance to her job.

"I'm thrilled with my flat and it's also a relief as previously I had a 90-minute commute to my school. It now only takes me 10 minutes on the bus, significantly reducing my travel costs and my carbon footprint," said Lucy.

Below: Tabard Square, Southwark.



# Strong progress for development

Despite changing market conditions, it's been a strong and successful year for the development team.

We exceeded nearly all of our Housing Corporation targets, including the amount of grants we were required to claim and the number of homes we built during the year. We also completed 800 new homes and handed them over to our housing teams to manage or to our Sales and Marketing team to sell as shared ownership homes.

The Group spent £35 million of Housing Corporation grant, helping the Corporation meet its Government targets. Across the two-year funding period covering 2006-2008, we claimed £67 million of grant, exceeding our target by 40 per cent. Our current development programme contains around 4,800 new homes which will cost about £750 million to deliver.

There's good news from our private development company, Southern Space, too. This company develops and sells quality housing on the open market, providing the Group with a valuable independent source of funding. Despite being only in its third year of trading, Southern Space is in profit, has exceeded its targets and achieved its highest sales ever. Major successes include the scheme at Moreton Road, South Croydon as well as other developments at Croydon and in Crawley. Southern Space is also involved in the redevelopment of the George Downing estate in Hackney where it is building 16 units for market sale.

Four more schemes are currently underway and Southern Space is still acquiring good sites in excellent locations, mainly in the centre of urban areas with good transport links.



# Regenerating communities

Throughout the year, the Group has been at the heart of a number of innovative projects to revive local communities.

We've been involved in regeneration projects in partnership with other developers, local authorities and Government agencies. One of the biggest, most complex schemes is Three Mills in east London. Working with the regeneration facilitator Cleveland, we are commissioning a comprehensive master plan for the area in consultation with a wide range of public, private and community stakeholders. We have also bought two strategic sites in partnership with East Thames Group. These will enable much needed access routes to a tube station and provide homes as well as spaces for commercial and community use on both sides of the River Lea.

We're playing an important role in several other exciting regeneration projects. In 2007 we were selected by London Borough of Barking & Dagenham and Barking Riverside Ltd to set up a new local housing company at Barking Riverside. The new company will own and manage affordable housing in a new community of 10,000 homes beside the River Thames.

In 2008, after a lengthy consultative process, we gained planning permission to redevelop two garage sites in the London Borough of Havering with two similar sites pending. These sites are notoriously difficult to develop but we will now be able to turn the former garages into much-needed, high quality affordable family homes. They will also enhance the area through contemporary use of traditional materials.





## New residents at West Village

At the site of the former Battle Hospital in Reading, James Butcher Housing Association has been working on a large development with Barratt and Tesco. Barratt is building 435 flats and houses while Tesco is building 65 flats, most above a new Tesco store. Of these 500 homes, 95 for affordable rent, 44 for shared ownership and 84 for intermediate rent are being developed for Southern Housing Group. Managed by James Butcher Housing Association, the intermediate rent homes will be offered at 20-25 per cent lower than the normal market rent for the area.

The Foundation hosted a community day to celebrate the ongoing regeneration of the West Village.

Pictured above left are neighbours, Natasha Komba and her son, Cameron (right) and Snezana Bozic and her children, Nikita and Nicole.

Pictured left (left to right) are Councillor Gul Khan, new resident Angela Rea and her children, with Caroline Tiller, executive director of James Butcher Housing Association, and Councillor Chris Maskell.



## Building homes at the Warren

Together with our partners, Berkeley Homes, we have now completed more than 300 affordable homes at the historic Royal Arsenal site in Woolwich. Building 10, The Warren, is a recent addition which marks the start of a new master plan for the area. This plan will eventually provide 880 affordable homes for rent and sale as well as shops, a hotel, offices and the proposed Crossrail station.

Architects' drawing of the Warren.





## Market Estate

The Group became the landlord of the Market Estate in Islington in 2005, after a successful residents' ballot and the £48 million redevelopment is well underway. During 2007, 140 residents moved into new homes built to suit their needs. The remaining 80 residents will move into their new homes, currently under construction, in 2009, well in advance of the target to rehouse them within five years of the transfer. The new homes are of varying sizes, including large family units.

The Market Estate and Caledonian Park Project won the best community regeneration project award at the prestigious Building Magazine Awards in December 2007. The Group is also investing almost £1 million in the adjacent Caledonian Park as part of our commitment to regenerating the area. Over 100 new trees have been planted, there are new gardens and a ball games area and a boulevard entrance will be created to enhance the 18th century, grade 2 star listed Clocktower, the centrepiece of the former livestock market which occupied the site.

Top: Resident Clive Nero, left, is pictured with Market Estate Project Director, Stephen Ross.

Above: Resident and board member, David Kelly with fellow resident Sharon Jobe.



# Development highlights

We've been involved in a number of developments designed to meet the needs of urban and rural communities and several of our schemes have been recognised with prestigious awards.

Our Nexus scheme has provided much needed affordable homes for local people in the village of Bishop's Waltham, Hampshire. Built on the site of a former asphalt depot, the scheme includes 10 one and two bedroom flats for rent. The homes were completed in December 2007 in partnership with Linden Homes Southern.

The first two blocks of five were completed by December 2007 at Admiralty Quarter in Portsmouth. This development forms part of the regeneration of the harbour. A total of 540 homes will be built including 135 for Southern Housing Group in partnership with Crest Nicholson Regeneration.

At Latham's Yard, in Upper Clapton in Hackney, work is in progress with Wimpey Homes on 200 homes for affordable rent and shared ownership. Around half of the properties were completed by May 2008. The development is sited on the River Lea opposite Walthamstow Marshes and a nature reserve and has good transport links.

## The best by design

Several of our developments have won awards in the past year. Garland Court in Wansey Street, near Elephant and Castle, and Miller Close in Wingham, Kent were selected as the winners of our fourth annual internal design awards. They were chosen by our panel of staff and residents from the 20 developments completed by the Group in 2007.

Garland Court also received a commendation from the American Institute of Architects' London Excellence in Design Awards Programme 2007 and a commendation in the category of Affordable Housing Development of the Year by the Mail on Sunday British Homes Awards. On the strength of the Wansey Street scheme, the architect, dRMM won the prestigious Building Design Architect of the Year Award for Public Housing in 2006.

## Tabard Square wins Gold Standard

The Group's transformation of one of the largest brownfield sites in London into a mixed-use scheme with partners Berkeley Homes, received a Building for Life Gold Standard Award on 18 September 2007. The award was recognition of the development at Tabard Square, Southwark which now provides more than 570 homes, 212 of which are affordable with 79 for rent and 133 for shared ownership.

Building for Life is the Government-endorsed benchmark for well-designed housing and neighbourhoods in England. It is awarded to new housing projects that demonstrate a commitment to high design standards and delivering great places to live.



# Supporting our business

Our Corporate Services and Finance teams have been working hard to make sure we have the resources in place to support the changes we've made over the business year. This has included changes to Human Resources support, recruitment, training and IT support systems.

## Systems thinking

Using 'lean systems thinking', our Continuous Systems Improvement team has been reviewing our service processes to make them more efficient. Training is also available to help staff gain insight and understanding into the systems thinking philosophy.

## Promoting equality and diversity

The Group is firmly committed to equality and diversity in all aspects of its work. In 2008, we've drawn up new strategies and action plans to address disability and gender issues. These plans have set challenging targets in areas where we wish to improve. We are also introducing a system of equality impact assessments to be used when we review and change services.



# Working for the Group

In 2007/08, we decided to take a fresh look at our pay and reward scheme to make sure we recruit and retain the best staff in a competitive sector.

Having merged with James Butcher Housing Association and South Wight Housing Association, we had three pay and reward schemes, so we needed to take action to improve efficiency. Staff consultations also showed that more should be done to reward good performers and manage underperformance.

To tackle these issues, we decided to restructure the Group's pay scheme which was successfully introduced in April 2008. Job roles were assessed against their equivalents in the wider marketplace and the Human Resources team and a staff Pay Design Group created a new structure. Employees are now positioned within pay bands and thanks to a new performance management system they have the opportunity to increase their pay as long as they perform well.

## Worklife Plus

We had already brought in a flexible benefits package in 2006 designed to give staff ways of improving their work/life balance. This package allows staff to opt for a choice of working patterns, buy and sell annual leave and take career breaks. In 2008, we also introduced health and travel insurance, childcare vouchers and a bicycle purchase scheme and we're continuing to review these benefits in response to staff feedback.

## Graduate Development

On the theme of recruiting the best people, we've further developed our Graduate Development Programme in 2007/8. This three-year programme, designed to fast-track graduates into established jobs in Southern Housing Group, is recognised as one of the best in the sector by the National Council for Work Experience. Our graduate trainees gain invaluable experience in all areas of the business and we encourage them to gain a higher, postgraduate qualification. We also have a 100 per cent success rate for graduates passing their professional exams.

## Investors in People

In August 2008, the Group passed the qualification process to receive the Investors in People accreditation for a further three years.





## Focus on pay and rewards

The performance appraisal process we launched last September is now in use across the Group. To gauge feedback, Lynn Bates, Pay and Reward Project Manager, (pictured left) carried out a staff survey. "The feedback was very positive with more than 85 per cent of staff stating that they understand why they will be rewarded on their performance and agreeing that it is appropriate to adopt this type of reward strategy," says Lynn.

"Respondents showed that they understand how their roles are linked to the Group's priorities and departmental objectives. Three-quarters felt that the appraisal helped clarify what was expected in their jobs and that it was important for their professional development because it helped them to identify their development needs."

"When we review the process next year, we will specifically address any concerns raised by staff," says Lynn.

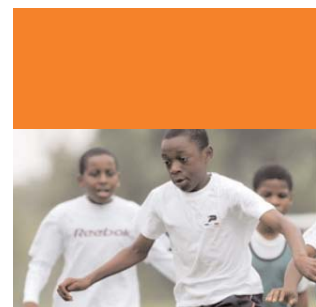
Lynn is also one of a number of our staff who has been busy studying for external qualifications alongside their work responsibilities. Lynn was awarded her MA in Strategic HR Management by Liverpool John Moores University at Liverpool Cathedral at the end of July 2008.

Pictured above, Southern Housing Group graduate trainees. (1)

Staff from around the Group observed Learning at Work Day and World Environment Day in a series of events organised by the Group's Learning and Development team, the office services managers and the Sustainability Working Group. The aim was to raise awareness of what individuals and an organisation can do to combat climate change. (2)



# Facts and figures 2007/08



## Southern Housing Group

(including SWHA and JBHA)

As at 31 March 2008

New homes completed	<b>800</b>
Total lettings in the year (excluding market and intermediate rent)	<b>1,294</b>
Number of day-to-day repairs to Group properties	<b>45,839</b>
Annual programme of routine maintenance (including empty properties)	<b>£13.2m</b>
Annual programme of planned maintenance	<b>£8.6m</b>
Major works investment on Group properties	<b>£12.2m</b>
Total allocation 2006-2008 which will produce	<b>£76.8m</b>
	<b>1,546 homes</b>
Surplus for the year (after depreciation, investments in major repairs etc)	<b>£18.3m</b>
Development programme	
<b>4,800 homes costing</b>	<b>£750m</b>

## Sales activity

Shared ownership sales	<b>562</b>
Shared ownership sales to Black and Minority Ethnic households	<b>16%</b>
Shared ownership sales to key workers	<b>34%</b>
Right to Buy/Right to Acquire sales	<b>20</b>
Resales of shared ownership homes	<b>52</b>
Shared owners staircasing to 100% ownership	<b>98</b>

## Foundation

Grant funded projects	<b>13 large</b> <b>49 small</b>
Funding contributed by Foundation	<b>£281,901</b>
Small grants	<b>£57,451</b>
Large grants	<b>£224,450</b>

## Sir Ashley Bramall Memorial Fund

14 residents benefited from this fund to a total of **£4,385**.

The information above relates to expenditure in the financial year 2007/08 on all currently approved projects. Large grants are usually awarded for a three-year period. Where this applies, only one year of funding has been included.

## Stock managed as at 31 March 2008

General needs	<b>16,994</b>
Shared ownership	<b>2,864</b>
Housing for older people	<b>2,657</b>
Supported housing	<b>248</b>
Other	<b>1,721</b>
Total stock managed	<b>24,484</b>



# Summary of accounts

## Assets and liabilities

	<b>2008</b>	<b>2007</b>
	£m	£m
<b>What we own</b>		
Cost of investment in our homes	1,252	1,159
Investment in other assets	52	49
<b>Cash plus amounts we are owed, less bills to be paid</b>	7	6
	<b>1,311</b>	<b>1,214</b>
<b>How it is funded</b>		
Social Housing Grant	643	605
Loans from our funders	474	433
Reserves	194	176
	<b>1,311</b>	<b>1,214</b>

## Income and expenditure

	<b>2008</b>	<b>2007</b>
	£m	£m
Income	115.3	100.1
Less:		
service costs	(13.3)	(13.7)
repair costs	(21.0)	(25.6)
housing properties depreciation	(8.0)	(7.1)
administration and other costs	(45.4)	(28.4)
	<b>(87.7)</b>	<b>(74.8)</b>
Operating surplus	<b>27.6</b>	<b>25.3</b>
Surplus on sale of properties	10.6	8.5
Interest paid less received	(19.9)	(19.1)
Leaving a surplus for the year of	<b>18.3</b>	<b>14.7</b>

A copy of the full accounts and financial statements are available from our website, visit [www.shgroup.org.uk](http://www.shgroup.org.uk)

## Southern Housing Group Board Members 2008



### Andrew McIntyre

Group Chairman and member of Treasury Committee and an ex officio member of the Remuneration and Nomination Committee. Andrew is a chartered accountant. He has been a partner at Ernst and Young for 20 years, where he leads the firm's Banking and Capital Markets audit practice in Europe, the Middle East, Africa and India. He also acts for various clients in the UK and abroad.



### Tom Dacey

Appointed Group Chief Executive in 1995, after 25 years working in the housing sector in the north of England. Board member of Southern Space Limited. He is a Fellow of the Chartered Institute of Housing and a member of the Institute of Management. Appointed Chair of G15 June 2007.



### John Argent

Deputy Chair, Chair of the Development Committee, Board member of South Wight Housing Association, James Butcher Housing Association and Southern Space Limited. Trained as a surveyor and spent over 30 years working in the social housing sector. In his professional capacity he worked on many of the Group's London estates and developments in the south east, until his retirement in 1998.



### Tony Bourne

Chair of Treasury Committee, Board member of Southern Housing Foundation and Member of the Remuneration and Nomination Committee. Chief Executive of the British Medical Association. Prior to that he was in investment banking for over 25 years, most recently as a Director of Hawkpoint, an independent corporate finance advisory firm. Until earlier this year Tony was a Scope trustee.



### John Castelberg

Board member of Southern Space Limited (formerly Chair until 31 December 2007). He has worked in social housing for local authorities and housing associations for over 25 years. He is currently Chief Executive of Kingston Churches Housing Association. He was chair of The Women's Housing Trust for 10 years until its merger with the Group in 2002, when he joined the main Board.



### Peter Goodacre

Chair of James Butcher Housing Association and a member of the Remuneration and Nomination Committee. President of the Royal Institution of Chartered Surveyors. Former Principal (Chief Executive) and Trustee of the College of Estate Management. Has several current external positions and serves on numerous working parties and committees involved with his profession. He is also actively involved in community work.



### Chris Hampson

Chair of the Customer Services Committee. Director of Strategy and Operations at Look Ahead Housing and Care. 13 years experience in housing and social care, including work in policy for the National Housing Federation and for two housing associations working in policy, research, new business and PR.



### Jim Hitch

Co-opted to the Board 26 March 2007. Full Board member 7 July 2008. Member of Customer Services and Remuneration and Nomination Committees. He sat on the Southern Housing Home Ownership Board for 18 months. He spent two years helping to create the award-winning Manda Wilderness eco-tourist project in Mozambique before returning to London to resume English language training. He recently set up English Language Services Limited after 10 years in the sector.



### Jane Hives

Chair of the Audit Committee, Board member of Southern Space Limited and a member of the Development and Treasury Committees. She is an independent consultant, having been a partner in Ernst and Young for 13 years until 2002. She brings valuable experience gained working with a number of property companies, the not-for-profit sector and several law firms.



### Neville Hudson

Chair of both Southern Housing Home Ownership Ltd and the Remuneration and Nomination Committee and a member of the Audit and Development Committees. He served on Thanet District Council for 27 years, and was a former Council Leader. He was Mayor of Margate in 1982/83. Now semi-retired, he continues to chair the Board of Governors at the local High School, and is an active member of the local community.



### David Kelly

Co-opted to the Board 29 October 2007. Board member of Southern Housing Foundation and a member of the Customer Services Committee. He is an elected member of METRA (Market Estate Tenants and Residents Association) and was Secretary of METRA during the stock transfer consultations. David works for Crisis, the national charity for single homeless people.



### Letitia Stening

Board member of James Butcher Housing Association and member of Market Estate and Remuneration and Nomination Committees and a Pensions Trustee. She runs her own training business specialising in management development, mediation skills, and equal opportunities and diversity workshops. Prior to consultancy, she worked in the public and voluntary sectors. She is also a community mediator and primary school governor. (resigned 17 June 2008)



### Bob Sturgess

Chair of both South Wight Housing Association Board and the Pensions Trust. He retired in 1998 as Assistant Head of Environmental Health (Housing Renewals) at Portsmouth City Council. He was then a private housing and environmental health consultant working with local authorities. Now retired, apart from voluntary work with a local charity and the Parish Council.

## Other Group Boards and Committees

Southern Housing Foundation Board  
Southern Housing Home Ownership Board  
Southern Space Board  
South Wight Housing Association Board  
James Butcher Housing Association Board  
Audit Committee  
Customer Services Committee  
Development Committee  
Market Estate Committee  
Remuneration and Nomination Committee  
Treasury Committee

For a full list of Board and Committee members, please visit our website at [www.shgroup.org.uk](http://www.shgroup.org.uk)

## Group Strategy Team

**Tom Dacey**

Group Chief Executive

**Dale Meredith**

Development Director

**Barry Nethercott**

Finance Director

**Paul Smith**

Operations Director

**Alene Wilton**

Corporate Services Director

**Caroline Tiller**

Executive Director,  
James Butcher Housing Association

**Margaret Wright**

Executive Director,  
South Wight Housing Association

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Front page pictures:

Main picture: Resident Services Manager, Bola Ishola (right), is pictured with resident Ann Faint at the Royal Arsenal Estate, Woolwich.

Tabard Square in Southwark received a Building for Life Gold Standard Award. Surveyor, Paul Johnson, adds a key box to an empty property.

Back page:

Young residents at the Northbourne Estate in Farncombe in Surrey.



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