



Unlocking the potential of people and places



Over the last 110 years, Southern Housing Group has become one of the largest housing associations in the south of England, housing 66,000 residents, managing more than 25,500 homes, employing around 800 people and working with more than 70 local authorities across the South East, including the Isle of Wight.

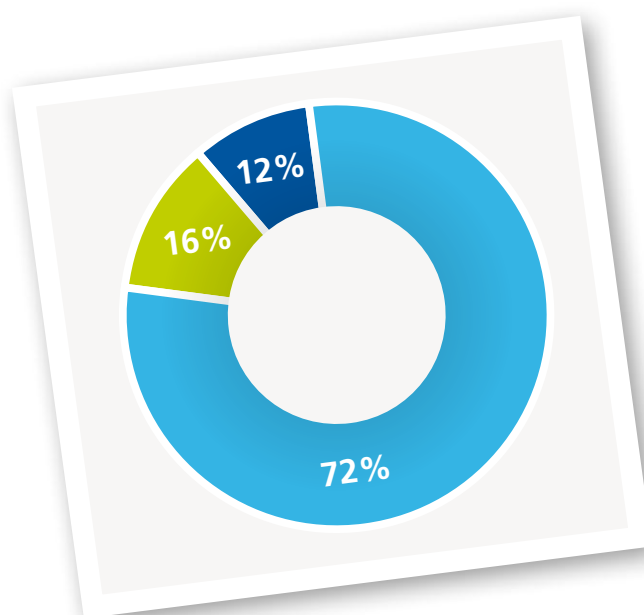
Our mission of 'Unlocking the potential of people and places' unites the organisation behind a common set of qualities and objectives. The values underpinning our mission statement are to be Progressive, Inclusive, Responsible and Reliable.

The Group's social and economic regeneration work is undertaken to improve the lives of residents in the communities and neighbourhoods where the Group builds and manages homes. It provides tangible evidence of the Group's commitment to building sustainable communities.

Key Statistics

25,847 properties managed

- Homes for rent 20,475
- Shared ownership properties 3,029
- Other 2,343





Contents

4-5	Key achievements	19	Helping people develop
6-7	Changes and challenges	20	Case study: Faster turnaround times
8	Case study: Baden Powell Close	21	Improving processes
9	Developing new homes	22	Case study: Working with contractors
10	Case study: Kidbrooke Village	23	Tackling ASB and fraud
11	Maximising our assets	24	Case study: Improving our properties
12	Case study: Resident service panels	25	Completing decent homes
13	Forming a single association	26	Case study: Sourcing greener energy
14	Case study: Local offers	27	Tackling green issues
15	Involving residents	28	Financial figures
16	Case study: Unlocking the potential	29	Ensuring financial stability
17	Investing in communities	30	Group board
18	Case study: Graduates and interns	31	Group strategy team

Above left: Award-winning development, The Armouries, Royal Arsenal, Woolwich.
Above right: Oxford Road, Horsham.



Amalgamating

three associations in the Group to form a single entity, Southern Housing Group Limited.

Key achievements

Achieving a strong financial performance in all areas, with higher income, lower costs and a healthy surplus.

Continuously

improving and streamlining our services to make them more cost-effective and responsive.



Clockwise from top left:

Launch of the new natural play area at Caledonian Park in Islington / Computers in communities project / Resident Service Panel / The Group's first property, Liverpool Road in Islington, celebrated its centenary in 2010 / Resident Bode Odebunmi aims to make subsidised maths tutoring available to local children following his Group-sponsored place at the School for Social Entrepreneurs / Lewes House in Lewes.

Launching

five regional Resident Service Panels, as part of our on-going commitment to resident involvement.



Improving

the energy efficiency of our homes and offices and working with like-minded contractors.



Bringing

all the Group's properties up to the Decent Homes Standard.

Winning

a number of prestigious awards, including Affordable Home Ownership Provider of the Year.

Completing

507 new homes, with a further 2,700 in the development pipeline.

Achieving

a good performance on outright sales and sales of shared ownership properties.

The 2010 Comprehensive Spending Review introduced the most significant change programme in social housing since the introduction of private finance in 1988.

The Review went beyond changes to the funding structure of new social housing and also covers rent regimes and length and security of tenure.

Changes and challenges

Andrew McIntyre, Group Chairman
Tom Dacey, Group Chief Executive

Every Government department has had to accept its share of budgetary cuts in this age of austerity and social housing is no exception. We have been asked to innovate to meet the challenge of substantial loss of public subsidy and over time our sector has proven capable of adapting to adverse circumstances.

Time will tell whether 'affordable rent' is an adequate replacement for public subsidy, but we will do our best to make it work, as long as it is not at the expense of our traditional client group or the viability of our business.

Given the imminent loss of traditional Social Housing Grant subsidy, it was critical that we maximised the availability of 'old' grant at the year-end.

We are pleased to report that, in the quarter ending 31 March 2011, our national development grant allocation increased by £16 million, producing an additional 300 homes funded under the previous arrangements.

The Group has also been awarded funding for 553 homes between now and 2015 from the Affordable Homes Programme, the new Affordable Rents funding regime based on higher rents of up to 80 per cent of market level, lower capital grants and cross-subsidy from the sale and reletting of older stock.

One of the other key highlights of our business year was the successful formal amalgamation of our three associations into Southern Housing Group Ltd. By far the most important outcome of this process has been establishing five Resident Service Panels (RSPs), one for each of the Group's new regions.



Left: Chief Executive, Tom Dacey
Right: Chairman, Andrew McIntyre

The RSPs are wholly comprised of residents and the Chair of each RSP sits on the Group's Customer Services Committee (CSC), the chair of which sits on the Board. The CSC itself comprises 50 per cent residents and 50 per cent independent members. We are confident that this change in our governance arrangements will reinforce the voice our residents have all the way to the Group Board, while providing greater resident scrutiny of the services we provide across the organisation.

In a year full of changes and challenges, it is rewarding to be commended for the traditional work we undertake in the Group. In autumn 2010 we were delighted to be awarded 'Provider of the Year' at the Affordable Home Ownership Awards, followed by Affordable Housing Provider 2011 by First Time Buyer magazine's readers and customers.

Winning awards is not our primary objective when we start a new scheme, but it is always a pleasant surprise and a bonus when it happens.

Finally, the process of change continued at Board level. In 2010 Malcolm Groves and Peter Goodacre, the Chairs of South Wight Housing Association and James Butcher Housing Association respectively, stood down as a result of the amalgamation. John Castelberg, former Chair of Women's Housing Trust, retired under our maximum tenure rule of nine years' service and David Kelly resigned from the Board after three years' service as a resident member.

We would like to take this opportunity to thank them, and all of our dedicated staff, Board members and stakeholders, for their continued support and hard work.

"I'm pleased Baden-Powell Close has been recognised for its exceptional design. My home reverses the traditional layout you get in most houses... the high railings make it safe for children to play outside as well as increasing security... and the green roofing is brilliant."

Resident.



Unlocking the potential
of people and places

Baden Powell Close

The multi-award winning Baden Powell Close scheme in Dagenham provides 12 houses with private courtyards, as well as two wheelchair-adapted bungalows. Designed by Peter Barber Architects, it makes stunning use of an unusual long, narrow infill site.

From its high eco-credentials, with rainwater harvesting and ground source heat pumps, to its outstanding design, Baden Powell Close has got people talking.

It won the Best Small Development at the Affordable Home Ownership Awards 2010, was shortlisted for a prestigious Royal Institute of British Architects Award and received the Group's Design Award for 2010, after being selected by an internal panel.

The panel's Chair Nigel Dorling described the scheme as "an inspiring example of how clever design can create attractive homes on an extraordinarily difficult site." Resident feedback, Building for Life scores (the national standard for well-designed homes and neighbourhoods) and environmental performance played a key role in the decision.

Developing new homes



Forward planning enabled us to secure additional National Affordable Housing Programme funding for 250 extra homes in London, Kent, Sussex and the Isle of Wight with work starting on site before the end of the financial year. More than 500 new homes were completed during the year.

The Group secured HCA grant for 553 homes through the new Affordable Homes Programme. The bid focused on our key operating areas and included a high ratio of identified priority schemes. Tenures averaged 65 per cent rent and 35 per cent intermediate.

Our current schemes won several prestigious awards, including the top prize at the National Affordable Home Ownership Awards 2010. The Group also won Affordable Housing Provider of the Year 2011 at The First Time Buyer Readers' Awards, together with Best Large Development for the Armouries at Royal Arsenal.

Southern Space Limited, which specialises in developing homes for outright sale, continued to perform well, building and selling homes in London, Surrey and the Isle of Wight – including the Octave development near Wembley Stadium. A further 129 properties are in the development pipeline for 2011-13.

There were 479 sales and lets on shared ownership and intermediate rent (IR) properties. These included 126 shared ownership sales and 221 intermediate rent tenancies on new homes.

We have a one-third interest in Triathlon Homes LLP, a joint venture which will take ownership of 1,379 affordable homes at the Athletes Village following the Olympic Games. These will be integrated with over 1,400 open market homes to form a new mixed tenure community. The homes will start to be handed over in 2013, after the Games have taken place and on completion of a retrofit programme.

507

new homes completed



2,700

homes costing
£490 million in the
development programme



1,753

lettings (excluding
market and
intermediate rent)

"Kidbrooke is being transformed into what promises to be one of Europe's largest and most ambitious regeneration schemes for the first part of the 21st century... this development is about more than bricks and mortar, it's about creating an environment in which the community can flourish."

**Cllr Denise Hyland,
Greenwich Council.**



Unlocking the potential
of people and places

Kidbrooke Village



The one billion pound Kidbrooke Village development is transforming the former Ferrier Estate in South East London into a vibrant and sustainable mixed-use community, complete with a new transport interchange and a new secondary school.

Planning permission has been granted for the first three phases of the 109-hectare site, which will provide 1,159 new properties – 534 affordable homes and 625 for private sale. The partnership development will also include 300,000 square feet of commercial and retail space, community and healthcare facilities, sports pitches and more than 50 hectares of green space.

"We knew this project would be a massive undertaking" says Southern Housing Group's Regional Director Tony Hughes. "It's a reflection of the hard work and commitment of all partners that this project is on track and progressing well, a view echoed by the positive feedback from residents as they move into their new homes."

Maximising our assets

The introduction of Affordable Rents, coupled with Government spending cuts, has resulted in radical changes to housing finance and development. Along with our comprehensive development programme, the Group has introduced a range of other initiatives to ensure we continue to respond to the changing housing market.

- Our stock rationalisation strategy will enable us to concentrate efforts on our priority operating areas, as well as helping us to generate funds to support new developments in key locations.
- We are continuing to tackle under-occupancy issues to release much-needed family homes.
- In May 2010 we appointed our first unauthorised occupancy specialist to work in partnership with local authorities to follow up reports of possible subletting and cross reference details on the National Fraud Initiative database.
- We have reviewed the current system of service charges with residents and identified areas where improvements could be made to maximise income by recharging appropriate costs. At the same time, we are taking account of residents' needs and ensuring accurate and fair allocation of costs.
- We have withdrawn from Supporting People contracts, in all areas except the Isle of Wight, following funding cuts, but will continue to provide housing management services to those schemes. By March 2011 we had transferred the support service for sheltered residents to new specialist providers in 21 local authority areas.
- The Ada Lewis House hostels, which provided shared housing for women, have been closed in preparation for their redevelopment as new homes.



"What we are doing here fits in very well with the Government's localism agenda, and giving residents a voice that will be heard by the Group's Board can only improve the services we provide."

**Paul Smith,
Operations Director.**



Unlocking the potential
of people and places

Resident service panels

Residents are being given the opportunity to influence the Group's policies and decision making. Five Resident Service Panels (RSPs), established following the Group's amalgamation, held their first meetings in February 2011.

Each of the Group's five regions – London, South, West, Thames Gateway and Isle of Wight – is served by its own RSP, which comprises up to 12 Group residents of all tenures. The Chairs of the panels are also residents.

The panels meet quarterly to scrutinise their region's performance and help shape the design and delivery of service improvements. The Chair of each panel sits on the Group's Customer Services Committee (CSC), with the Chair of the CSC a member of the Group Board. This ensures that RSPs play a vital role in the Group's governance.

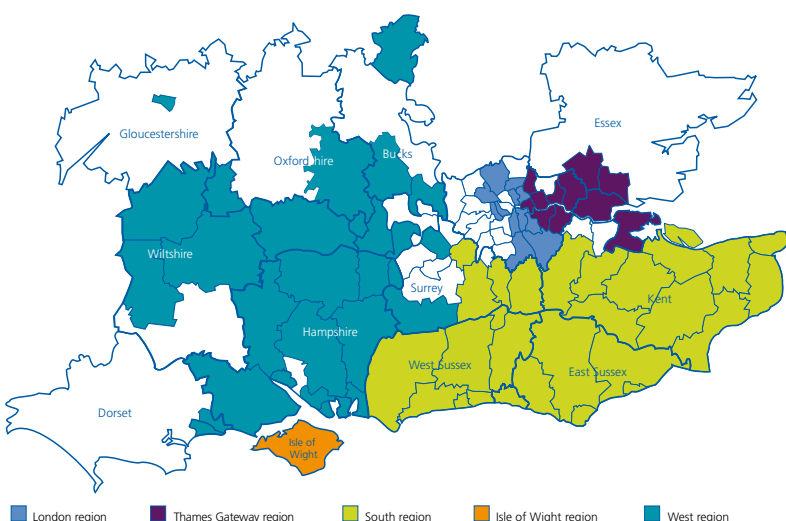
Forming a single association



The formation of Southern Housing Group Limited as a single association in October 2010, brought together the Group's three separate associations: Southern Housing Group, James Butcher Housing Association and South Wight Housing Association. This resulted in the creation of two new regions, Isle of Wight and West, which joined the existing London, South and Thames Gateway regions.

Group Chief Executive Tom Dacey said the amalgamation was a positive step for the Group: "Our new structure means that residents have greater opportunities to have a say in how local services are delivered, through new ways to become involved. Our simplified structure enables us to make further economies of scale across our geographic spread. The money we save will be used to improve services for our residents and local neighbourhoods across all parts of the Group."

Resident Service Panel (RSP) member Geraldine Clements welcomed the introduction of the RSPs and feels they will be beneficial for fellow Group residents. "We can put our ideas forward and hopefully make things better for everyone" she said.



Opposite: RSP members in action

This page: Top and middle: Staff and RSP members Barking

Bottom: RSP members IOW.

"By working with residents through our involvement panels we have developed four new enhanced service offers that build upon the content of the Service Standards we set out in 2009. They don't replace our Service Standards – instead they add value to what is already in place."

Mark Townsend,
Head of Resident Initiatives.



Unlocking the potential
of people and places

Local offers

Our resident Service Standards support the values in our Corporate Plan. The Standards are the Group's overall commitment to customer care, setting out how we meet targets for local estate and scheme management services.

We have also developed enhanced offers for:

Managing where you live:

This offer sets out options for residents on tailoring local estate services to meet local needs.

Repairs and maintenance and Major works inside your home and to shared areas:

These offers enhance the Service Standard commitments we have made about our repairs and maintenance and reinvestment services

Estate inspections: Providing opportunities to set a local quality standard for common area cleaning, gardening and repairs.

Resident Involvement: This offer sets out in more detail how residents can become involved in the Group's work and how we deliver and monitor our involvement work.



Involving residents



Resident involvement plays a vital part in our commitment to continuous improvement and we use a broad menu of opportunities to ensure that residents are able to shape the services we provide.

Opportunities for resident involvement include membership of our regional Resident Service Panels, service-specific Customer Involvement Panels, and our Customer Service Monitor resident inspection scheme. We use a Readers' Panel and ePanel to review key information or proposals, and resident Contract Reviewers on key maintenance and service contracts. We also run an annual '*What matters to Residents*' survey programme, and this year we carried out more than 5600 interviews across 12 service specific surveys.

More than 100 residents attended our Group-wide residents' conference in May 2010. We consulted residents about our approach to local offers and residents also had the opportunity to meet and listen to a motivational speech by Olympic athlete and broadcaster Sally Gunnell OBE.

Throughout the year we also involved residents from across the Group in a range of service reviews such as our mutual exchange policy, supported housing, service charges and residents' handbook review. We ran over 50 consultation events with approximately 650 resident attendees.

110

residents attended our annual conference



403

residents attended 31 focus groups on supported housing changes



Opposite: Resident Services Officer Sue Cladingboel, left, with resident Doris Eames carries out an inspection.

This Page - Top and middle: Residents attend the Group Residents' Conference.

Bottom: The Group helped young residents in Hackney get involved in a new volunteer support service, the Pathways Project.

"Whatever we do, we're working for the community, to improve the community. We live in a multicultural society and need to help each other and try to respect each other."

Shihabuz Zaman, Resident.



Unlocking the potential
of people and places

Unlocking the potential

Last October the Group invited 60 residents who are key to supporting their communities to join us for a round table discussion on making a difference to their community.

Residents had the opportunity to network with each other and see our new guide to *Setting up a Community Group*. We also asked the audience what else we could do to support them in their activities in the future.

Special awards were presented to groups and individuals who have made a real impact.

The Improving Community Cohesion Award went to Northbourne Action Group, formed in 2006. It has helped to improve community spirit, reduce anti-social behaviour by a third and bring down petty crime to almost zero.

The Significant Contribution to a Community Award was won by the Zaman family for their collective support and commitment to running events for their local community in East London. The Youth Award was won by Callum Jenner.

Investing in communities



Social and economic regeneration is a key priority for the Group. Projects benefiting a range of different communities throughout the year included:

- Supporting 1,000 people from five London estates and residents from five sheltered schemes across the Group to get online, with the help of funding from UK Online, a partnership with BBC First Click and Digital Unite.
- Operating employment projects, including a project in Hackney that has benefitted 150 residents.
- Teaming up with Brighton & Hove's Football in the Community to deliver football and other activities that engage young people and help to reduce anti-social behaviour, improve community spirit and provide valuable training and development opportunities for residents.
- Holding a London-wide sports event as part of a Big Lottery-funded programme, enabling families to get together and enjoy a day of sporting activity.
- Working in Tower Hamlets and Greenwich with a Family Intervention Project to support individual families with a range of problems.
- Providing welfare benefit support and advice for residents, both directly and through an external telephone service from Money Advice Plus.

In July 2011, we launched Southern Works, our specialist training and employment service, with specialist staff assisting unemployed residents to get back into work.

Over the next year we will be focusing on supporting residents through the major changes to benefits introduced by the Government, looking at ways to help with the increasing cost of fuel bills and having a strong emphasis on training and employment issues.

140

large grants approved totalling £404,995



74

small grants approved totalling £91,362



20

Sports Fund grants approved totalling £2,840

Opposite: Youth category winner Callum Jenner / The Zaman family.

This Page - Top to bottom: Jean Cotterill and Audrey Lees get online at Courtney King sheltered scheme in Brighton / Lottery funded London sports event / Nathan Tilley attended the Worthing Football Inclusion project.

"The programme ensures that the Group maintains access to a talented and ambitious workforce and that we are able to build our business by bringing in new ideas, new skills and a flexible resource. The graduates also provide an opportunity to train our managers as leaders and mentors."

Karen Harvey,
Human Resources Director.



Unlocking the potential
of people and places

Graduates and interns

We are keen to ensure that our graduate and trainee development programmes are cost-effective, meet our business needs and reflect the Group's 'grow our own' philosophy.

Our Graduate Development Programme, now in its tenth year, ensures that the Group maintains access to a talented and ambitious workforce. It allows us to build our business by bringing in new ideas, skills and a flexible resource.

Many of the 28 graduates who have completed the scheme have achieved key positions within the Group. The Graduate Programme also provides us with the opportunity to train our managers as leaders and mentors.

We have also been offering internships since 2009 and believe this provides a flexible way to attract talent to the Group for a specific period of time while offering real work experience to undergraduates or students.

Helping people develop



Ensuring that our staff are trained and prepared for the challenges ahead is vital. Employee-focused initiatives during the year included:

- Undertaking a staff survey, as part of our commitment to continuous improvement. Results showed that we performed more highly compared to other housing associations in key areas such as overall staff engagement, communication of change and information, performance management and motivational line management. More than 65 per cent of staff took part in the survey.
- Introducing an Excellence Matters staff training programme. Resident-facing staff participated in innovative customer service workshops and all staff completed e-learning modules to ensure a consistent standard of service across the Group.
- Running the Aspire Programme, accredited by the Institute of Leadership & Management, allowing upcoming and junior managers in the Group to maximise their personal effectiveness, self-awareness and leadership skills.
- Providing nine of our caretakers with English and maths training, which resulted in them all achieving a qualification.

We also teamed up with the Isle of Wight College to provide five apprentice resident placements in domiciliary and social care. This allowed residents to gain work experience, develop new knowledge and skills and obtain an NVQ.

573

employees responded to our annual staff survey



9

caretakers took part in English and maths training

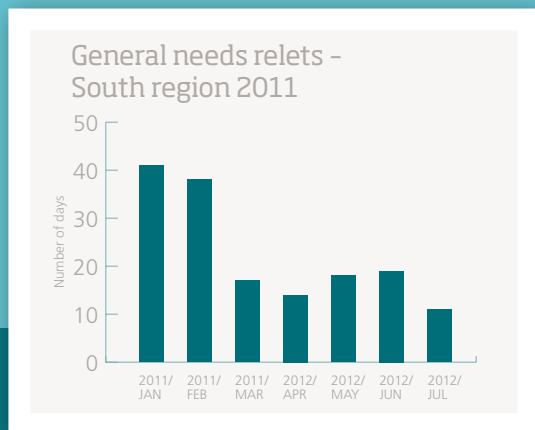


693

people attended Customer Excellence Workshops in 2 months.

“The review identified a number of areas where we could improve forward planning and make the whole process run more smoothly. As a result, we are now delivering the recommendations across the whole Group”.

James Mark, Regional Operations Manager.



Unlocking the potential of people and places

Faster turnaround times

Turnaround times for empty properties in the South region have fallen from an average of **40 days to 21 days** and are continuing to improve, following a joint review of the voids and lettings process by regional and Continuous Systems Improvement staff.

The aim of the review was to highlight barriers to improving performance and produce recommendations to address these. It forms part of our Continuous Improvement Strategy, which aims to improve the homes and services we provide to our residents.

A number of recommendations were implemented. These included introducing a default electricity supplier for all empty homes and ensuring that contractors visited properties before residents moved out, to install a key meter and compile a list of works. We also booked time in advance for viewings and sign ups in staff calendars.

Improving processes



The Group developed initiatives throughout the year to ensure that we have processes in place to provide cost-efficient and effective services. These included:

- Replacing our existing complaints and anti-social behaviour case management software, leading to long-term improvements in our ability to manage cases and report on performance.
- Introducing a new management information systems, MIDAS, to provide more relevant business information. This has already contributed to a reduction in the time taken to re-let empty properties.
- Improving our Group business systems for finance and housing management.
- Establishing a new property-focused and Group-wide Health and Safety team to lead on fire, water and asbestos issues, as well as inspecting the construction, design and safety of our homes.
- Developing a Continuous Improvement Strategy to identify duplication and waste and improve skills across the Group in areas such as voids, estate inspections, complaints and arrears analysis.
- Reorganising our Care and Supporting Independence team on the Isle of Wight, following significant reductions in Government funding. This has enabled us to continue to provide high-quality services to people with a wide range of support needs.
- Launching an organisational development project called Road to Excellence to examine best practice and identify how we can develop capacity in our resident services teams.
- Reviewing our Service Centre operations following the introduction of Calls Direct, where residents can call our repairs contractors directly. Service Centre staff now handle a number of areas traditionally covered by housing management teams, such as mutual exchanges and successions.

29

days (average time)
relet empty homes
(41 last year)



84%

repairs completed first
time - up from 72% from
last year



Opposite: Resident, Chloe Tomlin and her daughter Lola-Grace move into their new home in Dover.

This Page - Top to bottom: Axis contractor Maice Brown is a Group resident, who was employed as a trainee following a recruitment exercise in 2007 / A contractor working on a void property / IOW personal budget outreach worker, Lesley Rich, with a supported housing resident.

"Southern Housing Group will retain an ongoing responsibility for monitoring the quality of the service to ensure that our residents continue to receive the high level of service they have come to expect."

Kevan Allaway,
Maintenance Director.



Unlocking the potential
of people and places



Working with contractors

A major change in the way we handle repairs calls in our Thames Gateway Region took place in March 2011 with requests being routed directly to our maintenance contractors, Axis Europe, rather than our Customer Service Centre.

The Calls Direct approach underwent a successful pilot in our Kent and London regions and is currently being rolled out across the Group with our contractors in each area.

A multi-disciplined project team, consisting of Group and Axis staff worked together over several months to plan and implement Calls Direct in our Thames Gateway region. This process included full integration of our two information technology systems and a training and induction programme for Axis staff. A service improvement plan and future model for our contractors was also developed.

Tackling ASB and fraud



Overall resident satisfaction with how we handle anti-social behaviour (ASB) rose by 24 per cent over the last year.

We launched a new system to improve data and reporting, piloted a new approach to handling cases and reviewed the way we assess risk to residents when they first report ASB. Staff are also making greater use of mobile CCTV units and noise monitoring equipment.

The Group also got involved in the National Fraud Initiative and, with the G15 group of social landlords, set up an illegal subletting group. Illegal subletting is an issue often linked to ASB and is estimated to involve 50,000 properties across the country.

We are one of the few housing associations to appoint a specialist to tackle unauthorised occupancy. The fraud we have prevented and the 11 properties recovered by the unauthorised occupancy specialist has more than justified the investment. In the majority of cases we have been able to recover properties without resorting to legal action.

Our work in this area involved working in partnership with local authorities to follow up reports of unauthorised occupation and then cross-reference them to details on the National Fraud Initiative database.

24%
rise in resident satisfaction on ASB handling



27
Over the last year the Group has recovered 27 illegally sub-let properties.



Cutting fuel costs

Alan and Nikki Pinkney's home, a 1950s semi in a small village near Reading, is one of two Group homes that has been upgraded with new technology and environmental features by ECD Architects.

It is being monitored for two years as part of a UK-wide project to reduce carbon emissions and energy use in social housing properties. The project aims to demonstrate how single homes can be refitted to reduce carbon emissions by 80 per cent.

"It means that we don't have to move from a home we've lived in for 15 years. It's the only home my disabled son has ever known, as we moved in here just after he was born."

Nikki Pinkney, Resident.



Unlocking the potential
of people and places

Improving our properties

Getting up to standard

Sandra and Anthony Tullett's home in Brighton had a new kitchen fitted as part of a complex and wide-ranging Decent Homes project in the Brighton and Hove area. Work at the 51 separate sites included renewing kitchens, bathrooms, central heating systems, roofs, windows, doors and electrical rewiring.

"We are really pleased with our kitchen, there was no disruption and the works didn't cause a problem. The contractors were clean and tidy and there was no mess at all."

Sandra Tullett, Resident.



Completing decent homes

Over the last five years, the Group has carried out 21,586 works at a cost of £73.4m, all of which enabled us to meet our Decent Homes obligations by the end of December 2010, in compliance with the Government's target.

During the last financial year we spent £14.1 million on Decent Homes and other major repairs work, as well as an additional £2 million on remodelling unpopular former James Butcher Housing Association sheltered bedsits into one and two-bed flats.

Work over the last year included:

- Carrying out a complex project to bring a number of schemes and street properties in Brighton and Hove up to the Decent Homes Standard, including Georgian houses that were converted into flats.
- Working on small schemes and street properties throughout Kent, and on a large contract in Worthing.
- Improving turnaround times for Decent Homes work and increasing resident satisfaction rates.
- Continuing to make our properties more energy efficient by adding fuel and water saving modifications wherever possible. Energy efficiency funding from the Homes and Communities Agency has helped with the changes and enabled us to install cavity wall insulation in hard to adapt homes.



Since 2005 we have carried out

21,586

elements of Decent Homes work



7,616

replaced or upgraded kitchens and bathrooms



4,271

replaced boilers and heating systems

"It is important that we help our residents understand costs around electricity, gas and water usage. Providing them with simple energy tips can save them pounds as well as the environment"

Will Routh, Environmental Sustainability Officer.



Unlocking the potential
of people and places

Sourcing greener energy

On the Isle of Wight Southern Housing Group has been working with local residents to install renewable energy technology in an effort to reduce fuel cost and carbon emissions.

The project fitted 67 homes with air source heat pumps and solar PV ("photovoltaic") panels, resulting in one of the highest concentrations of domestic PVs in Europe. Stage two of the project involved installing water saving devices in bathrooms to reduce residents' water bills as well as providing practical energy saving advice.

The successful initiative was run in partnership with local residents, the Ellen MacArthur Foundation, the Footprint Trust and Island 2000. Its achievements were recognised by a prestigious gold Green Apple Environment Award, collected by project officer Vince Wedlock Ward at a ceremony at the House of Commons.

The Group is also working with green energy provider, Eaga, on a solar project that will help Isle of Wight residents save up to £200 a year and cut their annual carbon emissions by about 1.2 tonnes.

Tackling green issues



The Group is committed to reducing its environmental impact across all areas of its work. This includes tackling fuel poverty, improving energy efficiency, providing environmental sustainability training for staff and continuing to work with our suppliers and contractors to encourage ecological practices.

Key achievements in working towards our Environmental Sustainability Strategy 'Towards a Greener 2011' include:

- Achieving a Sustainable Homes Index for Tomorrow (SHIFT) Bronze award. We were one of only 37 housing associations to be publicly assessed on sustainability credentials, with the report highlighting our green transport options for staff and efforts to divert waste from landfill.
- Introducing a Sustainable Maintenance Contractor of the Year Award, which was won by Mountjoy, the Group's maintenance contractor for the Isle of Wight.
- Training and employing four residents in London as Green Doctors. They are helping to reduce residents' fuel bills by providing free energy saving advice and measures to 600 households.
- Reducing the environmental impact of our offices and operations. We have decreased energy use at our London head office by 16 per cent over the last two years, switched to a low carbon taxi and courier provider, introduced video conferencing and increased our office recycling rate.
- Enhancing the energy efficiency of our stock, by completing Decent Homes improvements and using Government funding to implement measures such as loft and cavity wall insulation and boiler and window replacements. As a result, the average energy efficiency SAP rating of our stock has improved to 70.5, up by over one point since last year.

600

households benefited from our Green Doctor scheme



16%

reduction in head office energy use over two years



70.5

average SAP rating for properties

Opposite: Solar panels at Chale Green

This Page: The Green Doctors / Southern Housing Group resident, Gabriel Hayward, pictured at Amhurst Road Hackney, with gardens at the Vacant Lot project which aims to convert unused areas into communal food growing plots for residents / Young people from a young persons' hostel on the Isle of Wight received funding to participate in healthy outdoor activities and improve their immediate environment.

Financial figures

Our housing and how it is funded.

What we own	2011 £m	2010 £m
Cost of investment in our homes	1,631	1,573
Investment in other assets	63	155
Cash <i>plus</i> amounts we are owed, <i>less</i> bills to be paid	118	12
Total	1, 812	1,740
How we fund what we own		
Social Housing Grant	851	804
Loans from our funders	692	688
Reserves	269	248
Total	1, 812	1,740
Income and our expenditure	2011 £m	2010 £m
Income	137	134
Less:		
Cost of services to properties	-20	-16
Cost of repairs to properties	-28	-26
Wear and tear of properties	-12	-12
Cost of management of properties	-43	-52
Total	-103	-106
Operating surplus	34	28
Surplus on sale of properties	6	5
Interest paid on loans less received on money invested	-19	-25
Leaving a surplus for the year of	21	8

A copy of the accounts and financial statements are available from our website at www.shgroup.org.uk

Ensuring financial stability

Financial stability is crucial to any housing group and therefore efficient systems and procedures are essential. Key improvements over the last year included:

- Introducing eBIS, an integrated online system designed to expedite the payment of goods and services by streamlining the ordering process and enforcing compliance with recognised procedures. This has helped us to ensure that the payments process is more efficient, timely and more cost-effective.
- Merging the financial and accounting systems for the three organisations that were amalgamated to form Southern Housing Group Limited.
- Developing the business support provided by the management accounting team to make information on budget performance more timely and relevant.

Our income for the year rose to £137 million (2010: £134 million) with the cost of managing our properties, providing services and repairs £103 million (2010: £106 million).

We face a number of challenges over the coming year:

- Reviewing of our loan portfolio to minimise the costs of funds and bring in further competitively priced loan finance from new sources.
- Supporting the continuing growth of the business, while protecting the underlying value of the Group by careful financial modelling.
- Further improving the budget planning and management information so that we can continue to operate with increasingly competitive costs.



£851 million

in Social Housing Grant received



£1.6 billion

invested in our homes



Group board

As at 4 April 2011 (from left to right)



Andrew McIntyre

is Group Chairman and a member of the Treasury Committee. He is an accountant and partner, at Ernst & Young and leads the firm's assurance practice for UK financial services. Andrew is a member of the Financial Reporting Review Panel.

Tom Dacey

was appointed Group Chief Executive in 1995, having worked in the housing sector in the north of England for 25 years, and is a Board member of Southern Space Limited. He is a Fellow of the Chartered Institute of Housing, a member of the Institute of Management and was Chair of G15 from June 2007 to June 2009.

Tony Bourne

is Chair of the Remuneration and Nominations Committee and a member of the Treasury Committee. He is Chief Executive of the British Medical Association and before that he was in investment banking for over 25 years.

Chris Hampson

is Chair of the Customer Services Committee and a member of the Remuneration and Nominations Committee. He is Executive Director Operations at Look Ahead Housing and Care, and has more than 15 years' experience in housing and social care. Chris has worked in policy for the National Housing Federation and in policy, research, new business and PR for two housing associations.

Jim Hitch

a leaseholder resident and a member of the Remuneration and Nominations Committee and Chair of Southern Space Limited and Southern Home Ownership Limited. He helped to create the award-winning Manda Wilderness eco-tourist project in Mozambique, before setting up English Language Services Limited in 2007 after 10 years in the sector.

Jane Hives

is Chair of the Audit Committee, Board member of Southern Space Limited, Southern Home Ownership Limited and a member of the Development and Treasury Committees. An independent

consultant and former Ernst & Young partner, her wide-ranging experience includes property companies, the not-for-profit sector and law firms.

Lara Oyedele

is a member of the Development Committee. She is Chief Executive of Odu-Dua Housing Association, and has over 20 years' experience in social housing and is Chair of BME National, which promotes the work of BME housing associations. Lara is also a member of the Tenant Services Authority's Equality and Diversity Advisory Board.

Preth Rao

is a member of the Customer Services Committee. She is Head of Policy and Research at the Local Government Ombudsman, and has worked at the Equality and Human Rights Commission and Commission for Racial Equality. She has an MSc in Social Policy and Planning and has also worked for two London Boroughs.

Group strategy team

Tom Dacey, Rosemary Farrar, Dale Meredith, Paul Smith and Alene Wilton - As at 4 April 2011

Rosemary Farrar

joined the Group in April 2011 as Finance Director, from Watford Community Housing Trust where she was Resources Director and Company Secretary. She has also held Group Finance Director posts with Shepherds Bush Housing Association, Notting Hill and Circle Anglia.

Dale Meredith

has been our Development Director since late 1987. He previously worked in development for another housing association and in housing management for a local authority in London. He has an honours degree in sociology, chairs the G15 Development Directors Group and has sat on the Boards of two small London community housing associations.

Paul Smith

is the Group's Operations Director. He joined the Group in 1987 and is an experienced housing professional with 30 years' experience in the Registered Social Landlord and local authority sectors. Paul is a Fellow of the Institute of Housing and an associate member of the Institute of Administrative Management.

Alene Wilton

was appointed Corporate Services Director in January 2007. She was previously Head of Corporate Affairs at the Housing Corporation and has held a number of academic and public sector roles. Alene is a member of the Institute of Directors and an affiliate member of the Chartered Institute of Personnel and Development.



Front cover left to right:

Southern Quarter, Isle of Wight;
New resident Chloe Tomlin and
her daughter Lola-Grace, Dover;
Oxford Road Fun Day, Reading;
Dalston Lane, London;
Baxters Development, Lewes.



Contact us

Southern Housing Group, Fleet House,
59 - 61 Clerkenwell Road, London EC1M 5LA
Telephone **08456 120 021** Fax **020 7553 6400**
email **info@shgroup.org.uk** web **www.shgroup.org.uk**



Southern Housing Group is a charitable housing association.
Industrial & Provident Societies no: 30155R.