



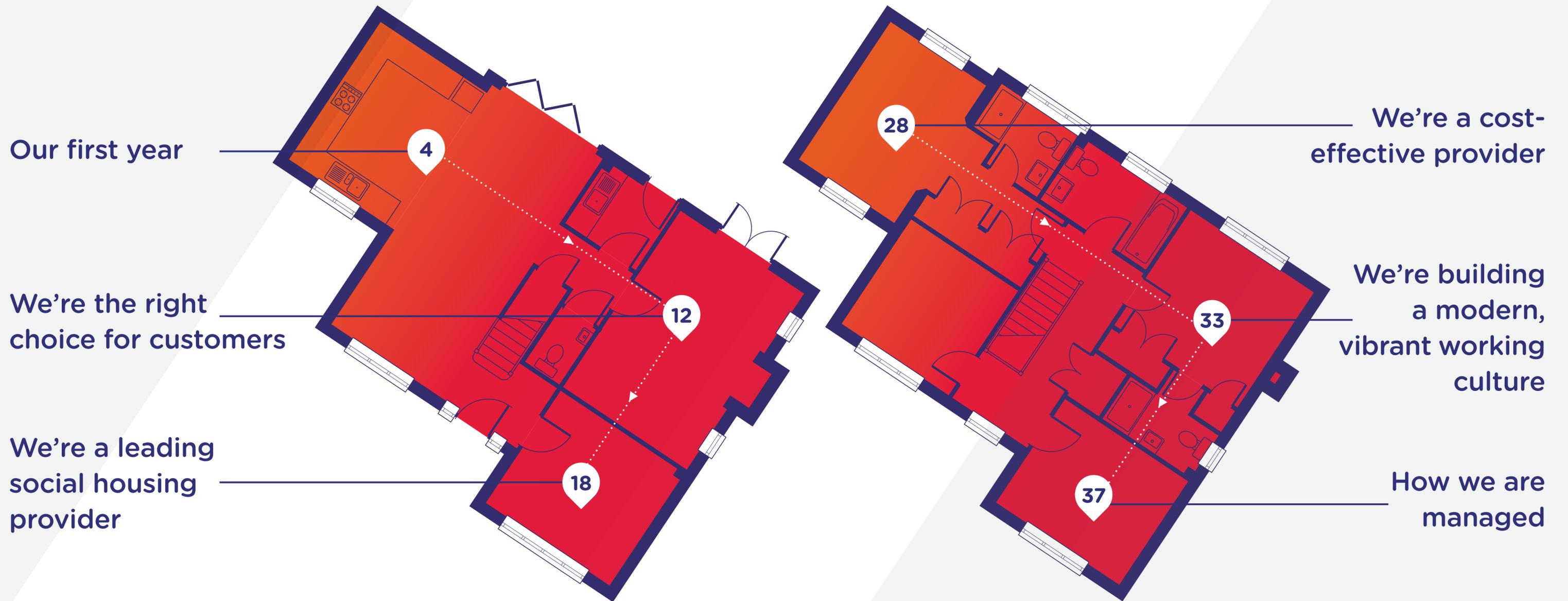
more homes **bright futures**

2017-18 Annual Review

Abbi & Stuart
Eastleigh

Ruby & Joy
Netley

Contents



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Our purpose:

Maximising opportunities to make more housing available and affordable to everyone



The Mouring family moved into their Netley home in 2017

Our first year

Having a home plays a key part in the wellbeing of our customers and their communities. It's core to them having a bright future. That was the driving force behind launching VIVID in April 2017. This review shows our progress in making that belief a reality.

What's most important to us is the people who live in our homes now and in the future. It's these people, our customers, who really matter and we're continuing to shape our business to further improve our service to them.

The tragic Grenfell Tower fire in June 2017 has led to an increased focus on the safety of buildings, in particular fire safety and building maintenance. We have always and continue to prioritise the health and safety of our customers who live in our properties. We're replacing, at our cost, the cladding on the three buildings of ours that are affected. And have set aside funding to deal with any other changes that may come about following Dame Hackitt's review.

Grenfell also highlighted some of the inequalities and stigma faced by people living in affordable housing.

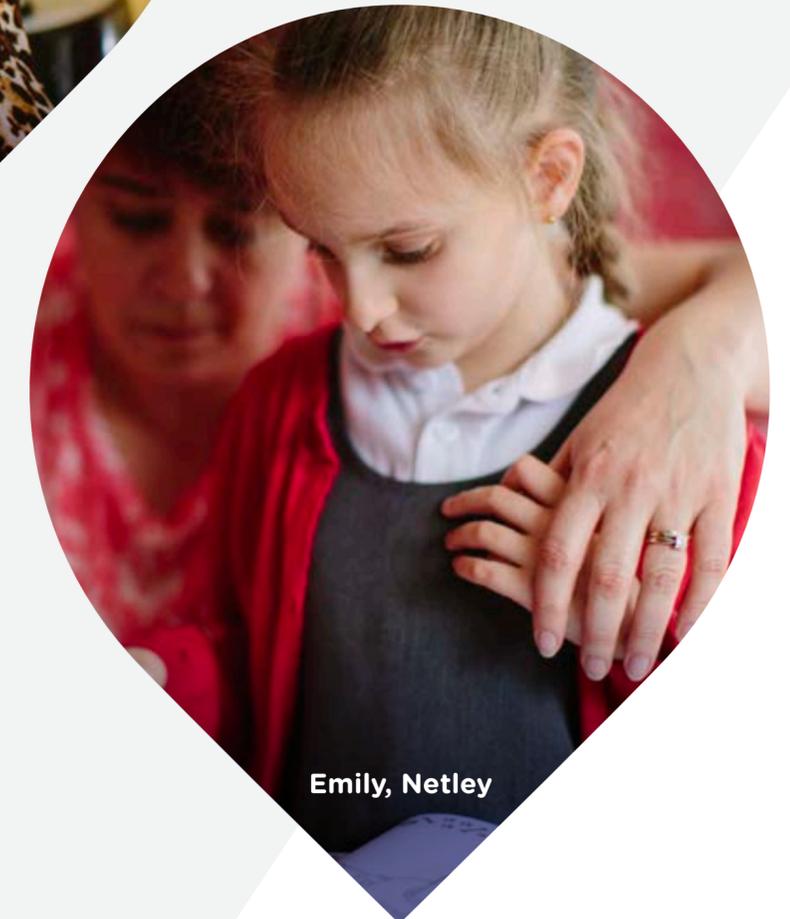
In 2017 we produced research with Birmingham and Manchester Universities exploring the links between housing tenure and wellbeing. It showed that to redress stigma, affordable housing should be made more widely available to a more diverse range of people. So we've continued to build homes across a variety of tenures - and we're strongly committed to developing new homes for social rent.

We've also continued our drive to get customer service right first time, anywhere and faster. We've enhanced access to online services for customers and invested in

VIVID



Sally, Hilsea



Emily, Netley

mobile working technology, while also helping customers discover the practical benefits of being online through our digital inclusion support.

Our tenancy support activities helped 149 people with training courses and getting back to work. We supported more than 1,300 customers with claims and financial advice. And we ensured customers secured more than £3 million in unclaimed benefits that they were entitled to.

The introduction of Universal Credit brought reports of claimants across our region struggling to cope, many falling behind on rent payments. We've sought to ensure our customers are empowered with the ability to manage their finances and gain long term, meaningful employment.

To ensure that our homes remain fit for purpose, we've invested £11 million in property upgrades, replacing 1,553 new boilers and updating 698 kitchens, as well as in ongoing repairs to ensure our homes remain high quality.

The Autumn 2017 budget set a national target of 300,000 new homes a year by 2020. We're playing our part and last year we completed 749 new homes, of which 593 are social and affordable rented and low-cost ownership. The number of new homes completed ranks us the 16th largest developer of new homes in the sector.

We believe in the power of partnerships and being connected. We continue to use the results of our 2017 Building Bridges report (created in partnership with the Chartered Institute of Housing and the Association for Retained Council Housing) to shape the way we do business and develop services. Whether targeted at developing new homes or sustaining tenancies we are in no doubt that working with partners we can maximise funding available, share expertise and balance risk to deliver better services to our customers. Our joint venture with Eastleigh Borough Council has provided us with a model for partnership working.



Nicholas, Fareham



John, Locks Heath

We believe in the power of partnerships and being connected.

Our employees are a crucial part of making all this happen.



In March 2018 we secured a further £150 million of long-term funding. This is being provided by a new partner for us, Pricoa Capital Group, the private capital arm of PGIM. This funding will sit alongside the surpluses that we make, enabling us to maintain a fully funded business plan through a period of potential volatility.

We're well on our way to meeting our new homes development target of building 1,200 new homes each year. That's around 3,600 people with a place to call home and a springboard for their future.

We did all of this whilst integrating two businesses – processes, systems, management and teams – putting the organisation through a significant amount of change as we seek to build a new culture focussed on creating a truly great customer experience.

Our employees are a crucial part of making all this happen, so through the year we've been enabling them with tools to help them respond to customer needs in the way they want to – delivering solutions on the ground and getting them right first time.

In August 2018 the long-awaited Government green paper on social housing (expected for at least the year under

review in these pages) has finally been published. The paper suggests positive moves around regulation and the tenant-landlord relationship. However, it remains our long-standing view that more needs to be done on the imbalance in the provision of affordable housing. This is especially true of social rent provision and creating the communities we need. We're hoping the green paper will allow us to build on the success of our first year and support our ongoing ambitions. In particular, to provide more homes and more services for the wellbeing of our current and future customers.

We are clear that our scale, financial strength and expertise means we're well placed to deal with these challenges and continue achieving our ambitions for the benefit of customers.

Our customers, partners and employees remain central to our success and ambitions and we'd like to extend our thanks to you all.

Mark Perry Chief Executive
Mike Kirk Chair



Mark Perry
Chief Executive



Mike Kirk
Chair

[You can read our financial statements](#)

Achievements

WELCOMED **1,977** CUSTOMERS



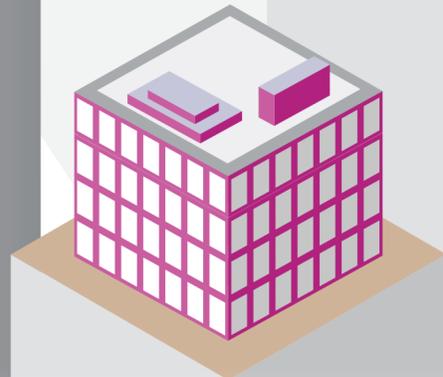
COMPLETED
749
NEW HOMES



STARTED
CONSTRUCTION OF
1,310 HOMES



WORKED WITH
20 LOCAL
AUTHORITIES



HOUSED
MORE THAN
400
FAMILIES



UPDATED
698
KITCHENS



INSTALLED
1,553 UPGRADED
BOILERS



STARTED
2,777
TENANCIES





Our Grounds Maintenance team John and Bob help Rosemary and Eva prepare for Southsea in Bloom

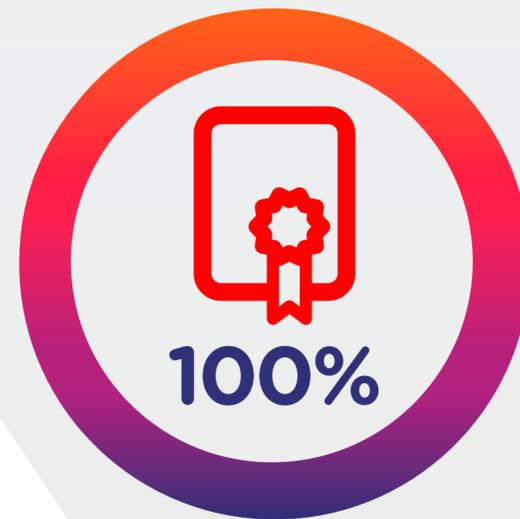
Delivering great customer experience

We're focused on giving our 70,000 customers a great service.

We focus on delivering the best customer service, whilst at the same time look to run our business as effectively and efficiently as we can. Ensuring our customers wellbeing and safety is paramount to us as is maintaining the quality of the homes that our customers live in.

We monitor, review and try to improve what we do every day to ensure that our customers get the services they deserve.

PROPERTIES WITH CURRENT GAS CERTIFICATE



OVERALL CUSTOMER SATISFACTION



AVERAGE TIME TO COMPLETE RESPONSIVE REPAIRS



RESPONSIVE REPAIRS COMPLETED



QUERIES RESOLVED FIRST TIME



Caroline Lewington
Business Analyst

A key focus for us is making our services easy to use.

Business Analyst Caroline Lewington is one of our team rolling out OPENHousing, an IT system that will enable customers to resolve queries and problems faster through a single customer online tool, while giving them more choice in the way they want to access our services. OPENHousing will not only bring improved customer service but help our staff work more efficiently - a great "win-win".

We want all our customers to feel looked after when we're helping maintain their homes, whatever their needs. Like Labourer Ryan, our maintenance teams respond quickly to any job from servicing gas boilers to broken stair handrails.



We're the right choice for our customers

In our first year we've worked hard to develop our service and ensure it's right for our customers.

We've invested in supporting our customers to live independently in a safe, secure home. And our teams support customers when they need it, creating strong partnerships to ensure all aspects of a customer's wellbeing are being supported. That's what we mean by "more homes, bright futures".



Derek Streek
Head of
Neighbourhoods

Alex Nagle
Head of
Operations



We're working hard to alleviate hardship where we find it. We've created teams to ensure customers can maintain their tenancies. Whether it's providing support for specific issues including access to welfare benefits, learning skills, enjoy volunteering opportunities and even secure employment.



A key focus for us is making our services as easy as possible for our customers to access. In the last year we started a major project to roll out a single, easy to use system for accessing services whenever and however our customers want. We've made sure our website works smoothly for customers who access information online via a smartphone or tablet.



We've shaped the way in which our Neighbourhood team works to ensure we've a large presence in the neighbourhoods for customers. This helps make sure our communities are well maintained and feel safe. We've also increased the size of our Tenancy Enforcement team to help address anti-social behaviour, domestic violence and identify safeguarding issues.

[Find out more about our customer support](#) 

Tenancy Support Advisor Michelle helped an Eastleigh couple turn their life around. She says:



They had a serious hoarding problem and they were struggling to live off their daughter's wage. I helped them to make a backdated benefits claim for £4,500 - enough to pay off their £4,000 rent arrears - and supported them to clear their home one small area at a time. It's given them a new lease of life and sense of wellbeing.



Digital inclusion officer Lauren helps customers like Ed in Hart develop valuable skills under our digital mentoring scheme. He says:

I was computer illiterate before VIVID installed communal computers and wi-fi at my housing scheme and it's had such a big impact on my life. I jumped at the chance to have some sessions with the digital mentor, Lauren. She helped me to learn the basics so I'm able to do things like pay my rent online and use the internet and email. This has helped me no end as it's meant that I've been able to communicate with my son in Germany and my brother in Australia. As a result of getting back in contact with my brother, he's coming to visit, and I'll see him for the first time in seven years!

Homes and Wellbeing: breaking down housing stereotypes

Our ground-breaking research produced in partnership with the Universities of Birmingham and Manchester in the past year shows that social housing plays a positive role in protecting people from anxiety.

Interviewing a mix of owner-occupiers, shared owners and social rent customers, we found that what really matters to people is not so much the chance to climb onto the housing ladder, but a home that gives a sense of control, security and community.

The research explored the relationship between the experience of living in your own home and a sense of wellbeing. It showed that a crucial part of the home is the sense of neighbourhood and community around that home. The mix of residents, the build quality of the home and giving people the opportunities to interact with each other, all help reduce neighbourhood tension.

We're using the findings of the research to further our thinking about how our new homes and valuable partnerships can create the right environment for communities.



Looking after homes is only a part of what we do. From the moment customers move into their home we can help them with advice and support. Whether struggling with money problems, or need some pointers on how to use a computer, we now have more great people our customers can chat with.

[Take a look at our Homes and Wellbeing research](#) 



Our research shows that the most crucial part of the home is the neighbourhood it's in. Giving people opportunities to interact with each other, build strong communities, and reduce neighbourhood tensions. This comes hand-in-hand with well-built homes that provide security.

"We need to think harder about how we build new homes and create the right environment for communities to thrive. It's important we get it right to give everyone the best chance in life."



Mark Perry, Chief Executive



Joyce and John enjoy the living environment around their Locks Health Home with their dog, Tiff.

Bright futures...

HELPED SECURE MORE THAN
£3m
IN UNCLAIMED BENEFITS

PROVIDED FINANCIAL ADVICE TO
629
CUSTOMERS

SUPPORTED
731
CUSTOMERS
CLAIMING UNIVERSAL CREDIT

INVESTED
£11m
IN PROPERTY UPGRADES

SOURCED TRAINING COURSES FOR
70
CUSTOMERS

ASSISTED
79
CUSTOMERS
GET BACK TO WORK

SECURED
£125k
PARTNERHIP FUNDING
FOR OUR COMMUNITY PROJECTS

REPLACED
658
DOORS

We're a leading social housing provider

In our first year we wanted to create momentum behind an ambitious development programme, one that will see us building at least 1,200 homes a year by 2020.



Mike Shepherd
Director of New Business and Development



Of the 749 new homes we completed last year, 54% were social and affordable rented homes. Another 25% allowed our customers to move in to a shared ownership home. Selling the rest at a market rate helped us generate valuable profit which is reinvested to maintain the pace and flexibility of our development programme.



Control of our future development pipeline is critical to our future success. We acquired 20 sites last year and increased our forward programme by 41%. This direct development allows us to control the type, pace and quality of homes that we are developing and reinforces our position as a major developer of both affordable and mainstream new homes.



Our partners tell us they value the scale, strength and expertise we bring. Together we can influence local and national housing policy for the benefit of our customers. Its particularly heartening to hear how much our customers value the help we give them in creating not just a house but a place to call home.

A photograph of two construction professionals, a man and a woman, at a construction site. Both are wearing white hard hats with a logo and high-visibility yellow safety vests over black jackets. The man, on the left, is pointing towards the background while holding a laptop. The woman, on the right, is looking at the laptop. The background shows a construction site with a large pile of orange soil, metal fencing, and various pieces of machinery under an overcast sky.

Project Manager Bill with Hayley, Project Officer, at Lowsley Farm Liphook where our partnership with Taylor Wimpey is creating 152 new homes, with 62 of those for rent and shared ownership.

Stoneham Park Eastleigh



In October 2017 we started work on 756 homes in Eastleigh. Stoneham Park is a significant development for the area, created in partnership with Eastleigh Borough Council and Highwood Homes.

The site will eventually deliver 1,100 new homes and community facilities (including a school and shops) in an historic parkland setting with great transport links.

The first phases are delivering 265 affordable homes, 345 homes for sale and 146 homes for market rent through our Aspect joint venture with the council. Development work will run until 2023. Our investment in the site is more than £100m.

Chapel Gate Basingstoke

Our joint venture with Barratt David Wilson (BDW) brings 618 much needed homes to Basingstoke. It's a mix of 1, 2, 3 and 4 bed homes - 248 of them affordable rent and shared ownership opportunities.

Our expertise assembled land and obtained planning consent, bringing BDW on board as development partner. The site delivers a new community and renovation of an iconic, locally-listed art-deco building.

The site's already earning recognition, winning a 'Highly Commended' accolade at the First Time Buyer Awards for new developments in the south of England.

Alver Village Rowner



The start of our regeneration of former military housing generated great excitement locally: historically it's been one of the worst housing estates in the south east, in the top 20% deprived areas in England.

With the Renewal Partnership - Gosport Borough Council, Hampshire County Council, Homes and Community Agency and Taylor Wimpey - we're creating a neighbourhood of new community facilities and shops, adding valuable job opportunities for the neighbourhood. Our vision for the area was supported by extensive consultation to ensure the development suits community needs and supports their wellbeing. We've delivered 633 new homes - 189 for rent and 67 for shared ownership. When completed in 2019 nearly half the homes will be at affordable rent and shared ownership.

Charlotte and her daughter Heidi moved into their new two-bedroom home in Winchester last September through our shared ownership scheme.

Shared ownership is an important affordable option for those looking to buy a home. Especially in areas like Winchester where the average house price last year was £467,000 - 12 times average local salary.

Charlotte says:

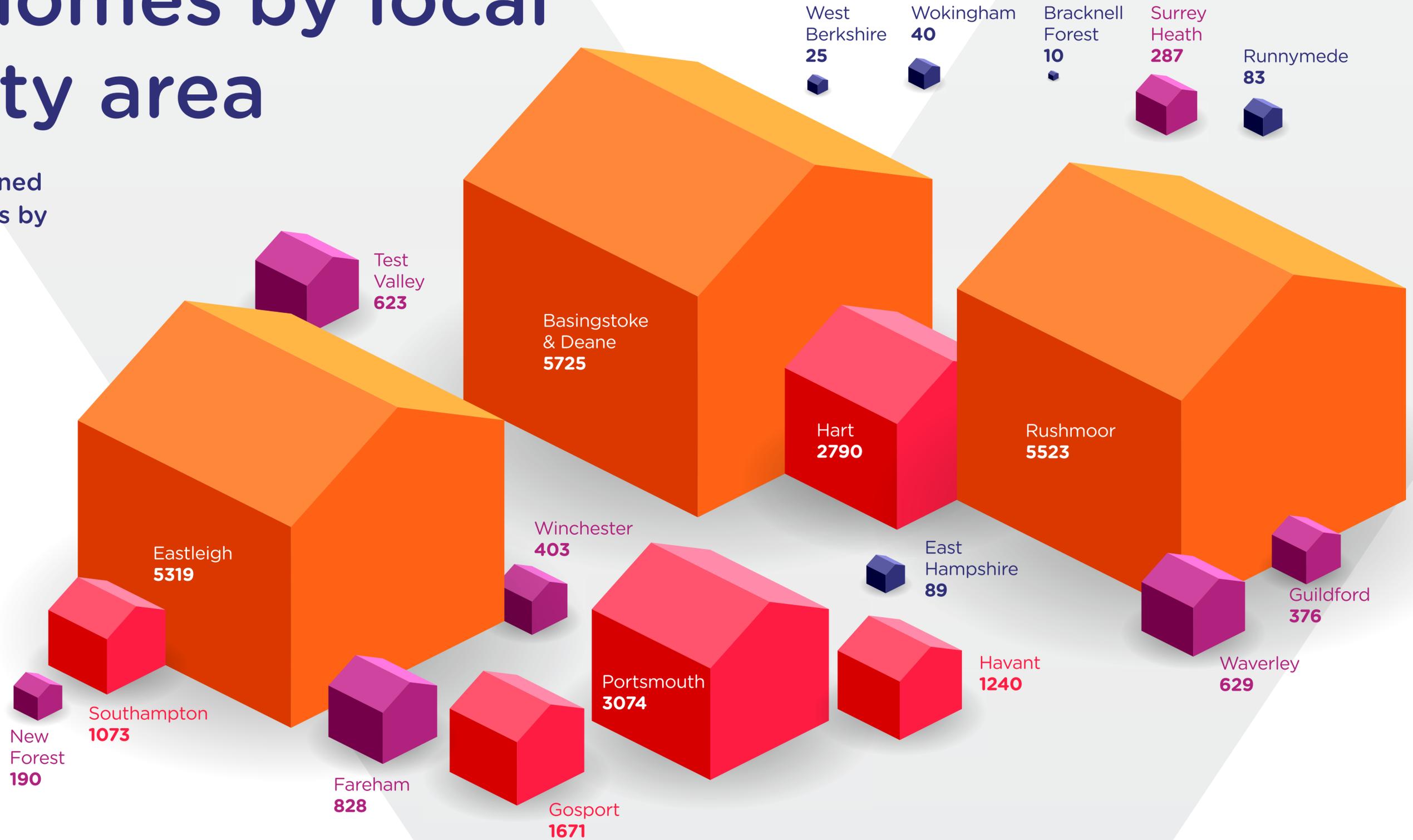


Buying our house has changed everything; it was a fresh start for us just at the right time. And most importantly it's given us a real sense of security.



VIVID homes by local authority area

Numbers represent owned and/or managed homes by local authority area.



Building Bridges: we're supporting better partnerships

We are proud to have partnered with the Chartered Institute of Housing and the Association of Retained Council Housing in 2017 in a new guide to champion the need for closer relationships between local authorities and housing associations.

In support of the guide we're working closely with our partners, be they local authorities, builders, other charitable providers, local health providers and stakeholders to ensure that we can:

- Provide local housing that's affordable and covers a range of tenure types to meet local needs
- Improve the provision of services to the most vulnerable in our society
- Increase both the amount of land that is available for development and the pipeline of new houses being built
- Work with partners on allocations and provision that reduce homelessness
- Demonstrate the beneficial impact that partnerships bring to the local economy

We and our partners have proved that working partnership is making a real impact on the wellbeing of our communities.

We're working with Farnborough Grange Infant School and local residents on a community cohesion project, growing partnerships alongside the vegetables!

[Take a look at our Building Bridges report](#) 



Housing associations have evolved to become much more than just landlords. While we take great care in providing high-quality homes that are safe and well maintained, we also focus on the people who live in them, working with them and our wider partners to ensure we provide what's needed.

It's why Tenancy Enforcement Officer Zoe got behind the PlaceShapers #wecare campaign.



We're a cost effective provider

In our first year we've secured the resources needed to match our ambitions.

We've increased our surplus by £16.6m (34%) making us more resilient in uncertain times. We've done this by removing duplication from our structures and office locations and we're on course to reduce our operating costs by £11.4m by 2020.

Our financial strength makes us attractive to investors and we used this to secure a £150m boost to our funding, safeguarding our development programme through to 2021.



Duncan Brown
Director of Finance
and Technology

Financial results

	2014 £'000	2015 £'000	2016 £'000	2017 £'000	2018 £'000
Turnover	166,124	182,719	197,825	211,117	228,488
Operating surplus	53,083	61,005	71,901	82,639	86,354
Net surplus before tax	22,583	21,018	39,819	49,420	66,699
Housing properties at cost	1,701,908	1,799,406	1,876,278	1,950,358	2,075,569
Long-term loans	831,447	895,856	939,981	955,248	985,456
Net current assets	74,841	74,960	92,240	92,818	85,913
Net assets	284,248	310,222	350,939	393,892	459,548

You can read our financial statements 



Our approach to value for money

To us, value for money means providing a standard of service that meets our purpose as efficiently as possible.

We continually remove waste and increase our financial capacity so that we can invest more in building new homes. We have 3 value for money (VFM) objectives:

- Provide efficient and effective landlord services
- Maximise our contribution to tackling housing need
- Continually improve the return on our assets

We have 19 Value For Money measures that track our progress with each of these objectives. And we compare our performance with our peers through the Vantage Benchmarking Group.

VFM objective 1:

Providing efficient and effective landlord services

Measure	2014	2015	2016	2017	2018	Benchmark Median
Overall customer satisfaction	-	-	-	-	79.6	-
Operating margin	32%	33%	36%	39%	38%	31%
Operating cost per unit	£3,628	£3,733	£3,621	£3,447	£3,466	-
Operating margin (social housing lettings)	37%	38%	41%	44%	45%	35.05%
Social housing cost per unit	£3,030	£3,542	£3,353	£3,006	£2,816	£3,238
Properties managed per FTE staff	24.3	24.1	26.9	31.9	36.5	-
Overheads as % of turnover	-	-	-	7.88%	7.03%	10.32%

VFM objective 2:

Maximising our contribution to tackling housing need

Measure	2014	2015	2016	2017	2018	Benchmark Median
Number of new homes completed	466	1041	695	610	749	418
Reinvestment in homes	6.6%	8.2%	7.6%	7.3%	7.9%	-
New supply delivered (Social Housing)	1.8%	4.0%	2.1%	2.2%	2.2%	-
New supply delivered (Non-social Housing) %	0.0%	0.1%	0.5%	0.1%	0.5%	-

VFM objective 3:

Continually improving the return on our assets

Measure	2014	2015	2016	2017	2018	Benchmark Median
Gearing %	53%	52%	52%	51%	50%	47.73%
EBITDA MRI interest cover	177%	196%	197%	207%	268%	222%
Return on Capital Employed (ROCE)	3.6%	3.7%	4.2%	4.8%	4.8%	4.09%
Occupancy rate	-	-	-	99.72%	99.44%	99.59%
Rent collected	-	-	-	99.33%	98.67%	99.60%
Current Tenant Arrears %	-	-	-	3.3%	3.4%	2.59%
Average Re-Let Days	-	-	-	20.5	27.8	28.3
Void Loss %	-	-	-	0.59%	0.57%	0.95%

Using surplus to make more homes more affordable

We're aiming to increase the number of new homes we build to 1,200 a year by 2020 as our financial strength improves.

Building homes for social rent is a vital part of meeting housing needs. We're using surplus to make our new homes as affordable as possible.

We can develop more than our peers because we generate more of the funding ourselves, managing the mix of our programme to generate a profit from sales which subsidises our affordable rented housing. At the same time taking care not to over-expose ourselves to the housing market.

Funding for our developments (£m's)	2013	2014	2015	2016	2017	2018
Grant funded	18.3	10.2	22.5	9.1	8.1	6.7
Debt funded	53.4	56.7	58.6	56.8	26.7	83.3
Self-funded	26.6	47.3	55.2	56.0	99.0	137.5
Total	98.3	114.2	136.3	121.9	133.8	227.5



We're building a modern vibrant working culture

We want to be a high performing business where people want to work – an employer of choice – and our culture is underpinned by strong values: delivering a great customer experience, encouraging challenge and change and working as one team.



Duncan Short
Director of Resources



In our first year we've worked hard to create our vibrant culture and a bright, modern environment where people can feel proud to work. We've reviewed staffing structures and ways of working to create more flexibility in how we can deliver a better experience for customers. Our first staff annual engagement survey resulted in a 73% positive score.



We've produced fun ways to embed our values:

- We work as one team
- We deliver a great customer experience
- We encourage challenge and change

Of course we celebrate success, recognising people who deliver above and beyond expectations with monthly awards. We want a supportive culture that reflects our customer wellbeing vision so we have added employee financial and mental health wellbeing offers.



Our staff are keen to get more involved in the community beyond our customers. In the last year they chose to fundraise for the Yellow Brick Road Project – a charity working with young people to prevent homelessness, very fitting for us. Last year we raised more than £11,000.

We work as one team



Michael with other members of our Business Intelligence team.

We deliver a great customer experience



Kerry, Toni, Chris & Emma gave up their evening to take care of our customers' wellbeing when a major leak at one of our sheltered homes cut off supply to 50 residents.

We encourage challenge and change



Tom, Trish, Penny and Nick are four of our mobile working ambassadors helping colleagues cope with the transition to more mobile working.

How we're managed

Our board sets our strategy and monitors our performance. It is independent, impartial and they bring all their experience from a wide range of backgrounds to make us better.

The executive team is responsible for the day-to-day running of the business.

We also work closely with our VIVID Impact group of customers (pictured here with members of our executive and tenancy teams) who provide important feedback, challenge and scrutiny of our services. During 2018 VIVID Impact reviewed our responsive repairs service and helped us make improvements, including customer satisfaction and value for money as well as scrutinising performance and customer satisfaction.

At least twice a year they conduct a service review, where they look at a specific service to identify where improvements can be made. In the last year they completed a review of our responsive repairs service. They also hold our Board to account on the services we deliver and provide feedback to customers. Made up entirely of our customers, they meet regularly to look at and positively challenge our performance.

Pictured are Kathy Hine, Sandi Naylor, Iris Bettlesworth, Ian Hatch (front row) and Leanne Leake (third from left) with members of the executive and tenancy teams.



Board team

Our Board is responsible for the management of the business and ensuring we're set up to achieve what we aim to – 'More homes, bright futures'.



The Board is
Jean-Marc Vandevivere,
Mark Perry, Duncan Brown,
David French, Jane Tabor,
Mike Kirk (Chair), Philip Raw,
Juliet Annesley-Gamester,
Michael Stancombe, and Jane Earl.

Find out more about who they all are and what they bring 

Executive team



Mark Perry
Chief Executive



Duncan Short
Director of Resources



Julian Chun
Director of Strategic Services



Mike Shepherd Director of New Business & Development



Mark Batchelor
Commercial Director



Duncan Brown
Director of Finance & Technology



Stay in touch

