

Helping people in
housing need for
125 YEARS



STRATEGIC PLAN 2026-30

STATEMENT FROM CEO & CHAIR

For 125 years Southern Housing has been committed to helping people in housing need by providing safe, high-quality homes. As a charitable Housing Association we do not pay dividends to shareholders. This means every penny we receive is spent on running our business, is reinvested into services for our residents, pays for repairs and home improvements, and supports developing new homes so we can help more people in future.

While preparing this strategy we heard from over 5,000 residents and hundreds of colleagues. We are incredibly grateful to everyone who shared their thoughts. The insights from residents and colleagues have been instrumental in the drafting of this document and the shaping of the strategy.

Our new strategic plan will see us adopt three important goals:

1 Improve our repairs service by 2027

2 Get top marks against the Regulator's consumer standards by 2028, showing improved services to residents

3 Restore our financial health by 2029, so all investment into our homes and services can be covered by our income on an annual basis

Residents, colleagues and our Board are united in wanting improved services, safer homes, and good value for money. Once we've delivered against these goals, our ambition is to re-start our development programme, providing more much needed homes.

And as always, we'll continue to use our size to influence positive change, working with other housing providers and government to help people in housing need.

We are both committed to ensuring that Southern Housing delivers high quality home and services to our 167,000 residents, now and long into the future.

Trudi Elliott
Chair of the Board
Southern Housing



Paul Hackett
Chief Executive
Southern Housing

125 YEARS OF HELPING PEOPLE IN HOUSING NEED

Our cover image showcases our latest award-winning development in Palliser Road, West Kensington, a redevelopment of the former Ada Lewis House, built in the 1920s to help women who needed support.

The development offers 36 much-needed affordable homes including nine homes for families and a mix of one and two-bedroom flats offered through Shared Ownership or London Affordable Rent.

Alongside this is our oldest development Liverpool Road, Islington, the 1910 Samuel Lewis Housing Trust homes.

WELCOME

SOUTHERN HOUSING EXISTS TO HELP PEOPLE IN HOUSING NEED.

We do this by providing well maintained and safe homes for people nominated to us by their Local Authorities as being most in need. The rents we charge for these homes are on average just 41% of private market sector rents - saving our residents over £600m in rent each year - and unlike the private sector we also offer these homes on lifetime tenancies, so residents are able to feel secure in their homes and put down roots.

Other ways in which we help people in housing need include providing reduced rent accommodation to NHS staff, running care homes, and by helping people into home ownership through the 'shared ownership' product where we and shared owners both own a share of a home.

We are a charitable Housing Association, which means every penny we receive is reinvested in services for our residents, such as repairs, upgrades to homes and other frontline services. We have no shareholders but are controlled by an independent Board whose role is to ensure we focus on our residents, make sure the homes we provide are well maintained and safe, and guarantee our long-term future through good stewardship of our assets. Our work is overseen by the Regulator of Social Housing, which has a mandate from Parliament to ensure we are financially viable, efficient, well governed and provide good value for money.

Residents play a major role in ensuring we stay true to our purpose and deliver for residents as best we can within the constraints we face. Four out of the twelve members of our Board are residents and involved in every major decision we take. Our resident panels have a mandate to investigate areas of our business where they feel improvements may be needed. A network of special-focus and regional resident groups hold our local operations to account.

In total over 100 residents are involved in our formal governance structures. Additionally, whenever we are looking to improve our services, we always draw on resident feedback, experience and input to make sure we really deliver what residents need.

Ultimately, our vision is to create communities where everyone has a safe home in a place they are proud to live. This strategy has been designed to deliver just that.

RESIDENT & COLLEAGUE ENGAGEMENT

We undertook extensive consultation with colleagues and residents:

5,000
RESPONSES
TO RESIDENT
SURVEY

200
COLLEAGUES
ATTENDED
WORKSHOPS

9
DROP-IN
AND DOOR
KNOCK SESSIONS
ACROSS OUR
REGIONS

160
RESPONSES
TO COLLEAGUE
SURVEY

5
INVOLVED
RESIDENT
WORKSHOPS

16
DROP-IN
SESSIONS WITH
COLLEAGUES
ACROSS OUR
OFFICES



I'd like to say a personal thanks to the 5,000 residents who gave their input and who kindly told us about their priorities for the organisation. Following this incredible response, the plan was co-created with staff and residents during in person workshops. It's genuinely been a joint piece of work, which puts residents and their voice at the heart of our improvement journey.

I'll continue working hard on behalf of my fellow residents to ensure the organisation delivers on this plan. The priorities residents have shared; a safe home, reliable repairs and services delivered with respect must be central to the future of Southern Housing.



BILLY BROWN
Board Member

THE JOURNEY SO FAR

Our story starts in 1901. Businessman Samuel Lewis died and left money in his will to establish a charitable Housing Association to provide low-rent homes for people in housing need. By 1910, after his wife Ada's stewardship of Samuel Lewis' wishes, the first estate comprising 151 flats was completed at Liverpool Road, Islington. It was noted at the time that the flats were "built to such a high standard that a [resident] could have a flat equal in many respects... to some of the best in the west end'.

We can only imagine how hard life was in the 1910s. But Samuel Lewis' fundamental insight rings true today. Rents in the private sector are still often too high, and the quality on offer is not good enough. Yet all evidence confirms that good quality housing is so important to wellbeing, and a huge driver of overall life satisfaction. So although we've grown since those early days – we now have 80,000 homes – our core social purpose remains the same.

Over the last 125 years we have had to change and adapt in the face of emerging challenges. A key challenge for us at the moment is to ensure our older homes are accessible, energy efficient, and meet current building safety standards. While the flats on Liverpool Road were fantastically modern in 1910, they have needed upkeep and refurbishment over the years. Investment in our homes is a key commitment for us as a business: a safe home is a non-negotiable for our residents.

Samuel and Ada Lewis were our first founders, but not our only founders. Southern Housing is the coming together of many different charitable Housing Associations, all with the common cause of providing affordable homes. In 1945 Joan Bartlett founded Hearth and Home to help older people bombed out of their homes in the Blitz. In the 1960s the quality of homes offered by private landlords was often so bad it inspired community groups – like the Catholic Housing Aid Society in Croydon – to set up small charitable Housing Associations. In the 1990s and early 2000s we took on former council housing which was often in poor condition and needed significant investment.

This strategy has been designed to ensure that we can continue this legacy and provide homes for those in housing need, now and long into the future.

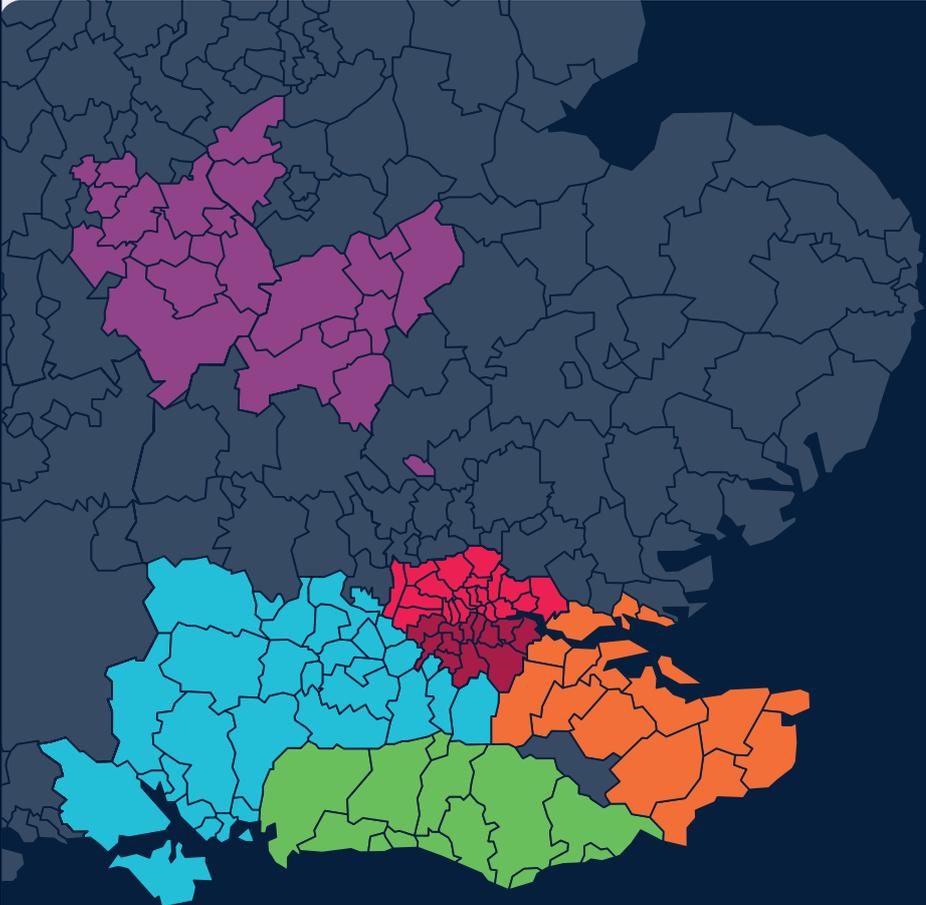
OUR RESIDENTS

We want to make sure we continue to focus on the things which matter to our residents and we want our residents to have the opportunity to influence decision making and to hold us to account. We call this process 'co-creation'.

Co-creation works on a number of different levels across the organisation:

- ⊕ Four out of the twelve members of our Board are residents and involved in every major decision we take
- ⊕ Our independent resident scrutiny panel have a mandate to investigate areas of our business where they feel improvements may be needed
- ⊕ A network of special-focus and regional resident groups hold our local operations to account. In total over 100 residents are involved in our formal governance structures.

OUR HOMES AND RESIDENTS IN 2025



REGION BREAKDOWN



TENURE BREAKDOWN



General Needs	65%
Low cost home ownership	12%
Supported, Care & Housing for Older People	9%
Leasehold	8%
Key workers	2%
Non Social Housing	2%
Temporary & Intermediate	2%

PROPERTY AGE BREAKDOWN



Pre-1919	1919-1964	1965-2000	2001-2024
11%	16%	40%	33%

THE NEXT STAGE OF OUR JOURNEY

WHERE WE'RE HEADED

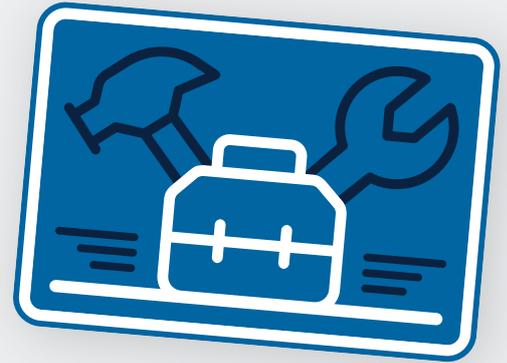
Our 2026-30 strategic plan builds on the legacy of our founders: we want to continue providing homes for those in housing need now and long into the future, while recognising the new demands on us from the government following recent legislation and regulation. Given the broad economic pressures impacting the sector this strategy reflects our continuing need to build financial resilience and capacity for investment into new social housing. And, crucially, it responds to resident feedback that asks us to improve our services, especially our repairs services.

OUR THREE STRATEGIC OBJECTIVES



RELIABLE REPAIRS

BY 2027



DESTINATION

To deliver a repairs service that is highly rated by our residents and efficiently delivered by Southern Housing and our contractors. Our repairs process will be smoother and more responsive to residents' needs, with more repairs right first time.

DEFINITION

Repairs to residents homes, communal areas and estates. As well as planned improvement works to the home, retrofit works, compliance activities and building safety works.

WHY FOCUS ON REPAIRS?

We know our repairs service has not been up to standard, and we've let some of our residents down in recent years with unclear scheduling and repeat calls, inconsistent diagnosis and missed appointments. We know our residents deserve better. In our resident consultations to feed into this strategy, the repairs service came up as the single biggest area residents asked us to improve. By comprehensively improving our repairs service we will be able to make significant positive impact on resident satisfaction, driving down complaints, and also reducing costs.

By 2027, we will have progressed our repairs transformation programme to see improvements in these key areas and will have laid the foundations for further improvements to come. Improvements will be well scoped, and informed by reliable data and resident co-creation.

Beyond day-to-day repairs, keeping residents safe, secure, and warm in their homes is one of our core commitments. We have detailed plans outlined in our asset management and environmental sustainability strategies which will be refreshed in line with this strategy, outlining targets up to 2030.

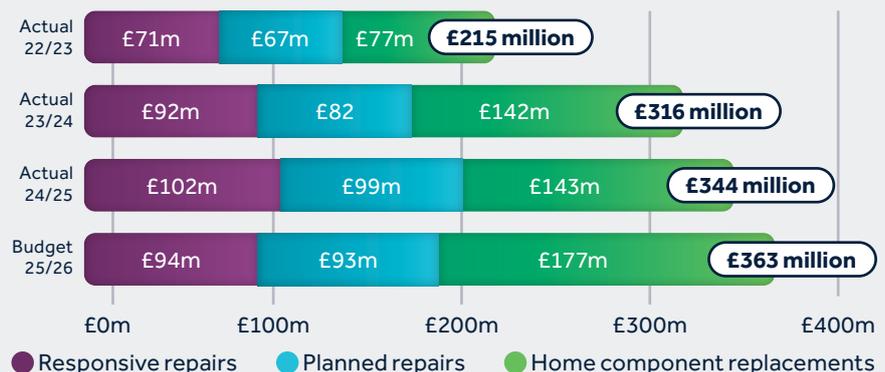
We will also adhere to new legislation including Awaab's Law, and the new electrical safety standard. We are also preparing for the implementation of the updated Decent Homes Standard, and the Minimum Energy Efficiency Standards (MEES).

Regulatory changes in recent years, together with increased demand for repairs, has driven up our repair and maintenance costs over the last three years. This is shown in the chart below which includes day to day responsive repairs in purple, planned repairs in blue, and home component replacements (such as kitchens, bathrooms, windows and roofs) in green.

REPAIRS & MAINTENANCE SPEND

Repairs and maintenance spend has increased from 55% of total expenditure in 2022/23 to an expected 66% in 2025/26.

Given how important repairs and maintenance are to our residents, and that it represents a significant part of our financial spending, it's critical that our services are efficient and effective.



WHAT WILL WE DO?

We're looking to improve every aspect of our repairs service, from how easy it is to report a repair, to the quality of works delivered, and the speed with which we communicate. We're aligning systems, streamlining our processes, improving our scheduling and diagnostics, and upskilling our colleagues to deliver faster and more reliable repairs, all while ensuring compliance with Awaab's Law.

Residents have told us they want a faster and better communicated repairs service. We'll work with residents to understand what that means in practice by inviting residents to co-create the new repairs service with us. This will ensure that changes deliver what residents want in the way that they want it – whether that's how to report a repair, the methods we use to communicate, or the systems we use to manage repair jobs. We'll use resident insight to make the right decisions.

We're also delivering our Compliance Improvement Plan, continuing our Building Safety Transformation Programme, and rolling out our Heat Network Regulation Change Programme. We're continuing to ensure every home has the opportunity for an internal condition survey at least every five years. We will also be delivering a new supply chain model to achieve greater value for money, and improving asset data quality to make better evidence informed decisions about our assets.



In our resident survey we asked how we could improve our repairs service, the key themes that residents told us were: improving repairs delivery and follow up (44%), timing and speed (31%), and communication (22%).



HOW WILL WE KNOW WE'VE REACHED OUR RELIABLE REPAIRS GOAL?

We will be looking at the following areas to measure our success against this goal:

- ✓ Resident satisfaction with repairs service
- ✓ More repairs are 'right first time'
- ✓ Fewer calls from residents chasing repairs to be completed
- ✓ More repairs delivered to time
- ✓ Fewer misdiagnosed repairs
- ✓ Fewer complaints about the repairs service
- ✓ Fewer repairs outstanding.

In addition we'll ensure we meet all building safety and repairs regulations and that our homes meet the statutory Decent Homes Standard.

There will be occasions where we pick up issues of safety and compliance which need resolution, and when this happens we'll resolve in good time.

PROFESSIONAL SERVICES

BY 2028



DESTINATION

To provide smooth, professional and responsive services to residents, from initial letting through service charges, tenancy matters, rents, estate management, and wider communication. Our services will be easier for residents to navigate. Residents will be able to access information about their properties, and our improved communication will ensure residents are kept up to date and fully informed.

WHY FOCUS ON SERVICES?

This strategy has already touched on some of the expectations of us as an organisation – requirements from our regulator, upcoming legislation, government targets – but ultimately our residents' expectations are the ones that matter most. We want our residents to feel happy in their homes and content with the services we provide.

Residents have told us they don't want us to be like any other faceless corporation. They want us to understand them, their home, their neighbourhood, and the problems they face. In our survey, 32% of residents said they wanted us to improve our communication, and 25% wanted more support in resolving issues. Residents want us to take ownership of problems, come up with a solution, and then share that plan with them. This is the service residents expect.

SOUTHERN SERVICE

Southern Housing today brings together the charitable mission of Samuel and Ada Lewis, the community spirit of our 1960s founders, and the scale and responsibility of a large housing provider.

We exist to serve our residents, and this is the heart of our Southern Service Programme. The programme gives colleagues the tools, language and behaviours to deliver excellent service to our residents and to each other.

Our Southern Service commitments are:



Positive First Response

Starting conversations or responding with what we can do first, constructively and empathetically, to engage for a positive outcome.



One Team

Working collaboratively on shared goals as one aligned team, without silos.



Solution Focused

Shifting mindsets from problems to solutions, outcomes, and next steps.



Ownership & Responsibility

Taking personal ownership and accountability for actions and outcomes, providing 'time speak' and progress updates.

The programme is supported by our HEART Values and our Customer Promise.

WHAT WILL WE DO?

There are some key areas of focus for us as we look to improve our services: better cross-team working, clarifying responsibilities, improving communication, reviewing policies and processes, and delivering more specialist training to colleagues. We will also be looking at improving how we use our systems, particularly those which directly support our communication with residents, and the quality of our data.

We'll put one colleague – a Local Link – in charge of coordinating services for every building or estate, ensuring clear accountability for services to residents and colleagues. This will give us a more local lens on resident needs, ensuring key decisions are made in line with local priorities. Our new approach will enable greater collaboration with various local agencies, including local authority partners and statutory and voluntary agencies.

Residents are clear that we need to improve how we communicate. We need to be more timely, and make more information available. In doing so we'll make the interactions we have with residents much smoother. We will work to deliver an organisation-wide multichannel communication approach that provides fast, clear, consistent, and proactive communication to our residents across all our services.

We receive lots of queries from residents about service charges. Our ambition is to make things clearer, resulting in less concern for residents and fewer queries. We will deliver a Service Charge Improvement Programme which will focus on providing more accurate estimates and actuals, as well as more effective section 20 consultation and dispute resolution processes. Our Freeholder Landlord Improvement Programme will deliver better oversight of our third party managing agents.



We'll put one colleague – a Local Link – in charge of coordinating services for every building or estate, ensuring clear accountability for services to residents and colleagues.

REGULATORY VALIDATION

A further source of external validation of our efforts in this area will be from our regulator, the Regulator of Social Housing.

We are expecting their next Regulatory Inspection of us to be in 2028, and at that point our aim is to achieve their

highest ('C1') rating for meeting their consumer standards. We're currently at the 'C2' level which recognises we are broadly meeting the consumer standards but have some identified weaknesses that need improvement.



HOW WILL WE KNOW WE'VE REACHED OUR PROFESSIONAL SERVICES GOAL?

We will be looking at the following areas to measure our success against this goal:

- ✔ Resident satisfaction with our overall service
- ✔ Fewer complaints
- ✔ Resident queries responded to in time
- ✔ Resident satisfaction with how we listen to their views and act upon them
- ✔ Resident satisfaction with our management of anti-social behaviour
- ✔ Resident satisfaction that we keep them informed about the things that matter to them
- ✔ Colleague satisfaction overall
- ✔ Colleagues report feeling valued.

EFFICIENT BUSINESS



BY 2029



DESTINATION

To be an efficient and high-performing organisation which is resilient, confidently able to deliver for residents, and which builds capacity for investment into new social homes to help more people in the future.

WHY FOCUS ON EFFICIENCIES?

Our residents, colleagues, and housing regulator all expect us to deliver good value for money. Our efficiency programme is not designed to enrich shareholders but to reinvest in our homes and our business. The regulator states that Housing Associations must “ensure that optimal benefit is derived from resources and assets and optimise economy, efficiency and effectiveness in the delivery of their strategic objectives”.

We’ve seen dramatic cost increases in recent years, especially on repairs and interest rates, and we’ve had a huge amount of new legislation and regulation which has made our operations much more complex to deliver. Unlike a private landlord we are unable to put rents up to cover these costs – the rate at which our rents increase each year is controlled by government.

So our finances have been squeezed. The diagram below shows our income and costs for the year 2024/25. It breaks down income between five major strands and our costs into seven major strands. Overall our costs were £75.7m more than our income, and we funded this gap through selling assets and borrowing. This isn’t a long-term sustainable position and our strategic objective is to close the gap sustainably.

EBITDA MRI



HOW WE MAKE OUR MONEY AND WHAT WE SPEND IT ON

Our EBITDA MRI (Earnings Before Interest, Tax, Depreciation, and Amortisation, Major Repairs Included, excludes Sales) Interest Cover is a measure of our investment capacity. When this ratio goes over 100% it will mean we are making money that we can reinvest into new social housing.

WHAT WILL WE DO?

A less complex business will be more cost effective to manage, and through strategic focus we'll be able to prioritise spend where it's needed. We've already made difficult decisions to exit from market rent activities and most of our student accommodation activity too. We'll deliver on these disposal programmes as well as continuing to challenge everything we do to streamline and focus on our social housing mission.

Over this strategic plan period we'll improve our cost-income gap by £30m through efficiency measures, including improvements to delivery of our repairs and services described in previous sections. In making things smoother for residents we'll also make things easier for colleagues.

We anticipate the rest of the cost/income gap will close naturally as new developments are complete and let, and as our debt balances are not expected to rise further and our interest bill starts to reduce.

Part of our efficiencies ambition will be achieved through our Work Smarter Transformation Programme which will increase productivity in administrative activities, simplify how we do things, and support specialisation to grip key costs. We're looking to invest in new technological solutions – including artificial intelligence (AI) and automation – to drive change. Other areas of focus include reviewing systems, processes, and our organisational structures.

Our Southern Data Core Programme is revolutionising how we draw data together from disparate sources, and our vision is to enable an all-round view of each home, estate and resident – available to both residents and colleagues. This will not only reduce friction in our internal processes but support the good communications residents have told us we are not yet delivering.

Like any organisation of our age we started on paper and over the last thirty years we moved everything to digital. Our new challenge is to ensure accuracy of all our digital material as we're (rightly) held to higher standards because the technology is there to enable them.

Cyber security continues to be a concern for our Board and is frequently raised by residents who recognise that we must hold personal and sensitive data but need to trust that we are responsible with it. We'll continue to invest in our cyber defences and organisational resilience.

Finally, we believe our workplace culture is paramount for delivering and sustaining cost efficiencies, and we will focus on developing a culture of 'cost consciousness' throughout the organisation.



HOW WILL WE KNOW WE'VE REACHED OUR EFFICIENT BUSINESS GOAL?

We will be looking at the following areas to measure our success against this goal:

- ✓ £30m efficiency target delivered by 2029
- ✓ Social housing cost per unit
- ✓ EBITDA-MRI (excluding sales) cash interest cover
- ✓ Proportion of income from social housing activities
- ✓ Operating margin
- ✓ Closing the cost/income gap
- ✓ Development programme handovers
- ✓ Sales and disposals programme.

A WORD ON DEBT

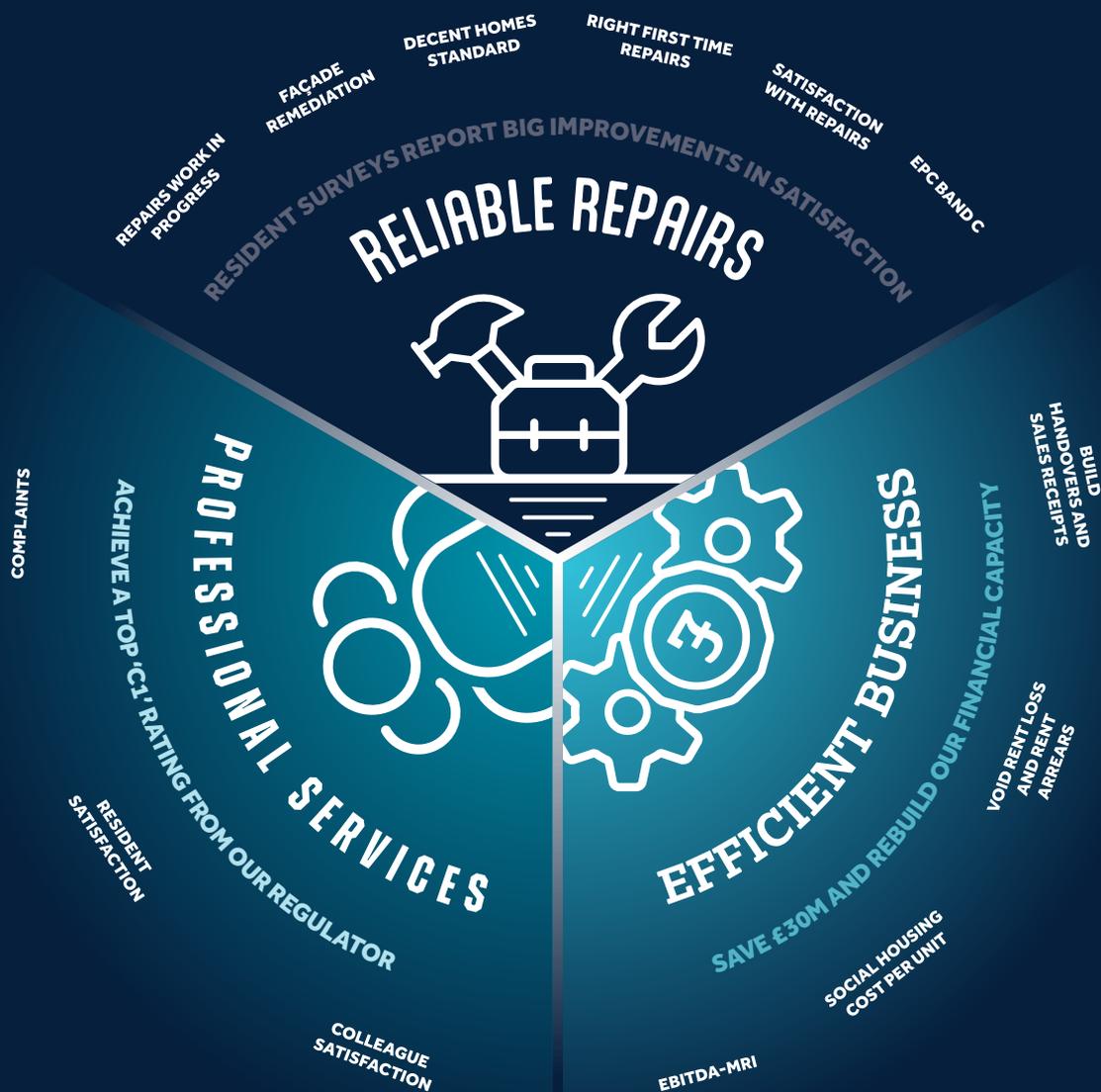
To accelerate investment into new social housing homes we borrow money now and pay back over many years from our earnings. But, with support from government for social housing investment at its current rate, the investment return for social and affordable rented housing is lower than the cost of borrowing. In addition, our priority over the next four years is ensuring our existing homes are well maintained.

Our ability to raise additional debt to build more homes is therefore constrained. However, we have ambitious efficiency plans between now and 2030 that will strengthen our finances and enable us to build more social and affordable housing over the longer term. In the meantime, we will build out our committed development programme and commence a major estate regeneration in Hastings.

TRACKING OUR PERFORMANCE

To continue supporting people in housing need we'll be focussing on three areas through this strategic plan period to 2030: reliable repairs, professional services, and efficient business.

The diagram below summarises how we'll hold ourselves to account for delivery. We'll report to residents on how we're doing annually. Residents involved in our governance, or who are contributing time and expertise to co-creating our new services, will receive more frequent updates. At all stages our commitment is to have complete transparency on progress toward our 2030 vision.



The Strategic Plan 2030 shows Southern are on the right trajectory. As residents, let's hold Southern to account to ensure they deliver on their promise.

RESIDENT GOVERNANCE MEMBER

CREATING COMMUNITIES **TOGETHER**

ACCESSIBILITY AND ALTERNATIVE FORMATS

We're committed to ensuring our services are accessible to all residents and service users. Our goal is to create an inclusive environment where everyone can engage with us in a way that suits their needs.

We're happy to provide the information in this document in an alternative format to ensure you have the best possible experience. We've an accessibility and language translation tool on every page of our website that you can use alongside this report. The tool can be accessed by selecting the orange ReachDeck button located in the bottom right corner of your screen when on the relevant website page.

ReachDeck allows users to:

- ✓ Increase text size
- ✓ Change colour schemes
- ✓ Translate content into multiple languages
- ✓ Convert text into audio.

If there's a way we can adjust our services to better support you, we encourage you to let us know.

