



Lambeth
& Southwark
Housing Association

Planning for the Future

ANNUAL REVIEW 2020-2021



chair's report

contents

chair's report 2-3

chief executive's report 4

towards zero carbon 5

development update 6-7

value for money 8

money matters 10

key performance indicators 11

customer survey results 12-13

an interview with maud 14

board members, staff team and partners 14-15

It was with great pleasure that I took on the role of Chair at LSHA in March this year, having been a Board member since 2016.

I would like to thank my predecessor, Howard Webber, for fulfilling the role of Chair extremely well for six years and steering the organisation on a clear path through some challenging times. I am pleased to say that Howard remains on the Board so we still benefit from his insight and experience.

In the Annual Report last year, we focused on the challenges faced through the pandemic, and how LSHA had responded. Little did we know that the pandemic would remain such a prevalent part of our lives during 2020/21. Mark and the team have continued to adapt to the pandemic and it has indeed accelerated some changes to the organisation such as digitising our files and enabling staff to work more flexibly whilst still delivering a high standard of service to residents.

A further challenge that we have faced this year is the issue of cladding on one of our blocks in Southwark. This is not a block that LSHA owns outright – we acquired 13 affordable homes from Optivo Housing Association under a long lease in 2012.

Unfortunately, the block was deemed to not be compliant with the latest fire safety regulations and the cladding needs to be replaced. LSHA has worked in partnership with Optivo to resolve the issue and we thank their team, including Chief Executive Paul Hackett, for their continued support.



Works have now started to replace the building materials and are due for completion by March 2022. Whilst we are pleased to say that progress is being made, the process has put financial strain on LSHA as well as causing significant emotional stress for both our staff and residents.

Optivo applied for grant funding from the Government's building safety fund. After initially confirming that LSHA's leases would be covered, the Department for Levelling Up, Housing and Communities (DLUHC) subsequently rejected LSHA's element of the application on the grounds that the homes are for social housing tenants. LSHA is in the process of appealing this decision and, at the time of writing, we are awaiting an outcome from DLUHC.

In the meantime, we have restructured our financial arrangements, including repayment of a Dexia loan, to enable the works to be funded and enabling LSHA to continue to pursue our other priorities for our residents. I would like to thank all the team for their hard work in managing this difficult issue.

On a more positive note, works are continuing to deliver 30 new homes at the airspace development above Anthony & Roderick House in Bermondsey. We are working with the developer, Apex, and contractor, Adston, to keep to a minimum the impact of supply chain challenges in the construction sector and hope to see the new homes ready for occupation in Summer 2022.

Finally, I would like to thank both the Executive and Board members at LSHA for enabling the organisation to maintain good governance and responding flexibly and positively to some challenging periods during the year.

We have welcomed three new Board members to LSHA – Rachel Askew, Veronica Lindsay and Nicholas Arthur – who bring further breadth of knowledge and experience on the Board. After nearly twelve months of Zoom and Teams calls, we have at last, now met in person!



Delia Beddis
LSHA Chair

chief executive's report well what a year it's been!

If there is a sense of Groundhog Day around this opening statement it would be correct. These were my opening words to last year's report. The COVID-19 pandemic has had a massive impact on the lives of our residents and staff. Many of us have been personally affected by the pandemic and all of us have been impacted professionally.

The title to this year's report '*Planning for the Future*' is partly a reflection on the fact we hope we may be seeing a gradual end to the pandemic (though as I write this the new Omicron variety has just been identified); it also reflects the theme of this year's report which is around planning for zero carbon by 2050. The need for all us to play our role in making the planet more sustainable for those who follow has reached a tipping point. We all have to play a role, no matter how large or small we are as an organisation.

At our November 2021 Board meeting we began a discussion on the challenges, not least financial we will face in delivering on this objective. In 2022 we will be undertaking a major survey of all our properties and the costs required to bring them all to the required standard.

Despite the challenges faced by different lock downs and changing tiers (remember those?) we have sought to maintain our services at the highest levels possible.

We were pleased to receive a very positive report on our service delivery through the pandemic by our business continuity advisers.

The Chair's Report alludes to the difficult challenges we have faced as a result of the cladding crisis at Steedman Street, the impact of which we have successfully navigated. Despite all this behind the scenes our team have still been able to deliver a number of service improving initiatives:

- Recruited two new roles: full-time surveyor and team/maintenance administrator;
- Worked with our tenants group to agree a new set of service standards and a new contractor code of conduct;
- Implementation of a paperless invoicing system and digitising all tenancy files;
- Starting on site with a fixed price commissioning of thirty new, affordable airspace homes at Antony and Roderick House.

And finally, despite operating during arguably the most challenging of times for LSHA since WW2 we also relocated to a new, level access office able to support an increasing staffing level and host Board meetings.

new offices: inside and out



Mark Jackson Chief Executive

towards zero carbon

As a city and a community the last few years have presented us with some serious challenges, Brexit and the pandemic being the two most serious on the economy as a whole. Neither of which will compare to the impact that climate change will have on the economy and our way of life.

At LSHA the Board are committed to ensuring that all our housing stock will achieve a minimum EPC level 'C' by 2030 and net zero carbon by 2050.

This is not a challenge that we can afford to ignore. Changing weather patterns are already affecting our property. Storms and rain which happened every few years are typically happening with far more regularity.

A very real example of damage was experienced by a number of resident at Antony and Roderick House (where two additional storeys are being installed) who's flats were damaged by water penetration following two very severe flooding events. We now regularly increase the size of hopper heads when undertaking cyclical and programmed works.

We are very much at the beginning of this journey and our immediate priority is to establish what the costs are likely to be to LSHA to

achieve these two milestones. In 2022 we will be undertaking a stock condition survey which, for the first time, will look at energy conservation and costs in some detail.

Unlike developing new homes, delivery of zero carbon will not generate income. Although LSHA are in sound financial health we will not be in a position to meet all the costs without external funding. As a landlord we are custodians of property with a range of architectural styles. A number of our homes are located within conservation zones. This has planning permission implications. For example, we are currently unable to replace existing windows with energy efficient replacements.

We are looking to work with other small associations to achieve economies of scale and value for money in procurement processes.

As part of this discussion we may need to review our disposals policy. We need to consider whether we can afford to invest the necessary costs to get some of our more valuable assets up to the required standard or do we dispose of them and use the receipts to cross subsidise costs of improving other homes?

In addition to making delivery of zero carbon a theme of the November 2021 Board away day, Mark Jackson, Chief Executive, has represented LSHA and the G320 on the London Borough Southwark's Environmental Scrutiny Commission which monitors the performance of services provided by the Council and other agencies in matters regarding the environment and climate change.



development update

Antony & Roderick House

The last year has seen all our attention focused on the delivery of thirty new, modular homes at Antony and Roderick House. After many false starts we finally went on site in December 2020.

The original handover date was due to be February 2022. Unfortunately a combination of factors including the effects of the pandemic and Brexit have resulted in delays to the development which mean we will not be able to let the new homes to until June 2022.

We appreciate the severe inconvenience that the extended contract length will inevitably cause residents. In addition to having a full-time tenant liaison officer available for residents and weekly newsletters we met residents in November, along with the developer, Apex, to explain the reasons behind the delays and to hear any tenant concerns.



artist's impressions





modular flats
under construction
at the factory in Northern Ireland

mural

Urban Eye, a London UK based charity who work with local communities to develop imaginative design solutions, creative architectural lighting and public art, have been working with local residents at Antony and Roderick House to design a mural that will help create new identity for the new development.

The most popular design proposal will be fitted to the front of the building towards the end of the contract.



ceramic mural design
using warm colours and flowing design,
toned to the building

value for money strategic approach

A key objective of LSHA's Business Plan is to deliver affordable quality in homes and services. Through Value for Money (VFM) LSHA aims to ensure:

- that resources are available to achieve the Association's Business Plan objectives and key priorities;
- a balance between cost, quality and performance;
- a good level of customer satisfaction.

It is generally accepted that VFM is about:

- doing the right things (*what customers want and what the business needs*);
- doing things right first time;
- at the right price (*not necessarily the cheapest*);
- and in the right way (*the most streamlined way that meets requirements*).

Maximising the value for money derived from scarce resources is always important for any housing association; never more so than at the present time of severe financial restraint and hardship as a result of the COVID-19 pandemic.

As a small housing association with limited levels of activity we are constrained in the ways in which we can easily make savings without impacting the quality of our service. Over 2020/21 LSHA has been severely adversely impacted by the need to accrue for recladding costs on a block where we own 13 flats. As LSHA are not the buildings owner we have been limited in our ability to influence the process through which the recladding works are undertaken.

The impact on our finances has been significant but through sound treasury management and with the support of Optivo housing, the building's freeholder, the understanding of our main lender, Santander and our accountants we have successfully mitigated the cost impact.



areas for investment

Development, community investment and staffing have continued to receive particular attention by the Board during the year, with a focus on making the best use of resources to enable further investment, particularly in developing new homes.

We also operate in an environment where staff are encouraged to take ownership of opportunities that could be used to achieve VFM and for business improvement.

There is no doubt that the impact of the COVID-19 pandemic has continued to have very significant consequences on the way we have been able to deliver services throughout the year. We have been very mindful of the mental health impact that events have had on both residents and staff.

We were pleased and grateful to receive a very positive assessment of LSHA's response to the pandemic by our business continuity support advisors:

"Lambeth and Southwark Housing Association have made an excellent recovery after four major business interruptions in the last 12 months, the pandemic itself, the Chief Executive having COVID, financial issues regarding flammable panels, and an office move (though planned)."

Executive Summary. COVID Incident (Interim) Review Report, Commercial Initiatives, February 2021

During 2021 the Board agreed its commitment to achieve a minimum of EPC level C by 2030 and zero carbon by 2050. A comprehensive stock condition survey to be undertaken in 2022 will be used to inform LSHA's business plan to ensure we are able to understand the costs on our business plan and what grant funding might be required.

A major refinancing exercise was undertaken which has resulted in a seventeen year £6.7m bond at a very favourable rate enabling the repayment of a higher interest rate loan. An additional £500,000 loan was also repaid.

savings made during 2020/21



Practical examples of the ways in which VFM savings have been made include:

- A major refinancing exercise was undertaken;
- Recruited to new role of full-time surveyor ;
- Recruited to new role of team administrator and maintenance officer;
- Developing Acuity Benchmarking Group (Chaired by LSHA CEO) into a pandemic support group sharing good practice and policy;
- Working with residents to agree a new set of service standards and contractor code of conduct;
- Implementation of a paperless invoicing system;
- Digitising all tenancy files;
- Not accepting cheques or cash as payment method;
- Introduced collecting payment by debit / credit card;
- Starting on site with a fixed price commissioning of thirty new, affordable airspace homes at Antony and Roderick House;
- Relocated to a new, level access office able to support an increasing staffing level and host Board meetings.

highlights
from the accounts

a deficit account
arising from the
unplanned costs
of recladding
at Steedman Street

0.28% decrease
in reserves
held

Summary of our Audited Accounts

Year to
30.9.21

Year to
30.9.20

Income & expenditure

£000s

£000s

Income from rents and other sources	2,188	2189
less repair and administration costs	2,198	1747
Sale of fixed asset		113
gives an operating surplus (deficit) of:	(10)	556
deduct interest on our loans	100	131
add interest received		7
gives an available surplus of:	(110)	431

Balance Sheet

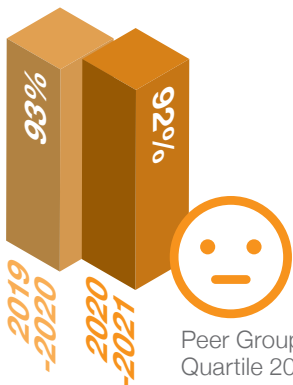
Cost of investment in homes	22,664	22610
Long-term Investments	1,170	987
Funds we hold	(4,602)	1256
Total	19232	24853
Social housing grant	10,643	10643
Long-term loans	(97)	5498
Reserves we hold	8,686	8711
Total	19232	24853

A copy of the full audited financial statements
is available from the registered office and on our website

key performance indicators

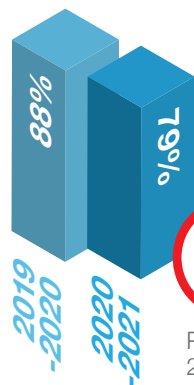
As part of reporting it's annual accounts, LSHA includes a section of highlighting key sector wide indicators and how this compares with our peers.

percentage of repairs completed within target time
target: 97%



Peer Group Quartile 2020-2021

The ability to maintain the usual level of repair service has been particularly compromised over the last year as both staff and contractors have had to comply with Government COVID-19 guidance.

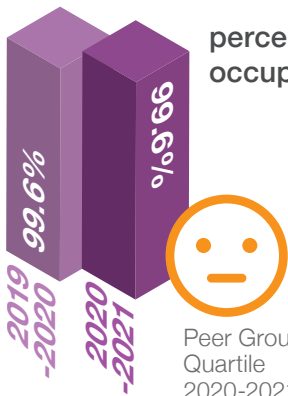


overall satisfaction with services (general needs)
target: 80%



Peer Group Quartile 2020-2021

percentage occupancy



Peer Group Quartile 2020-2021

current arrears as percentage of rent due
target: 4.3%



Peer Group Quartile 2020-2021

overall satisfaction with services (general needs)
target: 80%



Peer Group Quartile 2020-2021

complaints 2020-2021

Stage 1: 5 Cases closed
1 case escalated to Stage 2

Stage 2: 1 Case closed

Stage 3: 1 Case

Both Stage 1 and Stage 2 complaints are dealt with at Officer level whereas Stage 3 is considered at Board level.



customer survey results

In the autumn of 2021 we undertook a telephone based customer survey

The response rate of 54% was very high for such surveys and we very grateful to the 174 residents who were good enough to give up their time to let us know what they think of LSHA and the services we provide.

These days we seem to be inundated by survey requests in all aspects of our lives so the fact that residents did make time for us is really appreciated. So again thank you to those who took part!

Some aspects of the survey are encouraging but also we clearly still have a way to go on certain services we offer. Some of the good is that overall levels of satisfaction have remained very consistent. This is at a time when across the social housing sector, and after nearly two years of pandemic services, overall levels of satisfaction have fallen by up to 20%. Research needs to be done on why this might be the case but it's very likely to have been affected by the ability of landlords to maintain service levels over three lockdowns and various different tiers. For example with more people forced to stay at home levels of anti-social behaviour have increased.

We were extremely pleased to see the very high levels of satisfaction in response to whether the rents offer value for money.

On the less positive side, we still have a way to go with satisfaction on aspects of the repair service. That said, since we last surveyed residents in late 2019 the world has been pretty much turned upside down for many of our contractors. We have all heard about supply problems with labour and materials post Brexit. These have only been compounded by the affects of the pandemic. This is something that is having a very real consequences for residents in Antony & Roderick House who are experiencing delays in the contractors ability to complete the addition of thirty new homes for local residents and installation of a first lift.

One area that we will be exploring with our residents group is the response to the question on whether we providing the services tenants expect from us. A total of 25% disagree - something we need to explore and understand why.

customer survey results some highlights



an interview with maud

Maud Burke has been a tenant of LSHA since 1982 (39 years). She is retired from working for Sun Alliance for 32 years.



Maud was living with her sister and her husband when her sister unfortunately passed away. Her sister's husband gave her a letter to give to Lambeth & Southwark Housing Association as a referee for housing; unfortunately he passed away four months after her sister.

Her neighbour Joan Marsh, told me about LSHA and I made a direct application to LSHA and was offered a flat in Otha house. The building has improved so much, as in previous years I was living there; LSHA had not bothered with any improvements to the building. I am so pleased that LSHA has changed with the current management and these improvements to the building have been completed.

'LSHA are very good, as soon as I ring, they do the work. I am very happy at Otha House. All the residents in Otha House are very friendly especially No.9. I don't want to move. I am very happy where I am. The management is excellent. We used to have residents meetings. I always liked to go to those meetings.'

Maud Burke, Otha House

board members

The Board comprises

Delia Beddis

Chair (wef March 2021)

Planning and Development Consultant

Howard Webber

Retired civil servant

Hilary Barber

Retired Housing Professional

Danny Friedman

Housing and social
policy research director

Sandra Ferguson

Charity CEO

Alicia Azucena

Retired Housing Finance Manager

James Cross

Housing Development Manager

Veronica Lindsey

Housing Association Accountant
and Finance Director

Nicholas Arthur

Housing Management and
Asset Manager

Rachel Askew

Development Consultant

staff team

Estate Maintenance


Clive Gayle
Derek Smith



Mark Jackson
Chief Executive



Angela Bailey
Operations Manager



Rocky Charles
Finance Manager



Anita Green
Finance Officer



Elaine Brown
Housing Officer



Diane Thompson
Housing Officer



Kevin Donaldson
Surveyor



Sekada Yarde
Maintenance and Administration Officer

partners

Registered Auditors

Beever & Struthers
15 Bunhill Row
London
EC1Y 8LP

Bankers

Barclays Bank PLC
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London
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Solicitors

Batchelors Solicitors
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Lambeth & Southwark Housing Association – Working for Better Housing
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