



ESG Report

2022-23



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ENVIRONMENT

73%

Homes at
EPC C and
above



1,500

homes will be
retrofitted to at least
EPC Band C in the
next two years



97%

New homes
at EPC B
and above

85%

Maintenance
contractors using
eco-friendly products
and agents

32%

Reduction in
Scope 2
greenhouse
gas emissions



2,110

People onto
Personal Wellbeing
Plans

SOCIAL

£6m+



Additional
income secured
for households



6,000

Households helped with
money and guidance

72%

Resident
satisfaction

1,089

New homes
completed

42%

Average rents
vs market levels



28,513

People given advice,
support and guidance

99.2%

Homes met the
Decent Homes Standard



GOVERNANCE



172

Business
supply chain
partners with
social value
agreements

4

Roles
on our
board ring-
fenced for
residents



9:1

CEO:worker
median pay ratio



50%

Female
representation
on our board

14%

Ethnic
minority
representation
on our board

12.5%

Median gender pay
gap for group

About Southern Housing

Southern Housing was formed in December 2022. We own and manage more than 78,000 homes across London, the Midlands and the South East of England, of which 30,000 homes are in the capital.

We're both big and local. Our vision is to create communities where everyone has a safe home in a place where they're proud to live. Residents are at the heart of our governance and decision making, helping to ensure services are resident centric and locally focused.

We were formed through the merger of Optivo and Southern Housing Group, both organisations with proud legacies as not-for-profit housing associations dating back to 1901.

The major driving force for coming together was the opportunity to create an organisation that not only stood up to the environmental challenges but enhanced the service offer for residents by listening and acting on their views.

Merger provides the scale to improve local outcomes, drive a better deal for residents and influence positive change in the areas we operate. It has provided us with greater resilience to deliver in tough economic conditions while addressing sector challenges such as building safety, damp and mould and decarbonisation.

We know there is much to do in all these areas.

But our increased scale means we can bring more service accountability in house to drive improved resident experiences and more efficiency, while using technology to increase productivity, enhance resident experiences and meet demand for digital services.



From Chief Finance Officer

Welcome to our first ESG report as the new Southern Housing. Our mission is for everyone to have a safe home they're proud to live in, and our charitable status means all the financial surpluses we make are reinvested into achieving this mission. As a long-term investor into communities – we were founded more than 120 years ago – consideration of ESG and other risks has been routinely embedded into culture and strategies, long before it became fashionable.

We believe robust, transparent and comparable ESG reporting helps us on our way, enabling our funders, regulators, colleagues, partners and residents to assess our risk position, and take a view on whether we are doing what we say we will. At the same time, it helps us better understand our business, manage key risks and shape our future decisions.

Housing Associations like Southern Housing face significant demands, including the investment needed to make millions of existing homes safer, warmer, more energy efficient and cheaper to run. To have any chance of meeting these demands alongside investment into new social housing we rely on funders and other stakeholders continuing to support us.

While this year represents a step-change for us as a newly formed 73,000-home housing association, we continue our well-established ESG reporting journey on a sound footing, bringing together the best of the ESG and sustainability strategies of our two predecessors: Optivo and Southern Housing Group.

This report follows the Sustainability Reporting Standard for Social Housing framework. We anticipate a new iteration to be published later this year to help us keep pace with other sectors, amid a growing expectation of all businesses to provide more and more information.

In the meantime, this report offers a snapshot of a newly-formed organisation in its first year of operation. It is an honest reflection of where we are now and what we still need to do.

I hope you'll find the information in the following pages useful and I welcome your feedback.



Sarah Smith
Chief Financial Officer, Southern Housing Board
Member, Sustainability for Housing



Supporting our residents through the cost-of-living crisis

The cost-of-living crisis and rocketing energy bills have impacted all our residents, so we have placed financial inclusion and tenancy sustainment front and centre.

- Our financial inclusion team has responded with changes in the way we collect rent, while giving residents access to a range of tools that are designed to help with financial wellbeing.
- Through our financial wellness tool Nudge, we are working to put more people in control of their finances.
- FlexMyRent puts residents in control of their rent payments, allowing them to agree a rent schedule with us so that they can underpay when money is tight and overpay when there is more money in the bank.
- Residents need our support to keep energy bills low, so our reinvestment plans have seen a renewed focus on ensuring energy efficiency in homes. We are using our financial resources – in some cases matched with specific government funding – to target upgrades to plant rooms, radiators, doors, window and wall insulations, and installing LED lighting internally and externally.



Our HEART Values



Co-creating services with our residents

Our co-creation ethos is central to our sustainability journey, and we are dedicated to ensuring our residents play a central role in determining how our services operate in the future:

- We've appointed four residents to our Board
- We recruited from across our diverse resident population for people who will work with us on service and quality improvement.
- We've developed highly skilled and prominently positioned internal teams across the specialisms of co-creation, resident involvement and governance.
- Co-creation projects are prioritising service improvements and complaints handling.





Our Objectives 2023-26



Objective 1

Great customer experience



Objective 2

Listen and act on resident views



Objective 3

Safe sustainable homes in good repair



Objective 4

Neighbourhoods where residents are proud to live



Objective 5

Build homes to meet housing need



Objective 6

Empower our people



Objective 7

Deliver efficiency

Report background

The Sustainability Reporting Standard for Social Housing (SRS)

The SRS forms the basis of our reporting once again this year. It is a sector-wide reporting standard co-designed in 2020 by housing associations and their funders to provide a comparable, consistent and transparent approach for the sector.

It includes 48 ESG criteria across 12 themes, mapped to seven of the United Nations Sustainable Development Goals and aligned with the International Capital Market Association's (ICMA) and the Loan Market Association (LMA) Green, Social and Sustainability Bond Principles.

We were one of the founding members of the SRS working group and continue to support the Standard's evolution. Sarah Smith, our CFO, is a board member on Sustainability for Housing, the non-profit company created to steward and promote the SRS.

A new iteration of the Standard – SRS version 2.0 – is to be published in summer 2023 with updates to criteria and a 'comply or explain' approach and a greater level of disclosures around housing quality, resident voice, EDI and training and environmental impact. We welcome this as another move towards more robust ESG disclosure in the social housing sector and full expect our ESG report next year will continue to follow the framework as amended.

Sustainable Finance Framework











Our Sustainable Finance Framework (SFF) was issued in September 2021.

The SFF establishes a set of guidelines to use sustainable finance that better serves our purpose. It connects our funding to our purpose, and presents a vision for how we want to use our sustainable funds to provide good quality affordable homes that will help future generations maintain the environment.

The SFF is aligned with our corporate objectives and strategy and allows us to spend sustainable bond proceeds against a wide range of important social and environmental projects.

By aligning with the United Nations Sustainable Development Goals (UN SDG) we recognise our responsibility to not only mitigate our negative impact on the environment, but strive to make a positive impact on people and the planet.

Eligible Projects

Impact	Eligible ICMA/LMA Prosed catagone	Project description and elegibility criteria	Reference Financial Line item	Alignment to UN SDG
Social	Affordable Housing	Construction and acquisition of new Social and Affordable Housing in the United Kingdom	Capex	
		Re-financing of existing Social and Affordable Housing in the United Kingdom	Asset value	
	Access to Essential Services	Construction and acquisition of new Sup-ported housing, Care rooms, or Sheltered housing, for older people and/or people with support needs in the United Kingdom	Capex	
		Refinancing of existing Supported housing, Care rooms, or Sheltered housing, for older people and/or people with support needs in the United Kingdom	Opex	
	Socioeconomic advancement & empowerment	Support services aimed an customers and communities. Projects focused on equita-ble participation and integration into the market and society, including reduction of income inequality in the communities where we are based:	Opex	
		<ol style="list-style-type: none"> 1. Explaining and enabling access to internet 2. Training and development for employment purposes 3. Support with mental and physical health issues 4. Financial education 		  
Environmental	Green Buildings	Construction of new homes with an EPC (Energy Performance Certificate) Rating of B or above / SAP91 or above	Capex	
		Re-financing of existing homes - subject to a minimum EPC rating of B or above / SAP 81 or above	Asset value	
		Renovation of existing homes that improve unit EPC ratings by two notches or more subject to a minimum EPC rating of C / SAP 69	Opex Capex	



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Affordability and Security

C1 For properties subject to the rent regulation regime, report against one or more Affordability Metric: 1) Rent compared to Median private rental sector (PRS) rent across the Local Authority 2) Rent compared to Local Housing Allowance (LHA)

42%

Average rent of the market rent levels (2021/22 42%)

£462m

Approximate market rent discount per annum, equivalent to £8k per home per year

52%

Average rent of the LHA levels (2021/22 51%)

C2 Share, and number, of existing homes completed before the last financial year allocated to all tenures.

	1 April 2022	31 March 2023
SOCIAL HOUSING HOMES		
General needs rent	45,013	45,722
General needs affordable rent	5,339	5,729
Supported housing rent	1,459	1,501
Supported housing affordable rent	26	27
Housing for Older People rent	5,781	5,781
Housing for Older People affordable rent	103	100
Key workers	1,200	1,209
Low cost home ownership	8,182	8,625
Temporary & intermediate rent	1,807	1,879
Care homes	126	134
Total social housing homes owned and or managed	69,036	70,707
Total social housing homes owned but not managed	602	613
Total social housing homes managed but not owned	1,524	1,347
NON SOCIAL HOUSING		
Market rent	311	310
Student accommodation	1,835	1,654
Total non social housing homes owned and or managed	2,146	1,964
Total non social housing homes owned but not managed	180	-
Total owned and managed	71,182	72,671
Leaseholders	6,438	6,089
Total	77,620	78,760

C3 Share, and number, of new homes (include owned and anaged) that were completed in the last financial year, allocated to all tenures.

We completed 1,089 new units in 2022/23 (2021/22: Optivo 577, SHG 230)

Affordable and Social Rent	588
Shared Ownership	444
Market Rent	2
Open Market Sale	55
Total	1,089

C4 How is the housing provider trying to reduce the effect of fuel poverty on its residents?

We estimate over 14,000 of our households could be at greater financial risk during this cost-of-living crisis. Rising energy bills, the cost of food and increasing rents have left many struggling to balance household budgets and trying to avoid debt.

We're providing money guidance and hardship support.

- ✓ Since April 2022 we've helped nearly 6,000 households with money and guidance, compared to 4,700 in 2021-22.
- ✓ We're receiving up to 200 requests for financial support each week.
- ✓ We've advised residents on where to get assistance on benefits, hardship grant or generate extra household income.
- ✓ We're supporting households to secure an additional £6M+ in household income
- ✓ We released £1.03m of urgency support during 2022/23.
- ✓ We've established a £2m discretionary hardship fund for 2023/24¹, offering a safety-net for residents in acute financial distress.

We also adopted a multi-team, multi-channel approach to maximise the number of people we've been able to reach. It has involved teams from across the business working together to meet increased demand; from financial inclusion, income, response, employment, digital support, independent living, sustainability, asset management, wellbeing, tenancy sustainment and communications.

We've strengthened the range of help we can offer.

- ✓ Increased money guidance casework
- ✓ Provided significant information advice and support campaigns to all households
- ✓ Issued 988 emergency fuel and food vouchers
- ✓ Increased the range of urgency hardship support available
- ✓ Supported eight community Food Bank initiatives.
- ✓ Supported 172 households to furnish and decorate their homes
- ✓ Promoted a Flex my Rent scheme
- ✓ Provided jobs and training to support people gain higher paid work.

To ensure residents' homes are more energy efficient in the long-term, we are operating a decarbonisation retrofit programme, targeting those homes with the lowest energy rating to make people's homes warmer and cheaper to run.

In line with the UK government's Fuel Poverty Strategy and residents' environmental priorities, we have a strategic target to make 75% of our homes EPC Band C or above by 2025 and to reach 100% by 2030.

See section C17 for more information.

¹ The combined hardship funds in 2021-22 was just under £300K

C5 What % of rental homes have at least a three year tenancy agreement?

93.4% of our rental homes have at least a three-year tenancy.

We want to build strong and sustainable communities and believe lifetime tenancies fit best with this ambition. Overall, 6.6% of residents in our general needs housing or homes for older people have fixed-term tenancies of less than three years.

We're working to convert these to assured tenancies. We began transferring tenants from fixed-term tenancies to lifetime tenancies in December 2018.



Partnering with the Footprint Trust

Southern Housing has partnered with The Footprint Trust to provide fuel poverty support to residents on the Isle of Wight. In a recent event held at Porter Court Sheltered Scheme, around 30 people attended to receive advice and support on saving energy by looking at what we use within the home.

The event was a success, with attendees taking away valuable hints, tips, energy-saving ideas, and social tariffs and other benefits from Southern Water. Southern Water also provided goody bags with usage, discount information and items to save money in the home.





Building Safety

C6 What % of homes with a gas appliance have an in-date, accredited gas safety check?

At 31 March 2023, 99.9% of our homes had an in date accredited gas safety check (2021/22: Optivo 99.9%, SHG 99.9%). The 55 outstanding checks were due to us facing access issues.

C7 What % of buildings have an in-date and compliant Fire Risk Assessment?

At 31 March 2023, 99.9% of our homes had an in-date and compliant fire assessment (2021/22: 100%). The three overdue fire assessments at 31 March 2023 were completed in early April 2023.

C8 What % of homes meet the national housing quality standard (Decent Homes Standard)?

At 31 March 2022, 99.2% (2021/22: 98.7%) of homes met the Decent Homes Standard.



Resident Voice

C9 What arrangements are in place to enable the residents to hold management to account for provision of services?

Scrutiny

Residents come first is the clear message from the Resident Scrutiny Panel which investigates aspects of Southern Housing's service and recommends improvements.

The Resident Scrutiny Panel chooses Scrutiny projects by keeping an eye on topics raised by residents in a variety of social media forums and Resident Panels, as well as key performance indicators that Southern Housing produces to monitor its own effectiveness.

The Resident Scrutiny Panel aims to carry out several scrutiny projects each year. Collecting resident views from surveys and interviews and getting stuck into the detail of how processes function by working with Southern Housing colleagues and contractors.

From this investigative work, the Resident Scrutiny Panel can identify improvements and propose these to the relevant people within Southern Housing. From that point, action plans can be developed.

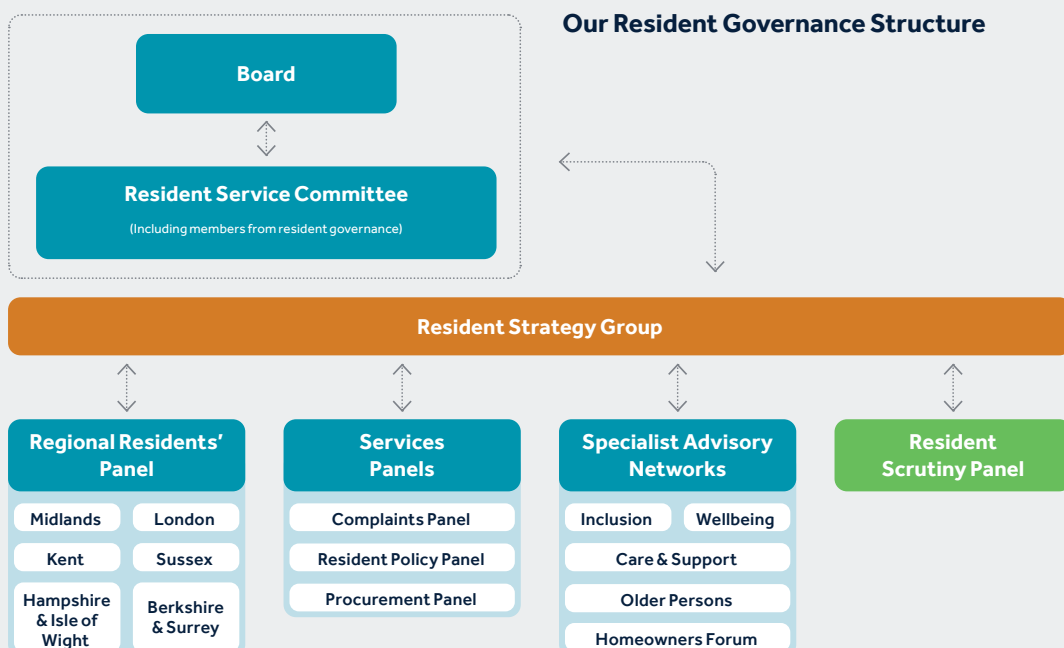
An important part of this work is to ensure that there is proper follow-through so that improvements, once identified are implemented and make a difference to the everyday experience of being a Southern Housing resident. There's a lot of work to do as you will see below but the journey to embed the resident voice into the heart of our organisation has begun.

Governance

Residents are involved at the highest levels of governance – four of twelve places on our Board are reserved for residents. Our Resident Governance Members work incredibly hard. Ensuring residents are consulted with and their voices are heard by both senior staff responsible for service delivery, as well as Board members.

They hold:

- Regional Panel meetings
- Complaints Panel meetings
- Policy Panel meetings
- Resident Strategy Group meetings.



Our Resident Governance Structure

Our resident panels are diverse and filled with skilled individuals who have a variety of tenures and lived experiences. Our recent recruitment campaign successfully attracted applicants from a range of backgrounds; 54% of applicants were female, 32% were ethnically diverse, 30% living with a disability and with an age range of 24–71.

We offer a toolkit of training and resources to support every resident governance member including: webinars, training with the Housing Ombudsman, one-to-one support, memberships with Tenant Participation Advisory Service (Tpas) and Housing Quality Network (HQN) and job shadowing opportunities.

Building Safety

Having undertaken residents' surveys and conducted face-to-face workshops we will shortly be publishing our co-created strategy on engagement on building safety.

Complaints Panel

Our resident complaints panel, made up of 12 residents, meets quarterly to provide oversight of the groups approach to dealing with complaints. The panel are Housing Ombudsman complaints trained to ensure they are well equipped to monitor and scrutinise complaints performance.

Safeguarding Strategy

We have worked with residents to identify clear goals for tackling damp and mould and are bringing together the work of both of our organisations into a combined strategy that will go before our Board in summer of 2023 and set out our standards moving forward.

Customer Service

Using resident feedback on waiting times we have already recruited 12 additional customer service advisors and have a review panel in place to scrutinise performance.



Damp and Mould



We have worked with residents to identify clear goals for tackling damp and mould and are bringing together the work of both of our organisations into a combined strategy that will go before our Board in summer of 2023 and set out our standards moving forward.

C10 How does the housing provider measure Resident Satisfaction and how has Resident Satisfaction changed over the last three years?



72% Customer Satisfaction

Our customer satisfaction at the point of merger was 72%. The previous customer satisfaction results for the legacy organisations were as below. Prior year satisfaction were based on different methodologies.

	2021/22	89%
	2020/21	89%
	2019/20	95%
	2021/22	76%
	2020/21	74%
	2019/20	83%

In 2024, the Regulator of Social Housing will mandate us and other registered providers to report on Tenant Satisfaction Measures. Reporting on these measures will establish a consistent benchmark for assessing operating performance. We've begun collecting data to prepare for these measures.

C11 In the last 12 months, how many complaints have been upheld by the Ombudsman?

In 2022/23, 46 complaints were upheld by the Ombudsman (in 2021/22 it was 41).

We've already taken measures to improve complaint handling and the causes of complaints, including creating additional posts in our complaints team as well as our repairs and maintenance teams.

In-sourcing some maintenance work is one example of our mixed economy approach to providing services. Our in-house repairs teams is expanding and amongst other benefits this will help us as an organisation join the dots and stay gripped on performance levels and resident requirements.

Resident Support

C12 What support services does the housing provider offer to its residents. How successful are these services in improving outcomes?

We strive to increase our social impact each year. Our Corporate Plan commits us to maximising our social impact with new urgency.

Central to this is our resident and communities support offer, which has two strands:

1. Creating opportunities for residents and communities to fulfil their potential.
2. Contributing to neighbourhoods where people are proud to live.

We deliver on these through actions to improve residents' finances, employment prospects, and wellbeing, and by strengthening communities.

Our headline achievements over the past 12 months include:

- ✓ Provided advice, support, and guidance to over 28,513 people
- ✓ 10,258 people registered on projects and courses
- ✓ 2,081 people gaining jobs and training outcomes
- ✓ 6,693 residents benefitting from money guidance
- ✓ Secured £7.26M added income, grant, benefits, and savings support to Southern Housing households.
- ✓ We're supporting wellbeing action for vulnerable residents, who are often those with mental health challenges.
- ✓ Our 40 community venues provide vital bases for this work. We have supported 2,110 people onto personal wellbeing plans with 1,149 becoming more confident and less isolated.



Helping Harriet turn the tide

Harriet went from homeless teenager to Peer Support Worker on the Isle of Wight. Her darker days saw her binge drinking and frequently caught up in the criminal justice system.

But the mum-of-two has turned her life around and is using her experience to help others. Her role includes acting as a voice for residents, providing support, and arranging activities.

She said: "I truly am so passionate about helping people who may still be struggling like I was, whatever form that takes for them. I feel real empathy towards those residents I meet and want to make a positive difference in their lives and allow them to achieve their goals."

We know this challenging time is far from over. More uncertainty lies ahead – but we're ready to help you tackle these challenges.

1. One resident had experienced life-changing medical issues and was struggling to make ends meet with the bills. It was a tremendous strain both emotionally and financially. While he was still in the recovery process, we were able to help him access a grant to cover his rent debt. We've also helped him to access further long-term benefits.
2. Another resident was on Universal Credit and had started a new job in retail. Her wage was initially low as she went through the training process. Universal Credit had also not paid her some funding on time. It meant she was struggling to pay her bills; she was also in rent arrears. We were able to help her access a grant to pay off her arrears and give her a fresh start with her new job. She was also able to get three months' worth of train passes to ease the burden of travel costs.
3. In another case, a resident was struggling to find work due to health issues. She hadn't enough money to use her mobile phone. She was also spending very little per week on food, and hardly had the heating on as she was worried about the bills. In addition, she was struggling to pay rent arrears. We were able to clear her arrears and issue a voucher for food shopping. We also referred her to our Digital Support Team for an affordable SIM card for her phone.

Bringing people together



Mr Jones told us he was being affected by noise from the family in the flat below him. He kept being woken by noise from young children playing and slamming doors. He hadn't spoken to his neighbour before so didn't know how to raise the problem with her. When he contacted us, we explained the noise he was affected by isn't considered deliberate ASB. However, we explained mediation might be a good option in this case. Mr Jones and his neighbour, Ms Wright, agreed to take part.

As a result of the mediation session, Ms Wright found out Mr Jones needed to sleep during the day as he was working night shifts. Ms Wright agreed to take her children out on at least three mornings each week. Mr Jones apologised for his previous hostility towards Ms Wright and agreed to speak to her if the noise started affecting his sleep again. To support this, Southern Housing agreed to fit door closures to Ms Wright's doors to prevent slamming. Six months on things are still going well. Both Mr Jones and Ms Wright said the mediation session opened their eyes to the impact they were having on their neighbour.

Tackling Anti-Social Behaviour together



We want our residents to feel comfortable and safe in their home. However, there may be instances when you need to report anti-social behaviour (ASB) to us. Please know we take reports of ASB seriously as we understand it can affect your quality of life. When we receive your report, one of our trained officers will look at ways to help and find a way forward. Mediation is a proven way of resolving issues between neighbours.



C13 Provide examples or case studies of where the housing provider has been engaged in placemaking or placeshaping activities.

Our Development and Regeneration Teams works closely with the community in place-making and, in addition to meeting planning policy requirements, always seeks to develop our schemes with the community.



Communal decoration and safety work at Vanston Place

We undertook the huge task of delivering paint stripping, internal communal redecorations, external repairs and estate works to this site over the past 12 months. The removal of the paint in communal areas was particularly challenging as there were decades of thick layers of paint to be removed. The new painting added a vibrancy to the communal areas and also added important fire safety qualities. The cyclical team also installed reflector tape on to bollards around the estate after a requests from residents.

New lighting at Stamford Hill

We undertook the huge task of delivering paint stripping, internal communal redecorations, external repairs and estate works to this site over the past 12 months. The removal of the paint in communal areas was particularly challenging as there were decades of thick layers of paint to be removed. The new painting added a vibrancy to the communal areas and also added important fire safety qualities. The cyclical team also installed reflector tape on to bollards around the estate after requests from residents.



Developing for the future at The Mannings

A recent example can be seen in Shoreham-by-Sea, where we are regenerating the estate and building 74 new low-carbon homes: 17 homes for social rent and 57 for shared ownership.

The Mannings is a development to replace an existing low-rise building with new affordable homes in a low-carbon, six-storey block in partnership with construction firm Real Group.

The new homes are accessible to people with mobility restrictions and have private outdoor space meeting the needs of residents. The development is creating a place that is locally distinctive and a model for successful regeneration of this part of the town.



New playground at Northbourne Estate

The residents of the Northbourne estate in Godalming saw signs of wear and tear in their children's playground, which having been used happily for around 10 years, needed several pieces of equipment replaced. Trying to get funding to replace equipment like this is notoriously difficult, but our Social Value and Homes Services teams combined to work with one of our contractors, Seville Developments, who jumped on the opportunity to get the playground up and running again. Within weeks a new playground was installed and the children on the estate were happily playing again.

500 new trees for Milton Creek

More than 30 volunteers braved the cold to plant the 500 new trees at Milton Recreation Ground, Sittingbourne.

Teams from Southern Housing, Swale Borough Council, Blenwood Grounds Maintenance and other local community groups came together for this fantastic project.

It's hoped the native whips will not only enhance this green space, but also have a positive impact on the health and wellbeing of our residents and the local community.



A close-up photograph of a yellow daffodil flower with green leaves, set against a blurred background of more flowers and foliage. The image is partially covered by a green overlay on the right side.

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Climate Change

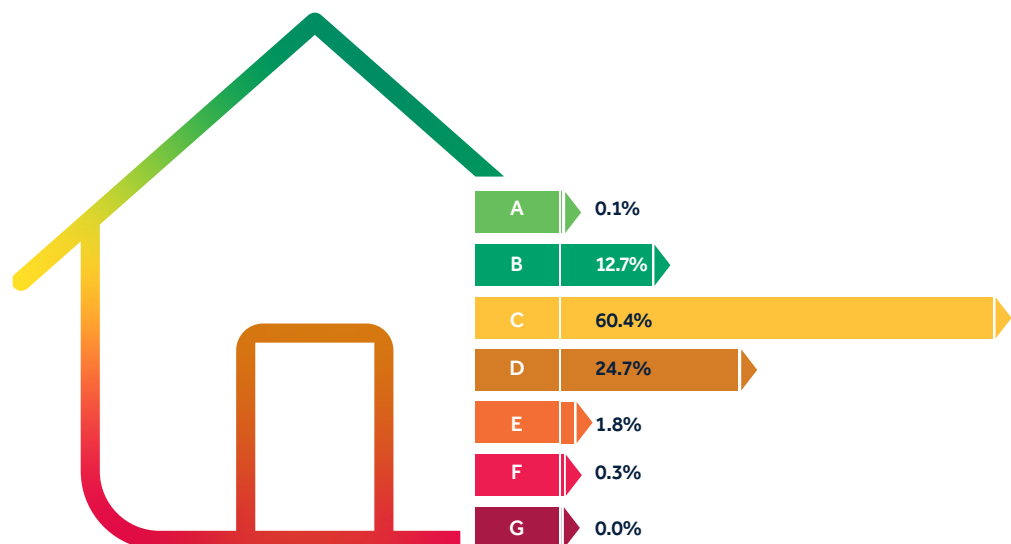
C14 Distribution of EPC ratings of existing homes (those completed before the last financial year).

73% of homes are at least EPC Band C

EPC Band	2022/23		2021/22	
	Count	%	Count	%
A	56	0.1	59	0.1
B	7,753	12.7	8,062	13.8
C	36,853	60.4	34,617	59.4
D	15,048	24.7	14,303	24.5
E	1,080	1.8	1,105	1.9
F	167	0.3	134	0.2
G	18	0.0	20	0.0
N/A	13	-	487	-
Total	60,988	100	58,787	100

2021/22 figures based on reported figures by Optivo and Southern Housing based on different methodologies. 2022/23 figures were calculated with a consistent methodology.

EPC ratings of Southern Housing Homes



73.2% of our homes are currently rated EPC Band C or higher

EPC ratings are based on a combination of lodged EPCs², as well as calculated Standard Assessment Procedure (SAP) scores where no current lodged EPCs has been lodged. SAP is the UK Government's methodology to assess and compare the energy and environmental performance of dwellings.

To improve our data over the past year, we've lodged over 4,300 new EPCs (excluding EPCs for new homes). We've completed and updated our asset data on around 13,000 homes as part of our ongoing stock condition survey programme. To support our funding bid for the Social Housing Decarbonisation Fund (SHDF), we also undertook in-depth retrofit assessments on more than 1,000 homes, as a requirement of PAS2035 and the funding programme itself.

We're on track to meet our target for 75% of homes³ to reach EPC Band C by 2025 and all homes³ to reach EPC Band C by 2030. Our financial plans allow for an estimated cost to achieve these targets.

We expect the revised SAP calculation for existing homes (SAP 10) to be published later this year and be implemented from April 2024. The modelled impact of the new methodology has shown an overall decline in SAP scores.

C15 Distribution of EPC ratings of new homes (those completed in the last financial year).

97% of new homes are at least EPC Band B

EPC Band	Homeowners	Rented	Count	%
A	3	8	11	0.8
B	576	791	1,367	96.5
C	20	18	38	2.7
Total	599	817	1,416	100

In terms of new homes, 97% are at least EPC Band B. We're currently consolidating our Employers Requirements and Design Brief for new build, ensuring a minimum SAP standard of at least EPC Band B for new developments.

SAP 10.2 will be used to measure energy efficiency of new developments starting construction on June 2023. The introduction of the new SAP 10.2 will reflect in a more accurate measure and overall improvement of energy efficiency for dwellings.

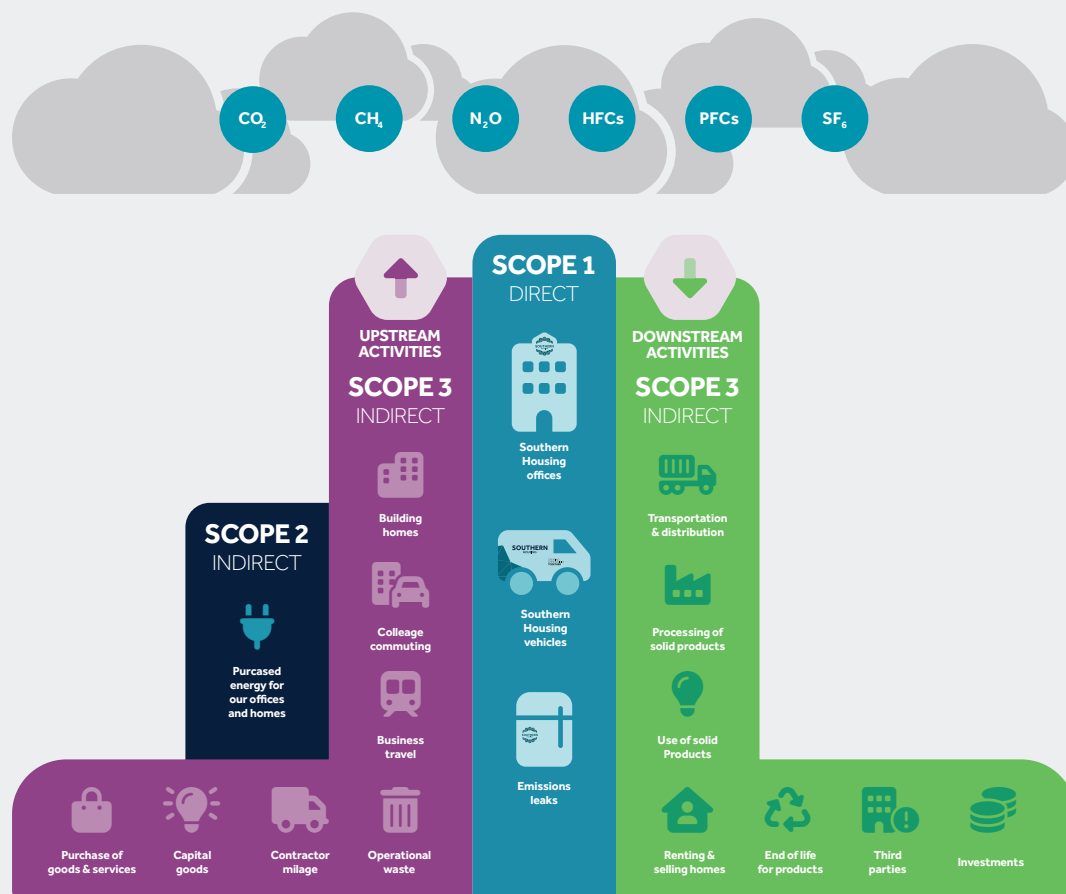
² Lodged by an accredited energy assessor on the Energy Performance of Buildings Register (EPB Register).

³ Homes where the Decent Homes Standard applies and where practical, cost effective and affordable.

C16 Scope 1, Scope 2, and Scope 3 greenhouse gas emissions.

Upstream emissions	Downstream emissions
↑ Embodied carbon in the products we buy	↓ Carbon emissions from our existing homes
↑ Carbon emissions produced when we build new homes	↓ Carbon emissions of our maintenance contractors driving between jobs in Optivo homes.
↑ Carbon emissions from business travel and from employees commuting to work	↓ Carbon emissions from the homes we sell (Shared ownership or outright sales)
↑ Carbon emissions associated with the waste we generate and water supply	

Each year we're increasing and improving our emissions data, by focusing on the areas of highest risk/impact to Southern Housing and areas we can influence. We recognise the impact our supply chain has on the local and global environment, from the stationery we buy, to the homes we build. We carry out an annual Sustainability Audit with our top 100 suppliers to measure and monitor carbon emissions in our supply chain. By measuring our Scope 3 emissions, alongside Scope 1 and 2, we can target actions to influence the reduction of carbon emissions.



	2022/23			2021/22		
	Optivo	SHG	Combined	Optivo	SHG	Combined
SCOPE 1						
COMBUSTION OF FUELS	6,068	4,225	10,834	8,227	546	8,773
Gas heating in homes⁴	5,952	3,702	9,654	7,630	N/A	N/A
Purchased gas for HOPs	3960	969	4929	4829	-	-
Purchased gas for Student & Keyworker	892	0	892	1285	-	-
Purchased gas for General Needs	650	2184	2834	958	-	-
Purchased gas for Shared Owners & leaseholders	205	254	460	-	-	-
Purchased gas for Supported Housing	244	150	394	315	-	-
Purchased gas for other properties	1	145	146	244	-	-
Gas heating in offices	52	59	111	72	140	212
Fuel for Southern Housing owned vehicles	604	465	1,069	525	406	931
SCOPE 2	2,106	2,582	4,688	4,064	3,804	7,868
EMISSIONS FROM ELECTRICITY	206	192	398	404	250	653
Electricity for our offices	206	192	398	404	250	653
Electricity for our homes⁵	1,901	2,389	4,290	3,660	-	-
Housing for Older People	651	434	1085	1285	-	-
Student & Keyworker	631	0	631	971	-	-
General Needs	429	1731	2160	951	-	-
Shared Owners/holders	126	144	269	292	-	-
Supported Housing	58	76	134	135	-	-
Other homes	7	4	11	26	-	-
SCOPE 3	72,074	51,757	123,832	72,983	-	-
ALL OTHER INDIRECT EMISSIONS						
↑ Fuel for personal vehicles used for business	83	64	147	184	237	421
↓ Transmission and Distribution losses	193	236	429	-	-	-
↓ Estimated carbon emissions from homes we own ⁶	71,799	51,457	123,256	72,799	54,303	127,102
↓ Housing for older people	1,012	2850	3,861	1,006	-	-
↓ Keyworker (not in scope 1&2)	254	-	254	331	-	-
↓ General Needs	69,028	47,824	116,852	70,377	-	-
↓ Supported Housing	1,211	358	1,569	930	-	-
↓ Other homes e.g. temporary HSG	294	426	720	155	-	-
↓ Total emissions (tonnesCO ₂ e) including homes	80,789	58,565	139,354	85,369	N/A	-
↓ CO ₂ emissions per home managed	2.26	2.32	2.29	2.41	N/A	-
↓ Total emissions (tonnesCO ₂ e) excluding homes	8,798	6,871	15,669	12,475	4,587	17,062
↓ Number of homes managed	35,805	25,198	61,003	35,438	23,635	59,073
↓ CO ₂ emissions per home managed	0.25	0.27	0.26	0.35	0.19	0.29

⁴Where Southern Housing buys the gas e.g. heat networks

⁵Where Southern housing buys the electricity e.g., communal lighting

⁶From the calculated SAP score, using Portfolio software. NB in 2021-22 SHG used SAVA to calculate this

Currently our Scope 3 emissions calculation comprises one upstream activity. Our Sustainability team are working in include more upstream activities in future years

Overall, we've seen a reduction in our emissions across all areas, except combustion from fleet mileage. This trend mirrors those seen in the UK and Europe of around 20% lower gas consumption as we become more conscious of the energy we use, given rising energy costs and the cost-of-living crisis. Scope 1 gas emissions are responsible for two thirds of our direct energy use (Scope 1 and 2). We see the largest reductions in consumption in general needs, student and keyworker homes with communal heating.

Under Scope 3, we've included the estimated emissions from our homes (excluding those reported under scope 1). This is calculated based on the EPC rating, RdSAP data and our asset data, so will not take account of any changes in resident behaviour. We've seen a reduction in these carbon emissions, reflecting the energy efficiency improvements we've made to existing homes (see C17) and the number of sustainable new homes we're building.

With an estimated 98% of carbon emissions coming from our social homes (Scope 1, 2 and 3 emissions), decarbonisation of our stock will be a key part of our amalgamated sustainability and wider asset management strategies. See section C17 for more details.

We're undertaking research to develop an ambitious strategy to start delivering net zero new build homes, as measured by London Energy Transformation Initiative standards.

In preparation, our Development Team are working on consistent technical specifications for insulation, sustainable heating and hot water systems in our new homes. The integration of more energy efficient features in new homes will push the envelope of building performance and reduce the need for homes to be retrofitted in the future.

The remainder of emissions come from powering our offices (1%) and from travel (1%). We've seen an increase in emissions from fleet vehicles, as our Direct Labour Organisation (DLO) has expanded and become responsible for more geographic areas, and other parts of the business such as estate management.

We've undertaken research to check the feasibility of electrifying our fleet. We currently have four electric vehicles and have commissioned site surveys to determine the electrical capacity and infrastructure needed to install charge points at our offices and depots. Although emissions from travel in personal vehicles have reduced as a result of hybrid working, we saw a 10-fold increase in mileage between January and March 2023, compared with the previous nine months.

As part of the development of our net zero strategy, we'll set a target for our operations to be net zero carbon.

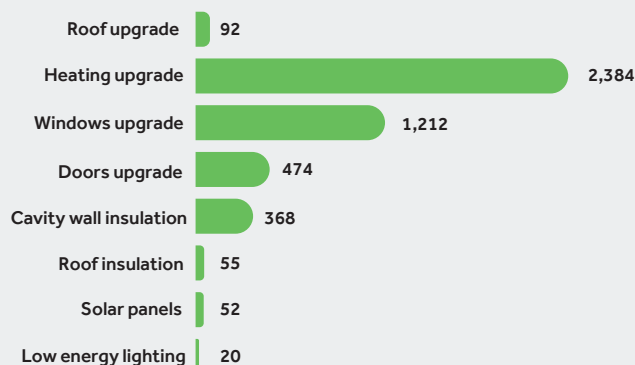


C17 What energy efficiency actions has the housing provider undertaken in the last 12 months?

We retrofitted over 450 homes, improving insulation and installing heat pumps and solar panels. In addition, under our general investment programme we improved over 3,000 through a variety of measures, including installing energy efficient heating, improving windows, doors and roofs.

Since completing communal lighting surveys across our 400 highest consuming sites, we surveyed over 22,000 lights to develop a business case on how we can achieve savings of up to 1GWh/year of electricity or 236 tonnes/year of CO₂e. We've delivered a demonstrator project evidencing the availability of savings across 10 diverse sites. This year we will use these findings to integrate LED lighting into our strategic asset management strategy.

We're finalising our Retrofit Roadmap; our plan to get our homes to net zero carbon by 2050. As part of this, we're undertaking research to categorise our stock into a small number of retrofit archetypes and defining net zero pathways for each archetype. This is to identify where future retrofit interventions are best aligned within existing capital works programmes.



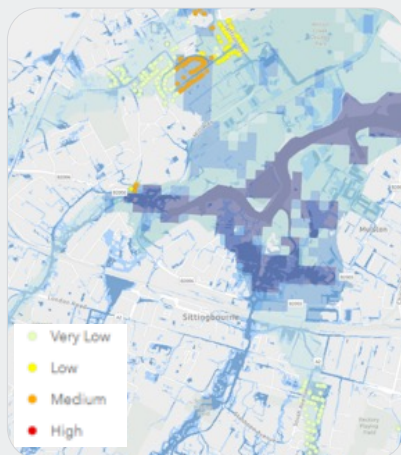
Osborne Retrofit project

- ✓ Self funded work to retrofit over 100 homes
- ✓ Installed solar panels on 52 homes
- ✓ Improved roof insulation in 55 homes and cavity wall insulation in 27 homes
- ✓ Upgraded the electric heating in 21 homes
- ✓ All homes moved up at least one SAP band and are EPC Band C.

To support our net zero plans, we successfully bid for over £10m of funding under Wave 2.1 of the Social Housing Decarbonisation Fund (SHDF). With match funding, this means our spend on retrofitting homes in the next two years will be £22.5m. This will enable us to retrofit nearly 1,500 homes to at least EPC Band C, while also building our capabilities and capacity to the levels required to reach net zero carbon by 2050.

As part of our preparations, we've already completed retrofit assessments on more than 1,000 homes to understand the measures we'll need to install, the cost and the impact of retrofit works. We've also procured a retrofit contractor, and a professional services provider carrying out PAS2035 roles. We are onboarding additional retrofit installers and PAS2035 roles to support our scaling up plans.

C18 How is the housing provider mitigating the following climate risks: 1) Increased flood risk. 2) Increased risk of homes overheating



We use our Geographical Information System (GIS) to assess flood risk of our homes by combining our property portfolio with flood risk maps from the Environment Agency⁷.

These assess the risk of flooding from rivers and the sea and surface water, taking into account flood defences and their condition (see map, left).

Overall, 93% of our homes are at low or no risk of fluvial or coastal flooding. And 91% of our homes are at low or no risk of surface water flooding. We've also signed up to a flood warning service, which provides tailored flood warning if any homes are at risk of surface water flooding in the next 24 hours.

All new homes undergo a CIBSE TM:59⁸ overheating assessment at the planning stage and we make changes to the building fabric and layout where required. We undertake a full dynamic thermal model for each block including all communal areas, stair cores and entrance lobbies; plus a sample of rooms in homes.

Our existing homes cover a huge range of archetypes. We've used SHIFT's methodology to estimate overheating risk in our existing homes, revealing that ~9% are at high risk of overheating, an insight which we are factoring into our asset investment and maintenance plans.

⁷ [Check the long term flood risk for an area in England \(GOV.uk\)](https://www.gov.uk/guidance/check-the-long-term-flood-risk-for-an-area-in-england)

⁸ Based on Environment Agency flood risk maps for coastal and river flooding

C19 Does the housing provider give residents information about correct ventilation, heating, recycling etc?

Ventilation

At a national level, an issue which has gained prominence has been damp and mould. We take reports of damp and mould extremely seriously. We have a range of information available for residents on our website regarding damp and mould. And we regularly communicate to residents via our other channels, for example our resident newsletter. To improve our services we've:

- ✓ Expanded our surveying and created a dedicated Disrepair Team to ensure we are responsive to any reports of damp and mould
- ✓ Provided additional training on damp and mould to surveyor and front line teams to ensure if damp and mould is present, it's recorded automatically on our system.
- ✓ Taken proactive steps to install data loggers in residents' homes to see how they are performing. These record heat, humidity and moisture levels, to help us work with residents to rectify issues.

We've an active stock condition survey programme, with 20% homes visited each year. Most cases of damp and mould are picked up proactively via this programme, as well as from other surveys we complete in residents' homes e.g., retrofit assessments and EPCs.

We're actively encouraging our residents to report damp and mould via a number of communication channels including our newsletters or via our website. We're tracking damp and mould cases closely prioritised by risk and keep residents up to date with proposed resolutions and progress updates. And where residents have asked to move, we are working with relevant local authorities to find solutions together.

For new homes, residents receive a package of information and support in using their homes, including heating, smart meters, ventilation and other aspects of sustainability, such as recycling, but also about their surrounding community, transport systems and other parts of their neighbourhood and community life.

We also give out tailored information on heating and ventilation following any retrofit works, and show residents how to use new heating installations e.g air source heat pumps.

Waste management and recycling

Our Estates Teams continue to be out on estates supporting residents, increasing their visits where flytipping was more prevalent. We've worked with residents to understand local concerns about waste and recycling, and upgrade waste facilities. In London, in particular we've consulted with residents across 14 estates to improve communal waste management and recycling facilities.

We design new developments with adequate, flexible and easily accessible storage space and collection systems that as a minimum support the separate collection of dry recyclables (at least card, paper, mixed plastics, metals, glass) and food. We monitor where internal recycling bins are provided as part of our SHIFT accreditation.



C20 How is the housing provider increasing Green Space and promoting Biodiversity on or near homes?

We're developing our Biodiversity Action Plan. The first step is to undertake a natural asset audit using data stored in Geographical Information Systems (GIS), which shows that 12% of the land we own is classified as natural by the Ordnance Survey.

Over half of our grounds maintenance responsibilities are also mapped in our GIS, specifying the specific ground cover from grass to shrubbery to woodland. We're undertaking a tree survey, and so far, have mapped nearly 17,500 trees, collecting information on tree species age, structure and condition. We know improving and increasing biodiversity and open spaces and having access to community space is also important for residents. To support housing providers and residents enhance open spaces, we developed a Biodiversity Toolkit with the UK Centre of Ecology and Hydrology. We're currently consulting residents and other stakeholders to gain their insight in developing our Biodiversity Action Plan.

Mandatory biodiversity net gain (BNG) as set out in the Environment Act 2021⁹ applies in England only by amending the Town & Country Planning Act (TCPA) and is expected to become law in 2023, following a consultation in 2022. In preparation, we commissioned a research report to analyse two current developments and assess what changes we'd need to make in order to meet the target 10% net gain in biodiversity. It highlighted the need to undertake BNG assessment early in the design process.

Proposed changes included installing green roofs, replacing ornamental planting with native scrub and replacing some mown lawns with ponds. As part of our Biodiversity Action Plan, we'll establish how we'll measure and monitor BNG on new schemes, once guidance is published.

At a local level, we've set up a number of nature and gardening projects with residents leading the way, and contractors providing funds and the labour. All projects aim to have a wide impact on the whole community, as well as improving biodiversity.



⁹[Environment Act 2021 \(GOV.UK\)](#)

At a local level, we've set up a number of nature and gardening projects with residents leading the way, and contractors providing funds and the labour. All projects aim to have a wide impact on the whole community, as well as improving biodiversity.



Holmesdale Road Community Garden

Over 2022 the garden has been transformed from an unused overgrown green space to a functional eco-garden for the community. The garden has been designed and maintained by our volunteers to be as eco-friendly as possible, with a water drainage system set up to collect rainwater and distribute it to a number of cleverly designed planting areas that continually re-use water and ensure as little waste as possible. A solar panel has also been fitted to power the watering areas for the plants, and the small fountain in the pond area.

Bob's Allotment

Residents have created a community allotment, named after Bob a member of Southern Housing Estate Services Team.

The site was disused, a target for flytipping and over the last 18 months has been transformed into a place where people learn how to grow their own food.



C21 Does the housing provider have a strategy to actively manage and reduce all pollutants?

In addition to monitoring our own emissions, we're monitoring our supply chain. By extending Optivo's previous approach to sustainable procurement, monitored by an Annual Sustainability Audit, we'll encourage our suppliers and contractors to:

- ◆ Monitor and reduce their carbon emissions. 50% of Optivo suppliers provided their carbon emissions in 2022
- ◆ Minimising the use of potential polluting materials. All products supplied must comply with national environmental standards and suppliers must ensure that strict controls are in place during use. In 2022 85% of our maintenance, cleaning and grounds maintenance contractors confirmed they use eco-friendly products agents, that are not harmful to the environment.
- ◆ Reduce the waste they send to landfill.

11 SUSTAINABLE CITIES
AND COMMUNITIES12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION

Resource Management

C22 Does the housing provider have a strategy to use or increase the use of responsibly sourced materials for all building works?

As part of our SHIFT accreditation, we include contractual measures to minimise the use of scarce materials and prioritise the use of responsibly sourced materials. By extending this approach to sustainable procurement, we can measure the percentage of responsibly sourced materials used by suppliers as part of our Annual Sustainability Audit. In 2022/23, 86% of our building maintenance suppliers confirmed they used responsibly sourced materials, with 69% evidencing this with their ISO14001 accreditation.

For all new developments in London, we comply with London Plan Policy SI 7, reducing waste and supporting the circular economy. The Social Housing Grant (SHG) Design Guide requires materials on site to be reused whenever possible, and new buildings should be designed and constructed with materials that can be easily recycled and reused.

Our Employers Requirements outline the materials to be use and not to be used. For example, all timber should be supplied from an independently certified source such as the Forest Stewardship Council (FSC), which provides an internal forest certification and timber labelling scheme. This is to ensure that the timber comes from a sustainable source.



C23 Does the housing provider have a strategy for waste management incorporating building materials?

Our forthcoming Sustainability Strategy will bring together a consistent approach to waste management, ensuring our construction contractors provide us with their plans to maximise reuse, recycling and energy from waste as alternatives to landfill.

When building new homes, as part of our Employer Requirements, we require contractors to comply with Site Waste Management Plan Regulation 2008. They must ensure a site waste management plan is kept, detailing who will be removing the waste from site, with a written description of the waste and where it is taken. Contractors must review this plan at least every six months. Within three months of the work being completed the contractor must provide a comparison of estimated and actual quantities of each type of waste and an explanation of any deviation from the plan.

In London, we comply with the London Plan Policy SI 7, reducing waste and supporting the circular economy. This encourages waste minimisation and waste prevention, and ensures there is zero biodegradable or recyclable waste to landfill by 2026.

As part of our procurement process, we require all suppliers, including building and maintenance, to comply with the Waste Duty of Care requirement (Environmental Protection Act 1990) and report to us on their waste disposal and recycling policies and performance.

We undertook a Sustainability Audit in 2022, and asked maintenance and construction contractors about the waste they generated and where it went. We found on average 89% of waste was diverted from landfill by our maintenance services, and 86% of waste is diverted by our construction contractors.

C24 Does the housing provider have a strategy for good water management?

Our new Sustainability Strategy will consolidate our plans to reduce the amount of water residents use. We estimated the average water usage in our homes in 2022-23 was 146 litres per person per day (lpd), slightly above the UK average of 140 lpd. Water companies have committed to help households reduce their consumption to 120 lpd by 2045.

New developments through design will provide resilient buildings to a changing climate, with efficient water systems, and reduced impact to the local environment. We've committed to meeting London Plan (2021) optional higher target of water efficiency (Approved Document G), which introduced a minimum water efficiency standard into the Building Regulations for the first time for new homes. It requires that the average water usage of a new home (including those created by a change of use) is no more than 125 litres per person per day or 110 litres/person/day if required as part of the planning permission.

For existing homes, our specification when replacing kitchens and bathrooms includes dual flush toilets, low flow taps and smaller baths. We're actively working with regional water providers, who carry out our water advice visits and phone calls, and give out water saving devices to Southern Housing residents. And we provide guidance on water efficiency to residents on our website.

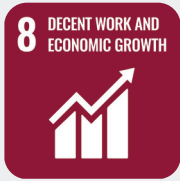
This year we've procured a water broker for our offices. Similar to our approach to energy, this will allow us to consolidate our office water suppliers and give us greater control and monitoring capabilities.

03

ENVIRONMENTAL

04

GOVERNANCE



Structure and Governance

C25 Is the housing provider registered with the national regulator of social housing?

Yes

C26 What is the most recent regulatory grading/status?

We received an interim judgement of G2/V2 from The Regulator of Social Housing (RSH) on 24 January 2023. This was following the amalgamation of Optivo which previously had a G1/V1 judgement and Southern Housing Group Limited which had a G2/V2 judgement.

RSH considers interim regulatory judgements for newly merged organisations on a case-by-case basis with a starting assumption that the lower of the two previous ratings will apply. Interim grades will be converted to standard grades either when RSH have completed the first Stability Check following merger or a full In-Depth Assessment, which we expect within 18 months.

C27 Which Code of Governance does the housing provider follow, if any?

National Housing Federation's Code of Governance 2020¹⁰.

C28 Is the housing provider Not-For-Profit?

Yes

¹⁰ [National Housing Federation | Code of Governance \(housing.org.uk\)](https://www.nationalhousingfederation.org.uk/code-of-governance)

C29 Explain how the housing provider's board manages organisational risks.

Our Board owns the strategic risk register which is reviewed at each Board and Audit and Risk Committee meeting. At 31 March 2021 our strategic risks were identified as follows:

- Business negatively impacted by changes to Government policy
- Significant cyber security breach resulting in loss of IT systems and / or loss of data
- Failure to attract, recruit, and retain colleagues with key skills and experience to meet our business demands and cultural expectations
- Inadequate data management
- Failure to plan and deliver environmental sustainability targets for the organisation including road map to Net Zero Carbon
- Deteriorating levels of service delivery
- Failure to comply with H&S legislation.
- Failure to deliver, and maintain, safe homes to required legislative, regulatory, or internal standards.
- Financial health not fully protected in line with risk appetite
- Significant breach in regulatory standards
- Non-compliance with Rent Standard
- Ineffective governance and/or poorly controlled business.
- Development activity fails to deliver the financial plan returns due to the housing and contracting markets.
- Post-merger focus inc. integration driving a failure to properly manage BAU, achieve full integration, or deliver on-going benefits

The Board plays a critical role in overseeing and managing risks. They retain the ultimate responsibility for risk management and ensure that our risk appetite is defined and regularly reviewed. Annually, the Board approves our Statement of Risk Appetite and the Risk and Assurance Framework. They also take the time to regularly review the strategic risk register, identifying potential risks and assessing their impact on our operations. Additionally, the Board appoints external auditors on an annual basis and provides assurance to stakeholders through an annual statement of internal control, which is reported in our financial statements.

To effectively fulfil their responsibilities, the Board delegates the scrutiny and evaluation of internal controls and related assurance to the Audit and Risk Committee. They also consult on all major business initiatives to ensure alignment with our strategic objectives and risk appetite. All members of the Board undertake mandatory risk management and assurance training.

Our goal for risk management is to be:✓ **Proportionate**

Ensuring the effort and resources dedicated to risk management are appropriate to the level of risk the organisation faces.

✓ **Aligned**

An integral part of all organisational activities, and not a standalone activity performed in isolation. Risk management forms part of decision-making helping senior management to make informed choices, prioritise activities, and identify the most effective and efficient course of action.

✓ **Comprehensive**

Our approach must be comprehensive to be fully effective. Our risk management initiatives should cover all aspects of the organisation and the risks it faces.

✓ **Embedded in our culture**

Part of a positive organisational culture in which roles and responsibilities are clear, people embrace their responsibilities, and in which everyone plays a part.

✓ **Dynamic and responsive to change**

Respond swiftly to events, changes in the environmental context, and the results of monitoring and reviewing activities.

✓ **Based on the best available information**

Drawing on data, expert judgment, and stakeholder feedback to inform evidence-based decisions.

✓ **Consistent**

Applied consistently across our business to facilitate comparisons and prioritisation.

C30 **Has the housing provider been subject to any adverse regulatory findings in the last 12 months that resulted in enforcement or other equivalent action?**

We have not been subject to any adverse regulatory findings regarding data protection breaches, bribery, money laundering or HSE breaches.

In 2022/23 we received two severe maladministration findings from the Housing Ombudsman following damp and mould investigations. The judgements allowed us to put our systems, processes and people under renewed scrutiny

We're taking reports of damp and mould extremely seriously. We've set out the clear steps we're taking to communicate with our residents proactively, resolve issues, learn from complaints, and co-create service improvements. This is all driven from a framework of good governance.



Board and Trustees

C31 What are the demographics of the board? And how does this compare to the demographics of the housing providers residents?

	Board 2022/23	Board 2021/22	Southern Housing residents
SEX			
Male	50%	60%	39%
Female	50%	40%	61%
ETHNICITY			
White	86%	80%	75%
Ethnic minorities	14%	20%	25%
OTHER			
Disability	14%	-	-
Average age	59.6	-	-

C32 What % of the board AND management team have turned over in the last two years?

A new Board and Management team were appointed following the amalgamation of Optivo and Southern Housing Group Limited to create Southern Housing in December 2022. No members of either the Board or Management team have resigned since this date.

C33 Is there a maximum tenure for a board member? If so, what is it?

Yes. We limit board member terms to a maximum nine years tenure. In-line with the National Housing Federation's Code of Governance 2020.

C34 What % of the board are non-executive directors?

93% of our board are non-executive directors at 31 March 2023. The only executive on the board is our Chief Executive.

C35 Number of board members on the Audit Committee with recent and relevant financial experience.

Our Audit and Risk Committee has five members, two of which are Board members and three are independent members who do not sit on our Board. Of the two Board members, one has recent and relevant financial experience. Two of the independent members have recent and relevant financial experience.

C36 Are there any current executives on the Remuneration Committee?

No

C37 Has a succession plan been provided to the board in the last 12 months?

The first succession plan for the new organisation will be presented to our Board in December 2023 following conclusion of a skills analysis and Board appraisal.

C38 For how many years has the housing provider's current external audit partner been responsible for auditing the accounts?

BDO LLP have been responsible for auditing our accounts for ten years.

C39 When was the last independently-run, board-effectiveness review?

The first effectiveness review for the new organisation will be presented to Board in July 2023. An independent review will then be carried out in 2024.

C40 Are the roles of the chair of the board and CEO held by two different people?

Yes

C41 How does the housing provider handle conflicts of interest at the board?

Board members are required to complete an annual declaration of interests and inform Southern Housing if there are any changes to their interests during the year in line with the Code of Conduct. Declarations of interest is a standing item of business at every Board meeting. Board members are asked to declare any actual or potential conflicts of interest in any of the items of business on the agenda. The Board member will be asked not to contribute or vote on the item of business where there is an actual or potential conflict or be asked to leave the room while the business is discussed.



Staff Wellbeing

C42 Does the housing provider pay the Real Living Wage?

We pay a minimum of the Real Living Wage and London Foundation Living wage to colleagues.

C43 What is the median gender pay gap?

Southern Housing Group and Optivo have reported separately due to merger timelines.



Key highlights from Optivo's Gender Pay Gap

- Optivo's gender pay gap was 12.5%
- The mean hourly pay gap decreased to 12.5% from 13.0% in 2021/22.
- The median hourly pay gap also decreased to 5.4% from 6.0% in 2021/22.
- There were a higher number of women in all quartiles and an increased movement of women to the highest paid jobs from 43.0% to 58.4% in 2022/23.
- Optivo employed significantly more women than men. The gender pay gap decreased and was lower than the national average.



Key highlights from SHG's Gender Pay Gap

- Southern Housing Group's gender pay gap was 12.6%.
- The mean hourly pay gap decreased to 12.6% from 17.8% in 2021/22.
- The median hourly pay also decreased to 13.8% from 23.8% in 2021/22.
- There were a higher number of women in all quartiles and an increased movement of women to the highest paid jobs from 41.4% to 49.4% in 2022/23.
- Southern Housing Group employed significantly more women than men. The gender pay gap decreased and is lower than the national average.

C44 What is the CEO:median-worker pay ratio?

We calculated the ratio between the CEO and the median pay of workers and using the Department of BEIS Methodology¹¹, the pay ratios are as follows:

Financial Year	Method	25th Percentile Pay Ratio	Median Pay Ratio	75th Percentile Pay Ratio
2022/23	Option A	12.26:1	8.95:1	6.77:1
2021/22 Optivo	Option A	9.43:1	7.65:1	6.30:1
2021/22 Southern Housing Group	Option A	11:00:1	8.30:1	5.80:1

¹¹ BEIS Document Template Standard Numbering (GOV.uk)

C45 How does the housing provider support the physical and mental health of their staff?

One of our seven top strategic objectives in our 2023-2026 Strategic Plan is to empower our people. We aim for an inclusive, diverse, engaged and motivated workforce with a high level of job satisfaction. We provide a variety of resources around the five pillars of Wellbeing that colleagues and managers can access and participate in.

Wellbeing support available to all colleagues:

✓ Wellbeing Matters Group

This is a group of 50+ wellbeing champions all passionate about promoting wellbeing at work. The purpose of the Wellbeing Matters Group is to co-create, promote, and support a culture where wellbeing matters. They meet regularly to discuss wellbeing and agree on key activities to focus on for the year.

✓ I-Will Website

Our Occupational Health provider is Medigold and colleagues have access to their valuable and useful clinically validated resource centre called I-Will.

✓ Unmind App

The Unmind App is a mobile and digital platform that has lots of mental health and wellbeing resources, courses and activities related to sleep, work, body, relaxation, growth and support.

✓ Colleague Forum

The Southern Housing Colleague Forum plays a key part in people engagement by facilitating a dynamic communication channel where colleagues can feedback, be informed and participate in the decisions that affect their work life.

✓ Employee Assistance Programmes

This is available for all colleagues and is free and confidential. It provides a 24-hour helpline and if needed, up to 6 confidential face-to-face counselling services. This service provides counselling, support and guidance on a full range of lifestyle, health, medical, financial and legal challenges, all provided by specialist teams.

✓ Wellbeing Annual Programme

Our Wellbeing Annual Programme includes a holistic offering and diary of wellbeing events, activities and resources for the year. This will be part of the organisation's Culture Calendar which is in partnership with the Learning and Culture team.

✓ Mental Health First Aiders

Mental Health First Aiders are nationally accredited Southern Housing colleagues who can have a profound and positive impact on their workplace and communities. We have over 80 colleagues specially trained as Mental Health First Aiders. They are there to provide support and signpost colleagues who need support at critical times in their work lives.

C46 What is the average number of sick days (both long and short term) taken per employee?

7.7 days (2021/22: Optivo 7.4 days, SHG 7.7)



Supply Chain

C47 How is Social Value creation considered when procuring goods and services?

Our Sustainable Procurement Principals ensure the products, services and works we buy are as sustainable as possible and with the most positive social and economic impacts.

In 2022/23 we had 172 of 264 live business supply chain partners with social value agreements providing 183 jobs, training and apprenticeship opportunities for residents.

Some contracts will not feature social value, such as where the contract is low value or within a remote market such as software applications.

With strategic projects, opportunities to leverage social value are often greatest. The contract term is typically longer and throughput higher.

We 'tell' by defining clear and measurable social value requirements within the contract documents. We also 'ask' by apportioning a percentage of the qualitative evaluation to social value.

C48 How is Environmental impact considered when procuring goods and services?

Our Sustainable Procurement Principles ensure the products, services and works we buy are as sustainable as possible, with the lowest environmental impact.

Scoping

Environmental mitigation measures and reporting standards are considered at the project scoping stage. We ensure they're relevant and proportionate to the project scope, clear and measurable and fully articulated in our contract documentation, with a focus on reducing our carbon footprint.

Collaboration

At the initial scoping stage of a new project, we use a Procurement Project Plan (PPP) to identify key stakeholders and objectives, including the appointment of a Sustainability Lead.

Identifying standards

The PPP includes, as standard, five environmental impact and mitigation measures and five environmental reporting requirements. The Sustainability Lead consults with the project lead to assess appropriate parameters and may create bespoke measures and reporting standards. These are recorded within the PPP and translated by the Procurement Lead into contractual commitments.

Our standard impact and mitigations measures are:

- Provision of the supplier's:
 - Environmental/sustainability policy
 - Net zero reduction plan
 - Environmental accreditations e.g. ISO14001
- Commitment to utilise EURO 6 (emissions standard)
- Compliance with the Waste Duty of Care requirements (Environmental Protection Act 1990)
- Provision of any environmental standards applied to products used
- Provision of carbon impacts from the manufacture of products supplied

Our standard environmental reporting requirements we ask our suppliers to provide:

- annual carbon emissions apportioned to the project
- fleet vehicle mileage by fuel type
- annual energy usage of main offices
- details of responsibly sourced products
- amount of waste produces and the % waste re-used, recycled, or sent for incineration or landfill.

