

Stronger together

Annual Review 2008/09

Octavia Housing

Origin Group

Shepherds Bush Housing Group



CONNECTED
partnership

Connected is thriving three years on

In 2008, the reasons for creating the Connected partnership back in 2005 have been justified. Three years on, our alternative model for growth, improving good practices, making cost savings and service improvements has endured - and thrived. Connected has enabled our three medium-sized organisations to take advantage of development opportunities in a year of increased threat - and opportunity, all at a pace that allows the communities involved to absorb and benefit from the change.

The three partners are Octavia Housing, Shepherds Bush Housing Group and Origin Group. All work in north and west London and the northern Home Counties and share a commitment to high-quality service delivery and a strong community focus.

Connected was formed to increase our capacity for development through what was the Housing Corporation Partnering Framework, but we quickly realised the potential for Connected to also help us improve services for residents. This review summarises our achievements in the third year of partnership.

The partnership is underpinned by shared values.

-  **Connected to communities**
We are known for our community-based initiatives and for supporting the campaign for better neighbourhoods run by not-for-profit housing associations.
-  **Connected to residents**
We value our residents' input at every level.
-  **Connected in development**
We can provide more than 500 quality homes a year.
-  **Connected in partnership**
We seek to improve local services as well as our efficiency and effectiveness as independent organisations.

Our objectives are to:

1. Enable each organisation to obtain Homes and Communities Agency (HCA) capital grant for affordable housing at a scale that suits our individual business plan requirements.
2. Achieve economies of scale in development, in terms of:
 -  programme management
 -  use of consultants and contractors
 -  use of modern methods of construction.
3. Enable efficiencies to be gained in each organisation, by:
 -  joint procurement
 -  sharing of services
 -  jointly undertaking service development initiatives.
4. Support delivery of higher quality services for our customers, through:
 -  joint research and innovation
 -  sharing best practice
 -  joint training.

Navigating turbulent economic waters

The current economic downturn presents a host of challenges to housing associations. Shared ownership and outright sale properties have become more difficult to sell, Section 106 agreements (which ease planning permission bureaucracy via fair building obligations) have been withdrawn or disappeared, and private funding is scarce, with less favourable terms.

While the three organisations comprising the Connected partnership are not immune to such difficulties, we have been able to harness the greater flexibility gained by sharing ideas and knowledge to grasp opportunities to improve the situation. By being characteristically careful not to overstretch themselves, the trio of Connected housing associations are well placed to cope with the ongoing market turbulence.

800 new homes

In 2008, Connected managed to exceed its original targets with the Homes and Communities Agency (HCA) and secured an additional £75m to deliver 800 new homes. These achievements were made possible by our shared ability to bring forward and substitute schemes where others have fallen victim to the credit crunch.

“The Connected partnership exceeded its HCA end-of-year targets for completions, starts on-site and expenditure,” says Peter Fletcher, an investment manager at the HCA. “Difficult housing market conditions throughout 2008-09 affected all of the individual members of the partnership, yet the Connected group structure enabled a robust response to the changing market and enabled them to deliver 250 new homes, 31 more than their start of year target.”

We are also taking advantage of the downturn by buying more land. Sites that previously fell outside our price range can now be made available for affordable housing. Moreover, as land is being bought directly - rather than placing reliance on S106 deals - our associations are in control of the sites. That enables us to create homes that better meet customer expectations in terms of their quality and design.

New products

To manage the risk of an uncertain market for sale, new schemes will be less reliant on outright sale or shared ownership. We are taking the opportunity to provide new products, such as the Rent to HomeBuy scheme, and more social and intermediate housing for rent.

We recognise that the current economic situation will require a range of relevant responses for years to come, while the traditional model - whereby sales cross-subsidise rent and hold down grant rates - cannot apply. Connected is open to engaging with the HCA and local authorities to explore new ways to increase the supply of much needed affordable housing.

We are taking
advantage of the
downturn to **buy**
more land





Joint work leads to top quartile performance

Since 2005, pooled resources and shared expertise have enabled the Connected partnership to operate effectively and efficiently to access more than £140m for social homes. That joint development work has resulted in the partnership renegotiating its HCA funding by 268 per cent to build 800 homes by the end of 2010.

Increased capacity

By combining best practice and resources, the three Connected partners have been able to build an impressive record with the Homes and Communities Agency (HCA), which has led to increased funding and more social homes being built.

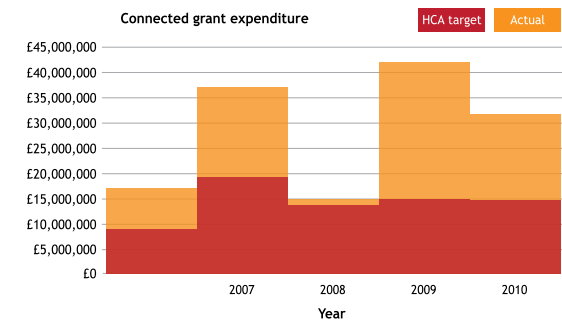
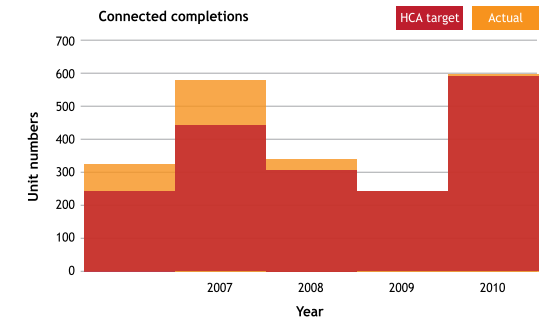
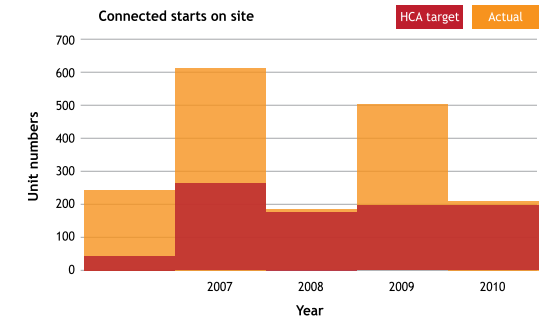
“We co-ordinate our funding applications and schemes to ensure we generate a sufficiently-sized development programme to obtain the HCA’s continued funding support,” says Gareth Jones, group development director at Origin.

Mutual management of the programme across the three associations has ensured that all development targets have been exceeded since the creation of the partnership. The HCA’s most recent performance assessment for 2008-09 puts Connected in the top quartile for overall performance.

“Compared with the capacity of each partner organisation to operate in their own right, we are able to punch above our weight through a combination of mutual co-operation and efficiency drives,” says Jones.

Supporting others develop homes

The three Connected housing providers have special relationships with many smaller community and minority housing associations. This year support has extended to helping secure grants for: Harrow Churches to build an extra care sheltered home; DuCane HA to develop and refurbish 44 homes in Hammersmith; Soho HA to develop 15 homes in central London; an Inquilab HA development at the Harvester in Ealing; and a site underway with Chiswick War Memorial Homes.



Pay-back from pre-selecting partners

In 2008, the Connected partnership reduced the amount spent on architects and other building consultants by 10 per cent - simply by hiring from a pre-selected list of 28 companies. The suppliers were selected after a rigorous process ensured their commitment to the highest building standards.

The savings - worth around £100,000 - were made through the Framework Agreement, which enables our three housing associations to apply uniform, simplified standards, specifications and contracts to our recommended pool of suppliers, (see table showing savings on page 9).

In 2006, a shortlist of companies was drawn up from hundreds of structural engineers, clerks of works, chartered surveyors, consultants and other suppliers.

Surpassing savings targets

We had targeted annual cost savings and efficiencies of between two to five per cent for professional services, but doubled our highest estimation during 2008. "Now, in the third year of the partnership, we are really starting to see the benefits of the framework," says David Woods, development director at Octavia. "Our savings went well beyond what we anticipated from contracts on projects costing between £2m and £25m."

By relying on a pre-selected group of companies, savings were made through not having to repeatedly tender for work and more competitive quotes. Further cost efficiencies resulted from managing the framework centrally at Octavia, while standardising business procedures and account management made it easier to manage and streamline our work.

Successful framework implementation

The framework is working successfully because a range of contractors and consultants can be called on to carry out the varied work spread among Connected's three partner associations. Most of the 28 companies chosen to work under the agreement received commissions in 2008 as individual housing association's building programmes entered peaks and troughs.

Future planning

Connected is setting up a user group so some of our framework consultants can help us to make continued improvements. This year, we are looking at how we can improve the building defect process, standardise components such as doors and windows, and how to make our homes more sustainable.

Environmentally ready homes

We have produced a common sustainability guide to ensure that our new developments keep pace with evolving performance targets on sustainability and energy efficiency.

While all current developments are required to meet level 3 of the Code for Sustainable Homes (CSH), we have started to design developments intended to meet PassivHaus principles and CSH level 5. At this level, new homes are almost carbon neutral and deliver huge energy savings for residents.

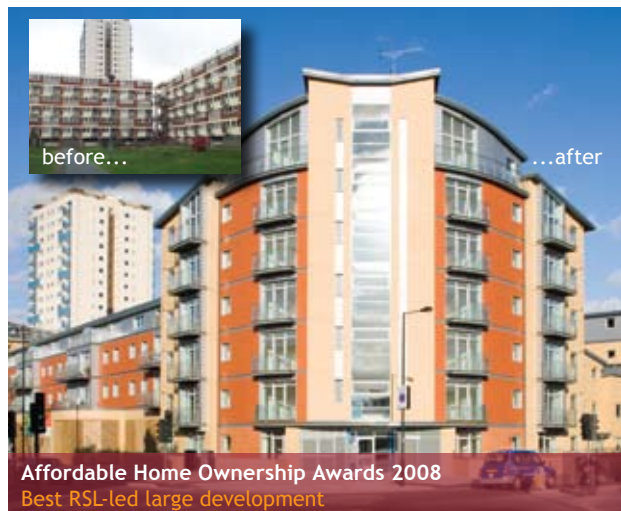
Connected has also adopted a common approach to achieving health and safety standards through the Construction (Design and Management) Regulations.

our target
is to achieve
efficiencies and
cost savings on
our developments
of 2-5 per cent
each year



Good looking new homes keep London affordable

The three housing associations of the Connected partnership individually developed hundreds of affordable homes in 2008. These six award-winning or flagship schemes prove Connected's success as a delivery vehicle for building vital community homes.



Housing association: Shepherds Bush Housing Group
Scheme: Townmead Estate
Location: Wandsworth Bridge Road, Fulham
Local authority: Hammersmith and Fulham
Cost: £25m (Mansell building contract)
Architect: Living Architects
Number and type of homes: 158 new homes, comprising 136 one- and two-bed apartments, and 22 three-, four- and six-bed homes. Four houses are for wheelchair users.
Use: 90 units are for general rent and 68 for key worker, part-buy/part-rent shared ownership.
Features: The curved lines, complementary colours and materials, plus high-quality, timber-frames of the homes are designed around a central, communal courtyard that provides amenities including a ball court, a play area and bicycle lockers. The site has landscaped areas and includes a residents' hall, nursery, retail premises and secure underground car park.
Community impact: Seven long-term retail jobs created in four new retail outlets plus jobs for security staff, maintenance workers and facilities for children.



Housing association: Shepherds Bush Housing Group
Scheme: Kelway House
Location: Maystar Estate, Fulham
Local authority: Hammersmith and Fulham
Cost: £9.5m (Wates Living Space building contract)
Architect: Moss Architects
Number, type and use of homes: 50 homes for locals and key workers, including 24 one- and two-bed apartments for shared ownership, and 26 two-bed apartments for affordable rent.
Features: With expanses of glass and steel, stylish brick panels and glass balconies, the scheme also has an on-site pharmacy and space for a health centre with 10 doctors.
Community impact: A valuable contribution to the regeneration of a troubled estate, comprising 18 council-owned 1960s residential blocks. One block - which became Kelway House - was surplus to council requirements and should now provide a healthy long-term neighbourhood impact.





Housing association: Origin Group
Scheme: Mercury Court
Location: Eversholt Street, central London
Local authority: Camden
Cost: £2m (Ardmore Construction)
Architect: Moren Gregory Architects
Number, type and use of homes: 12 one, and four two-bed apartments available for local key workers, in a dense urban site away from the main road.
Features: Mixing a copper façade with clean white render for a distinctive look, with stunning views across London. Homes are fully finished with tiled bathrooms, beech-look fitted kitchens and wardrobes.



Housing association: Octavia Housing
Scheme: Siddons Lane
Location: Baker Street, central London
Local authority: Westminster
Cost: £7.05m
Architect: BUJ Architects
Number, type and use of homes: Siddons Lane comprises 40 one-, two- and three- bedroom apartments for key worker, shared ownership, and for general needs rent.
Features: The redeveloped former Abbey National building retains the old clock tower.
Community impact: The imposing redevelopment has improved the local environment around a prominent Westminster location.



Housing association: Octavia Housing
Scheme: Signature House
Location: near Edgware High Street, Harrow
Local authority: Harrow
Cost: £1.5m
Architect: KSRD
Number, type and use of homes: Signature House comprises eight one-bed apartments and one two-bed home, available through the new Rent to HomeBuy scheme.
Features: Signature House has its own communal entrance, undercroft parking, private balconies and communal gardens.
Community impact: New apartments have improved the look of the area by replacing a petrol station.

Costs cut by up to 30 per cent

The Connected partnership has made estimated savings of up to 30 per cent in some areas through joint procurement, sharing of services and joint undertaking of service development initiatives.

Throughout 2008, Connected worked with Plan2Do, a business improvement consultancy, to get value-for-money across all work areas. Plan2Do conducted a review of all suppliers used by the partnership and developed a contract register to identify appropriate money savings. Spend by supplier and department was analysed and the potential for savings identified in each area.

First non-development savings

The first joint tendering beyond the development teams' Framework Agreement was for office consumables. By purchasing from certain providers costs have been reduced by up to half compared to the previous year.

The second joint tendering is underway for landline telephones, for which the partners spend more than £200,000. Plan2do predicts more than 20 per cent savings next year.

More savings

In addition, the partners have reduced their combined stationery supplier list to two, which Plan2Do predicts will make an estimated 30 per cent saving - some £60,000 - on all stationery costs next year.

Paul Doe, chief executive of Shepherds Bush Housing Group and lead partner of Plan2Do, said: "We're delivering large-scale savings on everyday expenditure and major investments, which gives residents value-for-money and allows increased investment in much-needed services.

"As a group, and singly, we've reviewed key expenditure areas and focused on higher cost contracts or arrangements. We're now reviewing estate services, sheltered housing services and telephony."

Procurement support programme

Each partner has developed its own initiatives including analysis of contract registers and budgets. For example, Shepherds Bush Housing Group analysed value-for-money on responsive repairs, Octavia Cleaning and gardening tenders, while Origin looked at recruitment services.

What next?

Cost analysis has helped target and create these early successes. Now we're looking to seize value from new joint tendering opportunities.

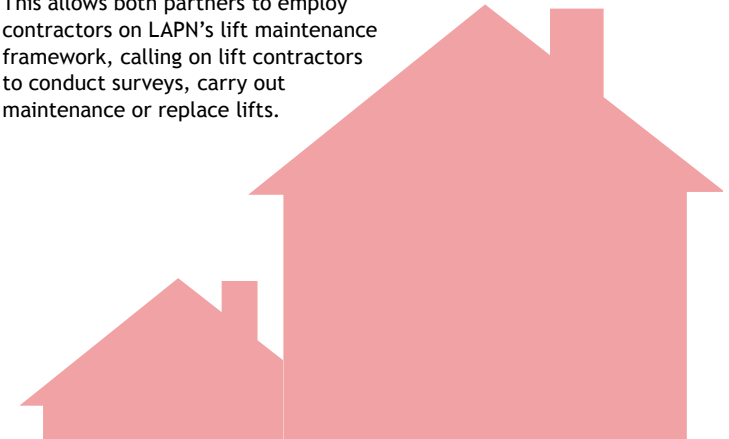
Procurement awareness workshops are to be run for Connected staff, and future savings have already been identified on contracts for Octavia's cleaning and grounds maintenance, and Origin's agency staff, postal services and mobile phones.

"We're also delivering cost effective joint training on everything from housing law, IT and mental health awareness" said David Blackburn, director of HR & business support at SBHG. Origin Group and SBHG recently took advantage of the same master vendor recruitment agreement which will deliver huge savings over the new five-year contract.

On the up with lift contract

SBHG and Octavia recently extended their six-month partnership to jointly procure a cost-effective lift servicing and maintenance contract through the London Area Procurement Network (LAPN).

This allows both partners to employ contractors on LAPN's lift maintenance framework, calling on lift contractors to conduct surveys, carry out maintenance or replace lifts.



United repairs effort may be extended

A joint partnering agreement with United House has enabled Shepherds Bush Housing Group and Octavia Housing to share and make savings in contract administration costs and site overheads for all repairs and maintenance work.

All three partners will conduct an options appraisal on whether to jointly procure the planned improvement programme before the contract ends in March 2010. "We have been pleased with the high quality of workmanship and high tenant satisfaction," says Greg Birch, director of property management at SBHG.

Since 2005, the arrangement has improved the living conditions of social tenants in more than 1,000 homes, and ensured that the government's Decent Homes standards are met for warm, weatherproofed and modern facilities.

Connected development savings 2008/09 (see page 5)

	Cost if separate (£)	Cost to Connected (£)	Net saving (£)
Each association would need a programme manager	40,000	17,500	22,500
Each association would need a technical manager	65,000	17,500	47,500
Training (9 x 1/2 day training for 25 people)	22,500	5,000	17,500
CDM procedures (Health and Safety)	27,000	9,000	18,000
Hometrack	12,000	6,000	6,000
Standard documentation	10,000	500	9,500
Pooled account management of contractors/consultants	40,000	0	40,000
Benchmarking	12,000	4,000	8,000
Housing Forum	12,000	4,000	8,000
Consultants 10% saving through framework	107,500		107,500
Legal advice (contractual matters)	10,000	3,000	7,000
Audits	6,000	2,000	4,000
Estimated Connected savings in 2008-09	364,000	68,500	295,500



Expert sessions groom staff for the future

We are investing in our teams by providing monthly training sessions that enable development staff from our partner organisations to learn together. As collective training costs are split three ways, sessions save 78 per cent on individual courses.

The sessions focus on a variety of subjects, from achieving successful planning consents and modern safety measures, to updates on legal issues around the acquisition of new developments, best practice on new housing standards and meeting 2012 delivery commitments.

Dion Johnson, a project manager at Origin Group, attends the training regularly. "It's all very relevant on-the-job learning," she says. "It helps improve my standards and develops me on subjects I need to know now and in the future."

A roster of experts including planning consultants, solicitors and in-house staff deliver the training. By drawing on the skills and experiences of people from different areas, Connected staff learn good practices first hand and identify ways to raise efficiency and improve joint working techniques.

Edward Smith, a senior project manager at Octavia who runs the training, says: "Training used to be sporadic and individual. Now, the partnership allows us to provide an expert session every month."

Staff comments on the training are regularly reported to Octavia's personnel department and count towards 'Investor In People' status.

We're also delivering **COST effective** joint training on everything from housing law, IT and mental health awareness



Joint training for the three development teams in Connected.



This document is about the performance in 2008 of the Connected partnership. If you need it translated, in large print, or in braille, please contact one of the following: Octavia Housing 020 8354 5500; Origin Group 0800 0407989; Shepherds Bush Housing Group 020 8996 4200.

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Bengali

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其中一方：Octavia Housing; 電話：020 8354 5500; Origin Group; 電話：0800 040 7989; Shepherds Bush Housing Group; 電話：020 8996 4200.

Cantonese

Το παρόν έγγραφο αφορά τις επιδόσεις για το έτος 2008 των συνδεδεμένων εταιρών. Αν επιθυμείτε να λάβετε τη μετάφρασή του, το έγγραφο με μεγάλους χαρακτήρες ή σε σύστημα Μπράιλ, παρακαλούμε καλέστε έναν από τους παρακάτω αριθμούς: Octavia Housing 020 8354 5500; Origin Group 0800 040 7989; Shepherds Bush Housing Group 020 8996 4200.

Greek

ئە م بە لگە نامە یە باسی چۆنیە تی ئیش و کاری شه ریکایه تی یه کگر له سالی 2008 ده کات. ئە گه ریتویستت به م به لگە نامە یه وه رگير کراو به زبانتکی تر و بان به نوسراوه ی گه وره و بان به نوسراوه ی نابینایان هه یه تکلیه په یوه ندی بکه به یه کبک له مانه ی خواره وه : توریجین گروپ (Origin Group) 08000407989 ؛ نوکتاویا هاوزینگ 0208354550 (Octavia Housing) شپردزبوش هاوزینگ گروپ (Shepherds Bush Housing Group) 02089964200.

Kurdish

Dokumentigaan wuxuu ku saabsan yahay hawl-fulinta 2008 ee iskaashatooyinka isku xiran. Haddii aad rabtid in lagu turjumo, ku rabtid daabacad far waa-wayn, ama farta indhoolaha braille, fadlan la xiriir hal ka mid kooxahaan: Octavia Housing 020 8354 5500; Origin Group 0800 040 7989; Shepherds Bush Housing Group 020 8996 4200.

Somali

Este documento trata del rendimiento en 2008 de la asociación relacionada. Si precisa el documento traducido, en letra grande o en formato braille, rogamos que se ponga en contacto con: Octavia Housing 020 8354 5500 Origin Group 0800 040 7989; Shepherds Bush Housing Group 020 8996 4200.

Spanish

Bu belge bağlı ortaklığın 2008 yılı performansı ile ilgilidir. Eğer tercüme edilmesini, daha büyük puntuyla veya kabartma yazıyla yazılmasını istiyorsanız lütfen aşağıdakilerden biriyle temas kurun: Octavia Housing 020 8354 5500; Origin Group 0800 040 7989; Shepherds Bush Housing Group 020 8996 4200.

Turkish

یہ دستاویز 2008 میں منسلک شراکت داری کی کارکردگی کے بارے میں ہے۔ اگر آپ اسے جلی طبعیت یا بریل کی صورت میں ترجمہ شدہ چاہتے ہیں تو برائے مہربانی مندرجہ ذیل میں سے کسی ایک سے رابطہ کریں: اکتاویا ہاؤسنگ 020 8354 5500؛ اوریجن گروپ 0800 0407989؛ شیفردزبش ہاؤسنگ گروپ 020 8996 4200۔

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