



2013 | Annual Report to Residents **Summary**

Involving Everyone

Introduction from the chair....

This report shows how Hexagon has been working really hard to improve all key areas of our service to residents.

Over the past year, we have made several changes to how we do things. For example, we have changed how we handle phone calls to ensure we are more customer focused. We have also been working in partnership with our repair contractors to improve the service we deliver to you. You can read more about this in this report.

A number of initiatives have taken place over the last year which have reduced our costs. At the same time, the Hexagon Board is focused on ensuring that we drive improvements to the services we provide so that we are getting the most out of each pound we spend.

The changes in welfare benefits are starting to affect our residents. In response to this we have been working hard to ensure that any adverse impact of these changes are minimised for our residents.

We have done this by focusing on good clear communication with those affected, with a focus on solutions.

The resident annual report group has worked very hard in producing this report in partnership with Hexagon and the Hexagon Board is very grateful for their hard work and dedication. It is with their help that we can really put residents at the heart of everything we do.

I hope you enjoy reading this report.

Roy Coulter
Chair of the Board.

Welcome from the Annual Report Group

Welcome to Hexagon's Annual Report for residents, covering April 2012 to March 2013. It tells you where Hexagon has improved its service to you, and also shares plans for the year ahead. Hexagon worked with a group of residents known as the Annual Report Group to devise and plan this report. So everything you see in it has been agreed by residents.

This year, the group has focused on how Hexagon is dealing with the challenging times many residents face today, and in the future.

We hope you enjoy reading this Annual Report and find it informative. I think you'll agree it shows that Hexagon continues to work with residents to shape the future of the organisation.

The Annual Report Group feels that Hexagon looks at the bigger picture at all times, and that our communities are working together with Hexagon for a better future.

Hexagon

>>> Welfare Reform

Changes in benefits affect Hexagon residents

The Government's welfare reforms have started to pose great challenges for some residents living in Hexagon properties. And nearly everyone getting any kind of benefit or tax credit is seeing the impact in their pockets. During 2012/13, we ran a campaign to inform you about the impending changes and to help you cope with them.



280 tenants affected by the bedroom tax

We identified that 280 of our residents receiving housing benefit were living in homes that, according to the Government's criteria, were too big for them. This meant they'd be facing a 14% or 25% cut in the amount of rent eligible for housing benefit. The change began in April 2013 and, in the run up to this, our housing staff had a conversation about the benefit reduction and its implications with over 80% of those due to be affected.



Mutual exchanges and other moves

We made sure they knew how much they were going to lose in benefits and what their options were. For those who were prepared to downsize, we explained how to arrange a mutual exchange with another social housing tenant.



Over 40 of our residents did a mutual exchange during the year. A few people were also able to downsize by transferring to another Hexagon property.

Other changes in benefits

The biggest change for most people, however, will be when Universal Credit comes in. This replaces most common benefits and tax credits. It's unlikely to affect any Hexagon residents until 2014 but, because it's such a big change, you need to start getting ready for it now.

You'll have to make your claims online, so it's really important that you can use a computer and understand how to fill in forms online. We can help with this.



Financial advice

To help with these big changes, Hexagon now has a financial inclusion adviser, Jason Herbert, who'll help you with everything from getting a bank account to monthly budgeting, paying rent and getting the best deal on utilities.

Improving our complaints procedure

We received 483 complaints during the year and responded to 77% of them within the 15-day target time we set. This was disappointing as we'd hoped to improve on the previous years' performance. However, our performance did improve towards the end of the year and we're now responding on time in over 90% of cases.

When we investigated the complaints, we found the outcomes were as follows:

- Failure of service 34%
- Partial failure of service 30%
- No failure of service 36%



Complaints resolved first time

We resolve over 95% of complaints the first time they're reported to us. Only a handful go on to the later stages of our complaints procedure. The government wants complaints to be resolved locally, wherever possible, without going to the

Ombudsman and has encouraged the setting up of local tenant panels to try to resolve complaints. Members of Hexagon's Residents' Forum discussed whether they wanted to set up such a tenant panel, but decided not to as the

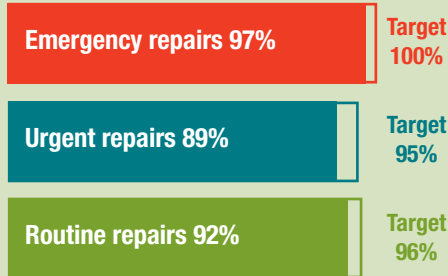
panel would have very few powers. Local councillors and MPs are taking on the role of a local "designated person" as the Government calls them to try and resolve complaints.

Maintaining your homes

Responsive Repairs Performance 2012 – 2013

This year was the first full year of activity for both our major contractors, MHS for the repairs and electrical activities and BSW for all our gas servicing and boiler replacement works.

Despite a good first half of the year things slipped during the second half resulting in performance figures for the year that were below our targets as indicated below.



In November & December we worked hard with both contractors to address the issues that were starting to show, and increased our meetings with their directors to make sure we got their commitment.

As a result we were able to agree what they were going to do to deal with the problems and additional resources were put in place by both companies.



>>> Community investment

Helping residents into work

Hexagon's Community Investment team has continued to concentrate its efforts on boosting residents' employability.



As part of this, The Hexagon Academy provides a package of support tailored to suit individuals. This includes work experience placements, CV workshops, job search advice, interview tips and skills and training courses.

The year in numbers

- We helped 22 residents into employment.
- 7 residents secured employment with Hexagon.
- 1 resident won a three-year apprenticeship with BSW.
- 27 residents did work experience placements (20 with Hexagon and 7 with other organisations).
- 25 residents completed training courses.
- 2 residents were supported in setting up businesses as part of our partnership with Greater London Enterprise.
- Hexagon led the organisation of the South London Jobs Fair and over 1000 people attended.
- More than 50 residents benefitted from one-to-one Information, Advice and Guidance sessions.

Resident involvement - *really makes a difference*

Resident feedback and scrutiny during 2012/13 has made a big difference in helping us improve the service we provide. It's enabled us to put things right where our service was falling short, tailor our service to suit your needs, and set challenging performance targets for our contractors.

Two new ways we developed for residents to hold us to account are, **Reality Checker and the Repairs Group**. Reality Checker involves up to 50 residents reporting back to us on their experiences when dealing with Hexagon over the phone. This helps us measure how well we perform when residents request a service, as well as identifying if we've got something wrong or haven't provided a service to a high standard.

The Repairs Group is very new and was developed out of the scrutiny work. The Repairs Group has already met with one of our contractors, BSW, and asked them to account for the service they've provided.

This has already led to an improvement in their service, and the Repairs Group will continue to monitor BSW's performance for the whole of the coming year.

Just under 300 residents got involved in our Resident Involvement activities and, in doing so, helped to monitor our performance and influenced the way we deliver our services.



>>> Who we house

How Hexagon's homes were let

A big part of Hexagon's work is letting our vacant homes. During the year 2012/13 we let a total of 160 homes, including 46 new homes being let for the first time.

Of all the lettings, 50 were let at market related rent levels, with the average rent for these being £189.43 per week. The average rent for Hexagon's homes, let at a social rent level, was £123.52 per week.

Our market related rent properties were refused more often than our social rent properties, but it's unclear if this was always because of the higher rent.

20% of all lettings this year were to existing Hexagon tenants transferring from one Hexagon home to another. This is slightly lower than our target – we aim to let 25% of our homes to existing tenants.

Saving Money

Hexagon gets energy efficient

You may be aware that the Government is encouraging the inclusion of more energy efficient features in UK homes by setting targets for us and other landlords to hit.

Over the past year, Hexagon has made improvements to residents' homes in Ledbury Street and Goldsmith Road in SE15. We've worked with Southwark Council and Climate Energy and have added features such as extra loft insulation, solar panels and external and internal wall insulation.

We're now monitoring the effect of the additional insulation on the heating costs for these homes, and hope residents will see a reduction in their fuel bills.

We also installed double glazed window replacements to 43 homes this year, including some timber

window replacements in conservation areas. And we secured £30,000 of funding to put solar thermal heating (solar panels) in 20 of our properties in Abbots Close, SE28. Plus, wherever we do major works, we're careful to install energy efficient fittings such as aerated taps and showerheads.



>>> Giving you great value

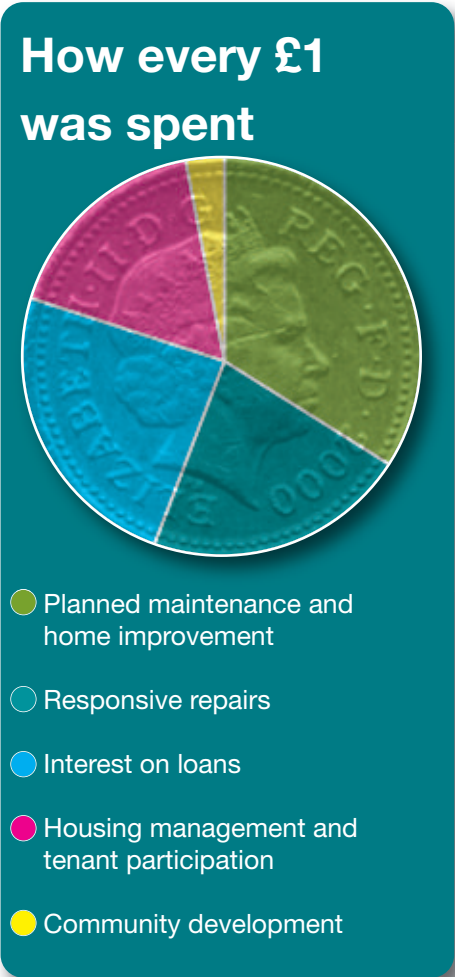
What we mean by value for money

One of Hexagon’s corporate objectives is ‘to be cost-effective, efficient and competitive’ – i.e. to offer good value for money in the way we provide our services.



To improve the value for money we provide, we did all of the following and more in the last year:

- Agreed a new repairs contract with MHS Homes. This saved £339,000 on our responsive repair budget – a 17% reduction on the cost per home compared to 2011/12 due to the average cost per repair being lower.
- Set up new customer service systems (The proportion of calls we lose has dropped from 16% in March 2012 to 6% in March 2013.
- Upgraded our anti-virus software with a newer more comprehensive software that’s £3,023 a year cheaper.
- Worked with a consortium of housing associations to tender planned roofing repairs and renewals. This saved us £144,000 in 2012/13.
- Reduced the number of people employed in our head office support services (finance, HR and administration) by 16%, while maintaining an improved quality of service.
- Set up a resident-based repairs group that helps scrutinise our maintenance contractors’ performance and holds them to account. This supplements the existing Performance Review Group’s work, enabling the latter to spend more time on other areas.



Providing even better value for money

Our 2011-14 strategy to improve value for money focuses on areas where we spend the most money and where we think we could be more efficient.

In particular, it looks at the following areas:

- Building new homes.
- Responsive repairs.
- Planned maintenance and our home improvement programme.
- Managing supported housing properties.
- Interest costs on the money we have to borrow to build new homes.

By 2014, we want:

- Our newly developed homes to be more energy efficient, with a SAP rating of at least 90, and incorporating the features you value.
- To secure a lower interest rate on our borrowings so we have more funds to build new homes and improve existing ones
- A home improvement programme that incorporates more input from residents.
- All but 130 of our homes, at the most, to reach an energy efficiency rating of at least 50, with the average rating increasing to 70.
- Fewer home components to fail before their expected useful life.
- A more streamlined and efficient repairs process, with repairs being completed within 8 days of them being reported, on average.

What we plan to do

- Complete our two-year programme of reviewing and re-tendering all of the costs to run our main office in Sydenham.
- Reduce the time that properties are empty, especially in supported housing.
- Improve our response to residents reporting defects in new properties.
- Continue our programme of tenancy audits to ensure that our homes are being used by the tenants to whom they were let.

How we compare

Hexagon’s rents are generally lower than other housing associations’ rents in the same areas. We subscribe to several benchmarking services, so we can compare our costs, services and resident satisfaction rates with those of other housing providers. This enables us to show you how we compare with others and focuses our attention on where we need to improve. **The latest benchmarking results (March 2012) are below. (Source: Housemark)***

Cost comparison		Quality comparisons	
Responsive repairs	😊	% of residents satisfied with the way landlord deals with repairs & maintenance	😞
Major works and cyclical maintenance	😊	% of residents satisfied with the general condition of their property	😞
Housing management	😊	% of rent arrears	😊
		% residents satisfied with the service provided	😊
		Average time to re-let empty properties (days)	😞
		Tenancy turnover	😊
Estate services	😊	% residents satisfied with their neighbourhood as a place to live	😊
Overhead cost per property	😊	Percentage of staff turnover in the year	😞

😊 **Very good** Hexagon’s results were better than 75% of other landlords in the sample.
😞 **Below average** Hexagon’s results were below average.

Income and Expenditure Account for the year ending 31 March 2013

	2013 £000's	2012 £000's
Turnover	24,605	25,781
Cost of sales	(1,578)	(4,215)
Operating costs	(15,280)	(15,092)
Operating surplus	7,747	6,474
Interest receivable	5	8
Interest payable and similar charges	(3,746)	3,802)
Surplus on sale of properties	1,452	898
Surplus for the year	5,458	3,578

How you can help us do better

You can help us improve our value for money, so we have more money to spend on your homes, by:

Telling us your email address. Later this year, we plan to start using email for a lot of our written communications with residents because it’s much cheaper and quicker.

Paying your rent by direct debit. That way it costs us 40p per payment compared with more than 51p per payment if you pay at the Post Office or a Pay Point Shop. If your bank account doesn’t have a direct debit facility, contact us and we’ll advise you.

Letting us know if you can’t make an appointment you’ve made with us or our contractors to save a wasted journey.

Getting rid of large rubbish items in the way your local council requests. It adds to your service charge bill if we have to pay to clear up any mess or abandoned rubbish.

*Hexagon’s services cost less than the average for London housing associations of our size. Our performance is better than average for rent arrears, time to re-let empty properties and residents’ satisfaction with their neighbourhood and with the housing management service. Our staff turnover was high because our direct labour team moved to MHS Commercial. And we’re working with our resident repairs group to improve satisfaction with our repairs service and homes, and to speed up re-let times.

Who governs Hexagon?

Our board has overall responsibility for Hexagon's direction, reviewing our performance and making strategic decisions about the future. It does not get involved in the day-to-day running of operations. Since October 2011, board members have been paid and our chief executive has been a member of the board since September 2011. We've had 12 board members during 2012/13, each with a special area of responsibility. Pictured opposite are The Chair of the board and Tenant Board Members.



Roy Coulter
Chair of the board
Occupation: Retired from local government



Dermot Finn
(Joined September 2012)
Financial inclusion and community investment
Occupation: Self employed web application developer



Steven Hodges
Innovation and development
Occupation: Self employed Electrician



Gaius Vincent
Resident involvement & scrutiny
Occupation: Self employed Production Manager



Adenike Williams
Human resources and employee relations
Occupation: GP Practice Manager, Acorn & Gaumont House Surgery



We want your feedback

Please let us know what you think of our report:

- **Email us** your views to:
getinvolved@hexagon.org.uk
- **Text us** on 07537 400 527
(please include your name and address)
- **Call Customer Services** on 020 8778 6699 and tell them you want to make a comment on the report

See the full version of Hexagon's Annual Report 2012/13 to Residents:

- Online at www.hexagon.org.uk
- On Hexagon's Facebook page
- Request a paper copy from Customer Services on 020 8778 6699



Hexagon

Translations and large-print versions available on request.

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