



Making a Difference

Annual Report to Residents **2014**

Produced with Residents

Hexagon

257

Hexagon residents get involved with events and provide essential feedback on the services they receive



Welcome...

An introduction from the Chair

Hexagon's culture has always been one of openness, transparency and accountability to our residents. Through this report we aim to show how hard we have been working to improve the service we provide. Where we have done well, where we have done not so well and above all, how we plan to move forward in the future.

At Hexagon we believe that partnership with our residents is fundamental to our success. We are constantly seeking new ways to involve you in the decisions we make and opportunities for you to play an active role in the development of our organisation.

We would like to extend our thanks to the group of residents on our Annual Report Group who have worked closely with us to produce this report. We are very grateful for your hard work and dedication.

We hope you all enjoy reading the finished result.

Roy Coulter · Chair





Energy Efficiency

In 2013 Hexagon assessed the energy performance of all our stock to see how much carbon our homes emitted into the environment. Based on this information we will undertake a rolling programme of improvements to increase the energy efficiency of our older properties so that no home has an energy rating below 65 by 2017.



This should reduce the energy bills for our residents and help meet our ambitious environmental targets to reduce carbon emissions from our homes.

Last year we carried out draught proofing to 30 properties, roof replacement to another 40 units and fitted new, double glazed windows to 80 homes. We also installed timber framed windows to some of our older properties and installed top up loft insulation and replaced boilers to over 400 properties.

Last year, with the help of government funding, we have carried out a number of new environmental projects. These included external wall insulation to 17 Georgian terrace houses in Peckham; fitted solar, thermal panels to 19 homes in Bexley and we are piloting voltage optimisers in six of our homes and two of our care homes to reduce the amount of electricity used.

Energy efficiency for an average home is

69.2

Our target is no Hexagon home should have a rating below **65** by 2017

We are now monitoring these initiatives to see what savings they actually make for our residents.

We replaced communal lighting to three blocks last year with LED bulbs and fittings which have a long lifespan and use less electricity. We are looking to roll out a LED lighting programme this year to our residents' homes.





14%
increase in number of repairs done in 2013/14 compared with 2012/13

Maintaining your homes



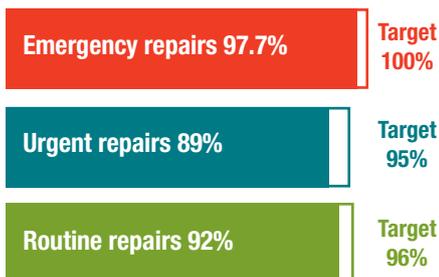
Emergency repairs performance improved on previous year

In 2013/2014 Hexagon had to find a new company to carry out our response repairs contract. Our contractor MHS advised Hexagon that they were no longer in a position to undertake repairs in the future. As the contract wound down their performance dipped. Coupled with the bad weather conditions over Christmas, Hexagon were faced

with a large backlog of housing repairs needing to be done.

To ensure the needs of Hexagon's residents were met, we recruited a team of residents to come forward and be involved in selecting the new contractor. Residents were trained in contract tendering and sat on the panel interviewing prospective contractors.

Richardson's are employed on a five year contract and are offering a more flexible service which includes Saturday morning and evening appointments to meet residents' needs.



The panel interviewed and visited the contractors' places of work to find out how their service would be delivered. The panel agreed to appoint a company called R.R.Richardson Ltd who have been delivering the repairs service since 1st April.

Though currently experiencing some early teething problems caused by a historic backlog of repairs from previous contracts, Hexagon are working with Richardson's to ensure that residents receive a timely and efficient repairs service.

Building new homes

supporting people in need

Environmental responsibility is an important consideration in every one of Hexagon's developments, whether it be a new build, or a conversion of an existing property.



75
Affordable new homes at Baring Road, Lee



David Scott-Cowan, left (a descendant of the original designer of Concrete House) & Tom McCormack, Hexagon's Chief Executive

In December 2013 we completed a brand new scheme at Baring Road, in Lee, that has provided 75 affordable new homes in Lewisham. The development has been sympathetically designed with attractive landscaping, colourful external cladding and solar PV panels, which provide electricity for the communal areas.

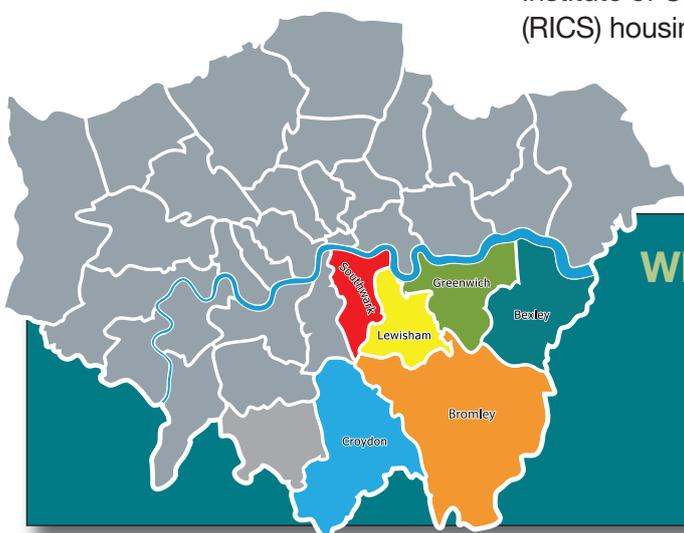
At the older end of the spectrum, in September 2013 we carried out a sympathetic restoration of a previously derelict 19th century, Grade II listed property in East Dulwich, to create five beautiful one and two-bedroom apartments.

The restoration has received an award for "Best Conservation Project" in the prestigious Royal Institute of Chartered Surveyors (RICS) housing awards.

It has also received an English Heritage "Angel Award" for saving a historically significant building that contributes to our local history.



213
lettings during the year with
18%
to Hexagon residents



Where our properties are located

	Bexley	397		Lewisham	1,312
	Croydon	155		Southwark	1,542
	Greenwich	432	Total	3,844	
	Bromley	6			

Welfare Reform

Helping our residents deal with the current welfare changes is a key priority for Hexagon. We understand that many people are facing tight financial times, because of either a decrease in benefits, or wages not rising in line with inflation and we are doing what we can to provide support and practical help those in need.

We estimate around 8% of our residents have been affected by the bedroom tax. To counteract this we have helped a number of people move into smaller accommodation, or assisted them in accessing other benefits and support.

Through the process of Mutual Exchange, we have successfully assisted well over 32 residents into small or bigger accommodation according to their needs.

Against this background our rent collection performance has been strong, which is testament to the success of our supportive approach. Our 4.1% rent arrears figure, at the end of March 2014, is actually lower than the previous year, before the welfare reforms were introduced.



Rent arrears

4.1% (General needs)
4.7% (Supported housing)
0.8% (shared ownership)

All better than previous year

As part of the residents' inspection process, a group of residents carried out an audit of our rent arrears policies and procedures. They made a number of recommendations, that we have now adopted, and overall they were very happy with the service Hexagon provides.

£68,000

in backdated benefits recovered by our Financial Inclusion Advisor

14

residents affected by the benefit cap

Helping people to manage their finances is an important part of our response to welfare changes. Hexagon's dedicated Financial Inclusion Advisor, Jason Herbert, works with residents on a daily basis to help them solve or manage financial difficulties. His comprehensive service covers everything from banking and credit unions, to getting the best energy supply deals and communicating with the DWP to ensure people access all the benefits they are entitled to.

Supporting Residents

Over 2013-14 Jason has helped 68 residents to understand and improve their financial situation. He is available to help on anything from a small query to a problem such as Jane's.

Jane has been a Hexagon resident for many years. She suffered from mental health difficulties but had always managed her tenancy well. However, difficult circumstances caused Jane's mental health to deteriorate. She was unable to maintain her benefit claims and both her Employment Support Allowance and Housing Benefit had stopped. She got into rent arrears and wouldn't respond to the housing officer's attempts to resolve the situation.

The next stage would have been eviction, but the Financial Inclusion Advisor got involved and was eventually able to engage with Jane. She explained her situation fully and he requested a backdated Housing Benefit payment, which cleared almost all of her rent arrears. He also got her regular payments restarted and her finances are now back on a firmer footing.

12 households have downsized during the year



226

residents affected by the bedroom tax



Catherine Foxwell with a young reader

Staff Volunteering

Hexagon is keen to give something back to the local community and in June 2013 we introduced an employee volunteering scheme. We initially picked two local causes to support: Haseltine Primary School, in Sydenham and Forest Hill food bank.



Members of staff volunteer up to seven hours of their own time which is matched by Hexagon. The programme is proving very successful, with both the recipients and volunteers benefiting greatly.

Hilary Tumility, from Haseltine Primary School, comments: *“We have been very lucky to have our Hexagon reading volunteers. The children really respond to the individual support, while feedback from class teachers shows it has made a real impact on reading progress, as well as increasing the children’s confidence.”*

Catherine Foxwell, Resident Involvement Officer at Hexagon and one of the volunteers, adds:

“Volunteering is something close to my heart, so I was delighted when Hexagon provided us with the opportunity to make a difference. Haseltine is a friendly, local school and the children were fantastic. They really seemed to appreciate an adult taking the time out to hear them read and the progress they made, in such a short time, was amazing.”

We are now looking for new community-based projects to help over the coming year.

Academy Progress



Last year we continued to provide employment and training opportunities for our residents through our Hexagon Academy programme. This helps give people the skills and confidence they need to get back into work through training courses and work placements.

Over the course of last year, 41 new residents accessed the Academy and 30 commenced paid work, in a variety of full time, part time and temporary roles. An additional 21 residents took voluntary work placements with Hexagon teams and subcontractors, over 70% of whom are now in paid work, a very high success rate.

One such resident was Sharon, who had been made redundant and had been unemployed for over a year, during which time her confidence had plummeted. She started a work placement in the Hexagon Customer Service

team and her self-belief soon grew. The role gave her not only confidence, but an updated career history and references which helped her find a paid, full time position at another housing association.

Hexagon Academy - the year in numbers

30 residents found work

21 work placements

5 residents attended
Business start up course

34 residents attended
advice sessions

72%

who completed a
work placement
got a job



Pictured above is Liteng - she started in the academy and is now employed by Hexagon as a Repairs administrator

Value for Money (VfM)

For Hexagon, Value for Money (VfM) is about being effective in how we plan, manage and operate our business. It is important because as residents you expect us to make best use of the money that you pay through the rents.

We have had some successes this year which includes

- Re-tendering our external painting programme - achieving savings of £315,000;
- Improving our performance on dealing with complaints about our repairs service – 89% were dealt with on time in 2013/14 without any increase in staffing to deal with them; and
- Reducing the average rate of interest on the money we borrow to build new homes and paying for new kitchens and bathrooms by 0.28% to 3.34% - we have been able to use these savings to develop extra new homes.

Not everything has been so good though. The new contract with Richardsons to repair our homes from April 2014 will cost us 8.2% more than the one with MHS before. This is due to the increase in the number of Hexagon homes, and the cost of undertaking repairs increasing.



How do we compare?

Hexagon's average 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 figures below are the latest (March 2013) for London housing associations.

Cost comparison		Quality Measure	
Repairs – managing the service	😊	Resident satisfaction with repairs service	☹️
Housing Management	😊	% rent arrears	😊
		Average time to re-let empty home	☹️
		% residents satisfied with the service provided	☹️
Overhead cost per property	😊	Percentage of staff turnover in the year	😊
Home improvements, cyclical painting and gas safety	😊	Residents satisfied with the quality of their home	☹️
Estate Services	😊	Residents rating estate services 'good'	☹️
Average Rents	😊	Below or at same level as other registered providers	😊

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

With Estate Services, we carried out a major review in early 2014 and amongst other changes will be putting a lot more staff time into checking the work that the cleaning and gardening contractors carry out.

Where to find out more

There is a lot more on our website about Value for Money for residents including:

- **A summary of our strategy and self assessment;**
- **How we make best use of assets;**
- **Comparative rent levels;**
- **Back office costs; and**
- **How residents can help.**

visit online at
www.hexagon.org.uk

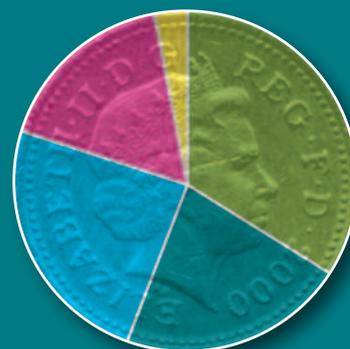


Our Finances

Income and Expenditure Account for the year ended 31 March 2014

	2014 £000's	2013 £000's
Turnover	26,204	24,605
Cost of sales	(1,459)	(1,578)
Operating costs	(15,848)	(15,280)
Operating surplus	8,897	7,747
Interest receivable	3	5
Interest payable and similar charges	(3,659)	(3,746)
Surplus on sale of properties	1,793	1,452
Surplus for the year before tax	7,034	5,458
Taxation	(5)	-
Surplus for the year after tax	7,029	5,458

How every £1 was spent

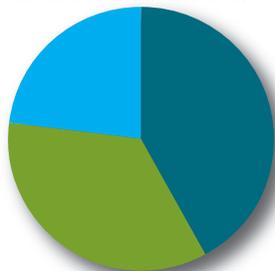


Planned maintenance and home improvement	35%
Responsive repairs	24%
Interest on loans	22%
Housing management and resident involvement	16%
Community investment	3%

Dealing with Complaints

We received 624 complaints during the year and responded to 89% within the 15-day target time we set - this is an increase on the 77% from the previous year.

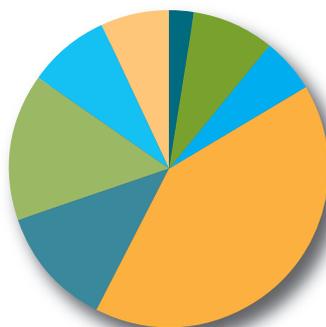
When the complaints were investigated, we found the outcomes were as follows:



Failure of Service	42%
Partial Failure of Service	35%
No Failure of Service	23%

Anti-social behaviour

We are still focussed on stamping out anti-social behaviour in our communities.



The number of reported cases has significantly decreased from the previous year.

ASB Cases Reported 2013/14

Racial	2
Domestic Abuse	6
Alcohol Related	4
Noise	30
Threatening behaviour/ physical violence	9
Other	11
Communal Areas	6
Drugs related	5

76%

of calls were answered by our Customer Services team within the target time - an increase on 58% from the previous year





Our Board

Our board has overall responsibility of 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. We've had 12 board members during 2013/14, each with a special area of responsibility:

Erhire Akpovrare

Chair of Audit & Risk Committee
Occupation: Area Asset Manager, Lambeth Living

Debbie Bankole-Williams

Vice Chair and responsible for Financial Management and Treasury
Occupation: Executive Director of Finance & IT, MCCH

Matt Campion

Responsible for Performance Management
Occupation: Director of Social Impact, Viridian Housing Association

Roy Coulter

Chair of the Board
Occupation: Retired from local government

Kellie Elmes

(joined September 2013)
Responsible for Community Investment
Occupation: Holistic Massage Therapist

Dermot Finn

Responsible for IT
Occupation: Self employed web application developer

Jeanette Kenyon

(joined September 2013)
Responsible for Development
Occupation: Self employed Property Development Consultant

Ian Mansell

Vice Chair and responsible for Housing Management
Occupation: Self employed Management Consultant

Tom McCormack

Company Secretary
Occupation: Chief Executive, Hexagon Housing Association

Gaius Vincent

Responsible for Resident Involvement
Occupation: Self employed Production Manager

Ian Watts

(joined September 2013)
Responsible for Repairs and Asset Management
Occupation: Managing Director, Paragon Churches Housing Group

Adenike Williams

Responsible for Human Resources
Occupation: GP Practice Manager, Acorn & Gaumont House Surgery



Hexagon

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