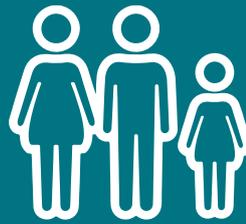


# 2014/15 Residents Annual Report



Hexagon

# Welcome an introduction from the Chair

In 2015, Hexagon is celebrating our 25th birthday. In September 1990, Shackleton Housing Association merged with Solon South East Housing Association to create a new organisation, Hexagon Housing Association.

Although a lot has changed over the years, we remain focused, as part of our core mission, on tackling the shortage of good quality homes for those in housing need. We now provide 4,100 homes compared with 1,300 in 1990.

It seems appropriate that in our 25th year as Hexagon, we put into action part of our plan to provide a better service to residents and communicate information in an easily accessible way. In February 2015 we launched our new website, with new facilities including an individual resident's log on. We recognised that the old website needed a refresh, and we worked

with resident groups, staff and other partner organisations to get feedback on what they would like to see from the new website.

During 2014/15, we also planned a new telephone system with more facilities to improve the speed with which we can deal with your calls and emails and since the start of the year, this new system is up and running.

We've recognised the failings in our repairs service have led to dissatisfaction from our residents and have now got new processes in place to improve this service, the benefits of which we are already

seeing. We remain committed to improving our communication and that of our contractors.

We would like to extend our thanks to all the residents that get involved, in one way or another, to improve our service to you. Special thanks to our Annual Report Group residents who have worked hard to produce this report.

*Roy Coulter,  
Chair*



*Residents and Staff celebrating together  
at the Hexagon Launch Party, 1990*

## Energy Efficiency



Throughout the last year the average SAP (Standard Assessment Procedure) energy score has increased. We have a target that by 2017 all of our homes will have a minimum SAP rating of 65.

A SAP rating scale range is between 1 to 100. It is a calculation of the annual energy cost of a home based on the:

- Structural elements
- Heating and hot water system
- Internal lighting
- Renewable technologies used in the home.

The higher the score the lower the running costs, with 100 representing zero energy cost.

We currently have 1,094 homes with a SAP below 65, reduced from 1,130 in March 2015. We aim to improve the energy rating of a further 600 units by March 2016 and another 494 units by March 2017, in order to achieve our target of no homes having a SAP rating below 65.

### What is SHIFT?



SHIFT is the UK housing sector's sustainability benchmarking panel: an independent body established by Sustainable Homes, in partnership with the Department of Energy and Climate Change (DECC); the Environment Agency; the Homes and Communities Agency (HCA); Mayor of London; UK Green Building Council and the World Wide Fund for Nature (WWF).

# Planned maintenance of your home

What has changed in the last 25 years? Central heating in every Hexagon home, for one thing. This was achieved in the year 2000. One of the biggest changes over the last 25 years has been the increase and improvement in the use of technology to monitor the condition of our houses. We know a lot more about our homes now and can readily access that information and data. This means we can track improvements and plan maintenance work to your homes in a much more efficient way.

The stringent health and safety regulations in place mean that we need to keep accurate up-to-date data on our properties to satisfy auditors and inspectors, meaning we need to know exactly the condition of your home and put right any discrepancies.

A big push over the last few years and even more so this last year is working towards more sustainable homes. Our biggest focus here is on keeping our residents out of fuel poverty. We achieve this by making sure your homes are as energy efficient as they can be, providing information on how to reduce your energy costs and providing Winter Warmth packs to the most vulnerable. When it comes to planned maintenance, we have sustainability in mind

with all improvements, so that we can continue to further our sustainability credibility.

In fact, Hexagon is award-winning in terms of sustainability - in November 2014, Hexagon were announced as one of only six housing associations in the UK to be awarded the Gold rating for sustainability by SHIFT (Sustainable Homes Index for Tomorrow). Hexagon has been striving for improved sustainability across our stock and within our own offices, for many years now, and we have continually improved on our SHIFT index, being awarded Bronze 4 years ago and Silver 2 years ago.

### Major works carried out

Using our database, we plan programmes of works for kitchens, bathrooms, windows, roofs and boilers. We are carrying out a rolling LED lighting programme to communal areas to reduce residents' service charge and tackle carbon emissions; in 2014/15 we installed LED bulbs to 130 homes and the communal areas of 6 blocks. We also carry out regular monitoring and management of asbestos, works to keep the blocks safe in terms of fire and any health and safety works. We maintain and manage all fencing and trees keeping residents safe and secure.

## Work we have completed in the past year:



66

Kitchens  
(target: 44)



33

Bathrooms  
(target: 16)



100

Windows  
(target: 100)



32

Roofs  
(target: 34)



232

Boilers  
(target: 125)



LED bulbs  
installed in  
**130 homes**  
(target: 100)

# Responsive repairs, lessons learnt

This last 12 months has been one of significant challenges for the provision of our day to day repairs services.

First our sole contractor MHS closed down at the beginning of 2014, and then their successor, R R Richardson Limited, went into administration 7 months later. Since then, we have been able to keep the service going with a range of temporary contractors and have recovered some of the lost ground in customer satisfaction and contractor performance. Please accept our sincere apologies for the disruption that you have suffered and thank you for bearing with us while we have been working to get everything back on track.

## But what have we learnt through this as we plan our repair service for the future?

1. London is a difficult marketplace for repairs activities and despite our size we are not immune from contractor failures. However we have identified elements that can be improved further.
2. Putting all of our requirements with one sole contractor does not always produce the value for money results we would expect; contractor size and detailed knowledge of London maintenance activities are important factors.
3. The provision of appointment times at the point of residents initial call led to major problems for the contractor being able to meet the proposed schedule with their workforce and this resulted in the numbers of telephone enquiries into our call centre increasing by nearly 40%, with customers chasing appointments and making a complaint.

Before entering into a new procurement process, the Directors Group at Hexagon have taken time out to understand the issues and how we can ensure as far as possible that the next contractor will avoid the same issues.

## Looking forward

We are now using three separate contractors on an interim basis and are planning to build this structure into our new repairs contracts. This is to minimise the risk of failure by creating a mechanism for contractors to be backed up when needed. While we tender the new contracts, we are trying these arrangements out. Two main contractors are undertaking our repairs, each having a main area of operation. The third contractor is providing support to the two main contractors and has responsibility for all communal and estate repairs. This is helping us to understand any issues we have to deal with before the new contractors are in place.

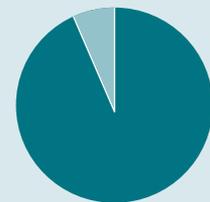
Given the problems we encountered with appointments not being met and changed at short notice by the previous contractor without our knowledge, we have decided the contractors will make the appointments directly with residents; this way they are in complete control of when the appointment is required and they can plan their staffing requirements accordingly. Having trialled this for six months, it appears to be working well so we will continue this into the future.

The new contracts should be in place by February 2016; until then we will be working hard to provide the service that reflects Hexagon's objectives.

The Residents Repair Group formed 3 years ago, and give up their time to work extensively with Hexagon to improve the repairs service and their communication with residents. It is made up of 9 residents, changing the way that repairs are dealt with by Hexagon and improving our service.

"Dissatisfaction was expressed by Hexagon residents about the level of service and repairs they were receiving. These have been the main failings for the past few years. We have taken on the responsibility of scrutinizing and offering suggestions to all areas of repair, from the performance of the gas contractors BSW, to the everyday repairs and the service provided by all contractors. We are working to ensure policies and procedures put in place are followed. We've had a massive impact on the way the repairs service has changed, feel we are proactive and have given the residents a voice. We will continue to support the improvements that are already being seen in this service."

Pam Daley,  
Chair of Repairs Group



93.9% of emergency repairs done within target time (target: 100%)

67.6%

Resident satisfaction with repairs service

(target: 71% - London average: 69.8%)



Average time from resident reporting to completion of the repair

(target: 10 days)

100%

Gas checks in target time

# Athena Project, Peer Mentoring



Twenty five years ago, Hexagon was at the leading edge of providing “care in the community” for people with mental health needs and in 2014/15, we are again leading the way by using Innovation Grant funding to develop an innovative service to support people with mental health needs.

The Athena Project is a peer mentoring service – funded by Southwark Council and the local health service - delivered by people who have themselves had personal experience of mental health issues. Mentors are trained by the Athena Project over a 9 week period, gaining the skills to support people to move out of supported living and helping with day to day tasks such as paying the bills, and finding local groups and activities to get involved in.

During 2014/15, the project was set up and the first group of 6 mentors completed their training. 14 more potential mentors are currently in training, with more courses to follow.

The project will not only benefit those looking to move from supported living into their own homes, but it is also providing

employment opportunities for individuals who, due to previous mental health issues may have found it difficult to find employment, and who want to put their experience to good use, turning something considered sometimes as negative, into a positive.

**“it is also providing employment opportunities for individuals who, due to previous mental health issues may have found it difficult to find employment”**

## Case study

Garry has finished the 9 day training and is now being paid to be a peer mentor.

“As someone who has made the challenging shift from supported living to living independently in my own flat, I can feel the potential of the Athena mentoring project and the project’s mission to help people move from supported living into much more independent living settings. I certainly believe there is a need for the mentoring service as I still see people in supported living wanting to move forward, but hindered by self-doubt and fear.

Our team so far is all very enthusiastic about mentoring people in the community and we have all got to know each other and the project’s facilitators quite well in the last few months. We now have much more confidence in ourselves and our fellow team members and look forward to working together in the field, so to speak. I hope that we continue to refine our methods and practices over time with the view to being of maximum use to those we will be working with.”

*Garry Ellison, Athena Mentor*



The first Athena Mentors presentation awards  
March 2015. (L-R) Ian, Garry, Desola, Tom  
McCormack, John, Catherine and Chris

# Improving Communications...

## ...through Resident Involvement

Resident involvement in Hexagon has massively increased over the last 25 years, and with a particular momentum in the last 10 years. Back in 1990 when Hexagon was formed, there was a low level of resident involvement with few opportunities outside of housing co-ops for residents to influence the day to day running of the housing service. Today we now have resident scrutiny activities reviewing many areas of Hexagon. This is achieved through the Performance Review Group and resident inspections.

The Performance Review Group (PRG) is a scrutiny panel that meets four times a year and whose role is to feedback on Hexagon's performance in areas such as repairs, complaints performance, customer service, lettings, rent arrears and gas safety checks.

The Resident Inspectors are a small team of residents who come into Hexagon to review a particular area of the housing service. They examine the information in some depth looking at policies and procedures and performance figures. The residents also take a view about whether the way we do things provides good value for money and send a report to us on their findings, along with recommendations on how we could do things better. These let

us know how good or not we are at delivering the service and where we can make improvements

Inspectors plan to undertake two inspections a year and are currently inspecting the Community Investment Service.

During 2014/15 our Resident Inspectors reviewed the cyclical decorations programme (external and shared area decorations undertaken every five years). A key part of this inspection looked at how Hexagon communicated with residents when cyclical decorations were due on their properties. The inspectors made recommendations for improving the information pack that was sent to tenants.

Wendy, a Hexagon resident who recently received her cyclical decoration pack said, "My pack had all the information we needed including the schedule of works, what we had to do to prepare for the works together with some useful contact details. The pack contained a booklet from a contractor which had the best quality information I have ever had for cyclical repairs."

**The Resident Inspectors made an additional 13 recommendations to management most of which have been taken up.**

Carol Brown  
(Annual Report Group;  
Repairs Group;  
Estate Grader)



We have Estate Graders, a group of residents who visit our estates looking for things such as the cleanliness and appearance of communal areas. Twice a year (spring and autumn) these residents independently assess a range of estates and, based on their findings, they give each estate a grading - Gold, Silver or Bronze.

**Last year 9 out of 11 estates were given Silver ratings by the Estate Graders. One estate was given Bronze and we delivered on an action plan to improve the standard across all areas.**

Resident scrutiny makes a huge difference to how we deliver our services. Our communication with our residents has changed a lot, and many residents say for the better, over the years.

We would like to thank all of the residents who have been involved in one way or another because the feedback and input they have provided has helped Hexagon to further ensure all residents receive an improved housing service.

Pam Daley  
(Chair of Repairs  
Group)



## Listening to you

In 2014/15 Hexagon had a target to respond on time (within 15 days) to 90% of complaints. Unfortunately, out of the 539 complaints received, due to problems with our main repairs contractor, we had a disappointing result of only 65%. We struggled to respond to the complaints, 90% of which were about repairs, due to these problems. We are tackling this head on, with changes already having been made earlier this year, to end the current contract and bring in new contractors who can help us to achieve much better results next year. Things have already improved and we are receiving fewer complaints.

Our target for resolving issues first time was 90% and we achieved this with a result of 92%.

We had a record number of calls to deal with in our Customer Service centre in 2014/15, we improved our service level and a lower proportion of callers abandoned their call (down to 7% from 8.1% in the previous year).

### Issues resolved first time

90% Target

92% Achieved

**77,829**  
calls received

**77.3%**  
of calls answered within  
the 30 second target

# Helping our residents into work



There are currently 16 Hexagon residents, that's more than 1 in 10 of our staff, who have gained employment in Hexagon Housing Association through the Academy; they are working in our Head Office as administrators, customer service advisors, in Finance and Housing Teams.

On an individual level this has offered employment to residents, but in addition for Hexagon, this means we have a team that better understand what it is really like to be a Hexagon resident - that insight is invaluable in shaping our services.

Nicaise, a Hexagon resident from Southwark, was recruited via the Hexagon Academy to the post of Finance Assistant in our Finance Team last July. Nicaise had been undertaking voluntary work in Finance for a couple of months before joining the Finance Team.

Toni first joined the Academy in January 2014. She attended one to one sessions with Magda, our Employment Project Coordinator, who identified her transferable skills and helped construct her CV. Toni did some voluntary work placements in December 2014 before joining our Repairs Team as an Administrator.

There are many benefits of work placements through the Academy programme. Our residents can gain some current experience within a working environment, boost their confidence helping them to realise their capabilities,

learn new skills and gain current references for their future employers.

Last year Hexagon Academy voluntary work placement programme was awarded the Fair Train Silver Quality Standard and we are now a recognised quality provider of work placements. Fair Train is a charity who runs a nationally accredited scheme which recognises the high quality work experience opportunities provided by employers. We are immensely proud of all of our staff and of the Academy for achieving this award.

Target	Achieved
Residents into work	
20	23
Work placements	
20	20
Business startup training	
10	19



Toni Thomas  
(Responsive Repairs  
Administrator)

# Money matters for all

Hexagon are always looking for ways to improve our service whilst also providing good value for money. Over the years our aim to support our residents under the many government changes has been central to our organisation and this year has been no different.

## Welfare Reform

2014/15 is the second year under the Government's welfare reform programme, with the two main changes being the Benefit Cap and the Bedroom Tax. These haven't had a measurable impact on the amount of rent collected for Hexagon, but we are aware that many residents are having difficulty meeting the difference between their housing benefit and rent payment due. Ensuring our residents are fully supported through these changes is a priority for Hexagon.

In 2014/15 we helped 7 people to down-size to avoid the Bedroom Tax and did so by relaxing our rules around rent arrears to enable them to move. We've provided money advice to 90 residents to help them get temporary cover to pay rent and also gave advice to help with future budgeting. This support is provided as a one-to-one personalised advice service usually in residents' homes.

## Looking forward

Over the next 3 to 4 years Housing Benefit will stop and benefits will all come in one monthly payment. This will be known as Universal Credit and it means that rent and all other financial commitments will need to be budgeted out of this one payment. In late 2015, the new Universal Credit will start to affect some residents, and many more in 2016. Supporting those residents that are struggling with this change and the effect that it will have on them will be one of Hexagon's main areas of focus over the coming months. We can provide money advice; help with banking through our partnership with the London Plus credit union and help with getting on-line.

## Residents matter

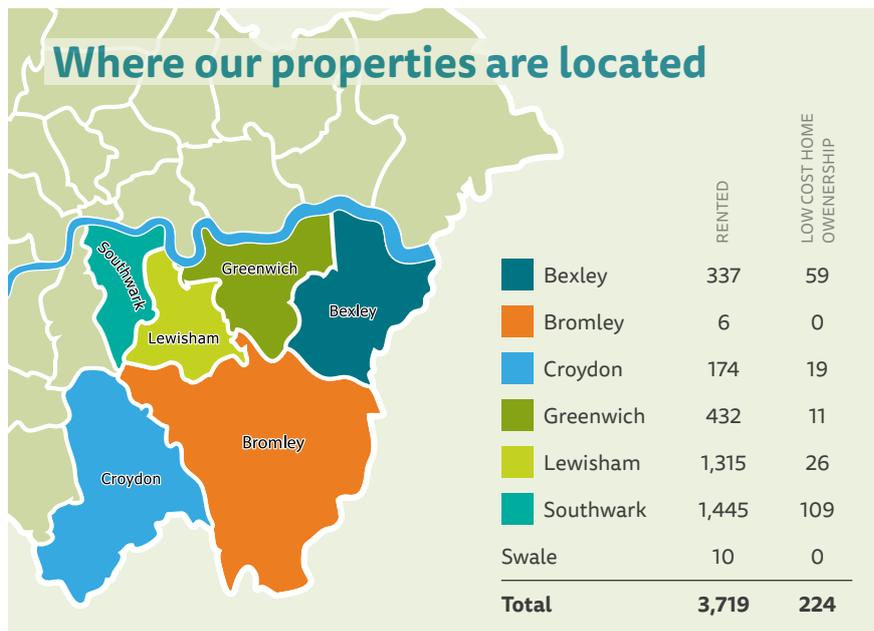
In 2014/15, in partnership with the environmental charity, Groundwork, we were able to provide our older residents a special Stay Warm pack in the winter, together with advice on keeping their fuel bills down.

**Our target was to provide 100 Stay Warm packs, and we are pleased to report that we achieved this target.**

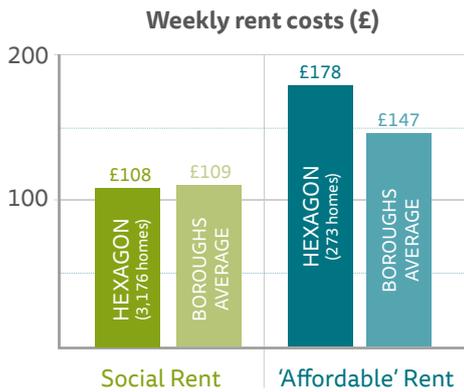
**7** People helped to down-size to avoid the Bedroom Tax

**90 RESIDENTS** Received money advice to help them get temporary cover to pay rent

## Where our properties are located



## Rent matters



On average Hexagon's social rents are a little lower than those of the south London boroughs that we provide homes in.

'Affordable' rents are set at up to 80% of the private sector rent and are charged on almost all new homes built since 2011, and about half of our existing homes when they are relet.

We don't like charging these higher rents and we plan to bring down the proportion of homes we offer at these

rents in the future, by finding other ways to subsidise the building of new homes.

## Rent Collection

Moving forward, we, as an organisation, know we have to find more efficient ways to collect rent and chase arrears. We are investing in new technology to meet these goals.

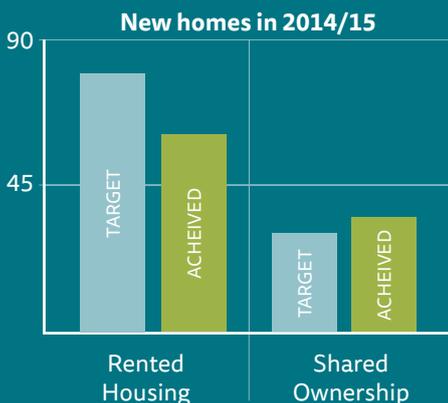


# Providing homes for those in need

Hexagon have continued to build more new affordable homes in the last year. We've taken on exciting and innovative projects, with a focus on affordability, but also on sustainability. We've also been rewarded for our efforts with not one, but several awards.

We had targets to provide a number of new homes within 2014/15. For rented housing the target was 81 and we achieved completion on 69. For shared ownership, the target was 31, and we achieved 33.

Our target for lettings to existing Hexagon residents was 25%; we achieved 17%. This result is largely down to regulations placed upon us by different councils, and having to meet the agreements we have with them.



Paynes and Borthwick provides social rent housing in a stunning and normally expensive location on the river in Deptford. This scheme recently won Silver awards in both the 'Best Apartment Scheme' and the 'Best Brownfield Development' in the What House? Awards 2014. The whole development comprises of 257 attractive riverside apartments built on the site of a former factory building, which has been tastefully restored, retaining much of its old façade. 44 of these apartments are Hexagon's and were made available at social rent levels. These included 20 one-bedroom, 16 two-bedroom and 8 three-bedroom units, some of which are wheelchair accessible.

Foxley Road in Croydon is another development that Hexagon has built this year. These shared ownership homes completed in December 2014; they have been designed to a high specification, with high ceilings and lots of space. With 19 homes in total, all homes were sold by June 2015.



Malvern House, Foxley Road

# Value for money

For Hexagon, Value for Money (VfM) is about being effective in how we plan, manage and operate our business; it is important because residents pay their rent and service charges in the expectation that we will make the best use of them to fulfil Hexagon's objectives.

We are pleased to report we have had some successes during the year which include:

- We negotiated with contractors installing kitchens, bathrooms and windows and were able to hold 2013/14 prices – saving a total of £55,000 which we were able to invest in carrying out more works;
- Installing electricity generating photovoltaic cells on roofs of several schemes and the 'feed in' tariff income has led to considerable savings for residents in terms of reduced service charges – the total income for three schemes is around £18,000 a year;



Installing photovoltaic cells

- Work with Lewisham anti-fraud team has recovered three properties – we estimate that this has saved in the region of £12,000 of legal costs in 2014/15 – something we expect to repeat in future years;
- Reducing the number of printers in the Association and increasing the performance of new ones has made a saving of around £1,800 a year;
- Selling a large supported housing scheme which was no longer fit for purpose and we were having difficulty letting.

There were not successes everywhere in terms of VfM – our main contractor RR Richardson went into administration during the year, about 7 months into the contract. While we were able to get contingency arrangements quickly into place, it was a cost to the Association both financially and in terms of service delivery – which is reflected in the table.

## How do we compare with other London housing associations?

Hexagon uses a mixture of cost and quality measures to show how we are doing using a housing 'comparison site' called HouseMark as well as figures produced for the Government regulator of housing associations.

Cost Comparison		Quality Measure	
Repairs – managing the service (cost per home)	☹️	Residents satisfied with the repairs service	☹️
Repairs works (cost per home)	☹️		
Housing Management (cost per home)	😊	Rent arrears	😊
		Average time to let an empty home	☹️
		Residents satisfied with the overall service	😊
Home Improvements, cyclical painting and gas safety staff costs	😊	Residents satisfied with the quality of their home	😊
Central Services (cost per home)	😊	Staff Sickness	😊
Estate Services	😊	Resident's satisfied with Estate Services	☹️

- 😊 Best 25% of housing associations in London
- ☺️ Middle 50% of housing associations in London
- ☹️ Worst 25% of housing associations in London

## Finding Out More

Our website has a specific section on VfM specifically for our residents including:

- A summary of the strategy and self-assessment;
- Comparative rent levels;
- Making best use of assets;
- Back office costs; and
- How residents can help.



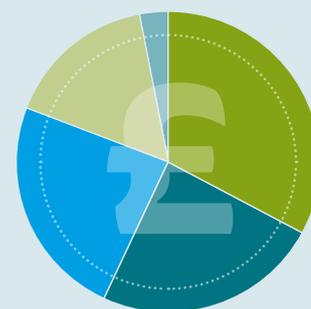
[www.hexagon.org.uk/residents/value-for-money](http://www.hexagon.org.uk/residents/value-for-money)

# Our finances

## Income and Expenditure Accounts

For the year ended 31 March 2015	2015	2014
	£000s	£000s
Turnover	30,336	26,204
Cost of sales	(3,300)	(1,459)
Operating costs	(17,020)	(15,848)
<b>Operating surplus</b>	<b>10,016</b>	<b>8,897</b>
Interest receivable	23	3
Interest payable and similar charges	(4,001)	(3,659)
Surplus on sale of properties	3,104	1,793
Surplus for the year before tax	9,142	7,034
Taxation	(21)	(5)
<b>Surplus for the year after tax</b>	<b>9,121</b>	<b>7,029</b>

## How every £ of rent was spent



Planned maintenance and home improvement programme	33%
Responsive repairs	24%
Interest on loans	24%
Housing management and resident involvement	16%
Community investment	3%

# 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 2014/15, each with a special area of responsibility:

### Debbie Bankole-Williams

Vice Chair & Responsible for Financial Management & Treasury

Executive Director of Finance & IT, MCCH

### Ruth Chambers

(joined September 2014)

Responsible for Human Resources

Self Employed Campaign & Public Policy Consultant

### Roy Coulter

Chair of the Board

Retired from local government

### Kellie Elmes

(Tenant Board Member)

Responsible for Community Investment

Holistic Massage Therapist

### Dermot Finn

(Tenant Board Member)

Responsible for IT

Self Employed Microsoft Web Application Developer

### Jeanette Kenyon

Responsible for Development

Self Employed Property Development Consultant

### Martin Large

(joined September 2014)

Responsible for Value for Money

Chief Executive, GLE Group

### Ian Mansell

Vice Chair & Responsible for Housing Management

Self Employed Management Consultant

### Tom McCormack

Company Secretary

Chief Executive, Hexagon Housing Association

### Gaius Vincent

(Tenant Board Member)

Responsible for Resident Involvement

Self Employed Production Manager

### Rosalind Watson

(Tenant Board Member, joined September 2014)

Responsible for Performance Management

Retired

### Ian Watts

Chair of the Audit & Risk Committee, Responsible for Repairs & Asset Management

Managing Director, Paragon Churches Housing Group

# Hexagon

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