

Hexagon



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RESIDENTS' ANNUAL REPORT

20

ADAPTING FOR THE FUTURE



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Residents pictured on the front cover are Linda McMahon, and Nii Mansro Solomon

WELCOME FROM CHAIR AND CEO

Welcome to the 2020 Residents' Annual Report.

It has been a busy year for Hexagon Housing. The launch of a new Residents' Advisory Group was a key success this year; the group has already reviewed a number of draft policies, and provided valuable feedback on what should be included in these policy updates.

Fire safety continued to be a focus for the Association this year, with ongoing fire risk assessments undertaken, and the response to government guidance notes. Our attention on this key issue will remain as we prepare for changes to legislation.

Energy efficiency has been another focus this year, particularly on properties where upgrades have been undertaken. Looking ahead, we have started to investigate suitable replacements for gas boilers, as part of our commitment to tackling climate change.

Whilst the shortage of affordable housing continues, the building of new homes remains a key part of our mission. We have made solid progress in delivering our development programme including the purchase of a site in Blackwall Lane, Greenwich. The plan for

this site is 27 homes, with a combination of shared ownership and rented properties.

In the closing couple of weeks of the financial year 2019/20, the coronavirus pandemic and resultant lockdown changed things pretty fundamentally for all UK businesses and Hexagon is no exception. One key challenge in looking ahead is to work closely with our residents, to ensure they can access the benefits available to them as they face financial challenges from a weaker economy and rising unemployment. The Hexagon Board is working closely with the Executive to actively manage these challenges, and indeed all the risks arising from the pandemic. We remain confident that our strong approach to governance will see us through these unusual times successfully.

We would like to pass on our thanks to all those who have helped Hexagon Housing have another successful year – especially all the residents who have engaged with us, and those who continue to help us this coming year.



SIMON
FANSHAWE
Chair



TOM
MCCORMACK
Chief Executive

SERVICES ADAPTING TO THE COVID-19 LOCKDOWN

It came in toward the very end of our last financial year, but like the rest of the country, the covid-19 pandemic and subsequent lockdown has put all Hexagon residents and staff through quite a journey. There have been periods of doubt and concern, but throughout this Hexagon has tried to follow the latest Government guidance. This hasn't always been easy, especially when new guidance is often being shared and changed daily.

Effectively our last normal day in the office was the 18th March – at the time of writing over four months ago. In response to the national call, we made three key decisions:

- To close the office and move to working from home as far as possible. To move to only making essential journeys, and doing essential activities. This meant only doing emergency and urgent repairs, and carrying out health and safety inspections such as fire risk assessments, gas safety checks, water hygiene assessments, communal electrical checks, lift servicing, and rapid response to emergencies such as plumbing or electrical faults
- Our Customer Services Centre compiled a log of all new routine repairs, to be carried out once the government guidance enabled Hexagon to resume normal services

- We needed to make sure that our older and more vulnerable residents were contacted. At time of writing a team of staff and residents have already contacted over 500 people, offering assistance or referring them to others who can help

In addition, we committed to keep our lettings service open – as we understand that in a time of crisis, the need for a safe secure home is a priority.

We made regular updates on our website to inform residents of any changes to our services due to the pandemic, and sent detailed information covering all service changes to every resident for whom we hold a current email address.

As a result of lockdown, Hexagon followed government guidance which meant focusing on essential journeys and activities. These included emergency and urgent repairs, fire risk assessments, gas safety checks, water hygiene assessments, communal electrical checks, lift servicing, plumbing and electrical faults. We kept a log of all other reported repairs that were needed, and at time of writing these are now able to be better addressed, as are services such as grass cutting, and cyclical repairs



We also knew that some of our residents would be experiencing financial challenges due to covid-19 and the lockdown. Over the first 8 weeks of lockdown we experienced a considerable increase in residents approaching us because they were transitioning to Universal Credit or needed financial advice. We dedicated additional resources to meet this demand.

In terms of housing management, again we prioritised health and safety work, especially around fire risk actions and estate inspections. In terms of other services we sought to deliver these via the telephone wherever possible. We prioritised cleaning in our blocks, but grounds maintenance was focused on health and safety issues, and grass cutting was suspended.

We were able to respond quickly to the need to create a virtual call centre, with our IT department getting equipment to staff members' homes.

Throughout this period of transition for all of us, the vast majority of our residents have acted with great care and consideration, and have understood when we haven't been in a position to do less urgent tasks.

As we began to get used to this new environment we developed ways to get round the challenges. We held meetings of residents, plus Board and team meetings via Zoom and other digital means. We carried out estate inspections with the help of our Estate Champions, and we tried virtual viewings of properties.

Over the past few weeks things have begun to return to normal, or what is being referred to often as 'the new normal'. We have started doing the full range of grounds maintenance again – including grass cutting. We have begun to do routine repairs again, and are looking to restart the major works where appropriate.

But some things remain relatively 'in lockdown' for example our office remains closed with most staff working from home. This is likely to continue for some time, and there are benefits we have found to this. We are at time of writing still needing to exercise social distancing when visiting residents.

We are grateful to our staff and contractors who have worked flexibly during this challenging time. However most of all, we would like to thank our residents for their patience during this period, and for their good neighbourliness and consideration for others.

Comparisons with other London Housing Associations

The comparisons in the table show how Hexagon is doing compared with other London Housing Associations using "Housemark" data.



Best 25% of Housing Associations in London



Middle 50% of Housing Associations in London



Worst 25% of Housing Associations in London

COST COMPARISON		QUALITY MEASURE	
Cost of housing management	😊	% of rent collected	😞
Repairs – repair and void works per property	😐	Residents satisfied with the overall service	😞
Cost of repairs per home	😐	Resident satisfaction with estate services	😞x
Central costs – IT, Finance and HR (per home)	😊	Residents satisfied with repairs service	😊x
		Gas safety record during the year	😐x

*Where marked with x it is referenced against 17/18 benchmarking as more recent data was not available. Otherwise refers to 18/19 benchmarking

CUSTOMER SERVICE TEAM ACHIEVEMENTS IN 2019/20

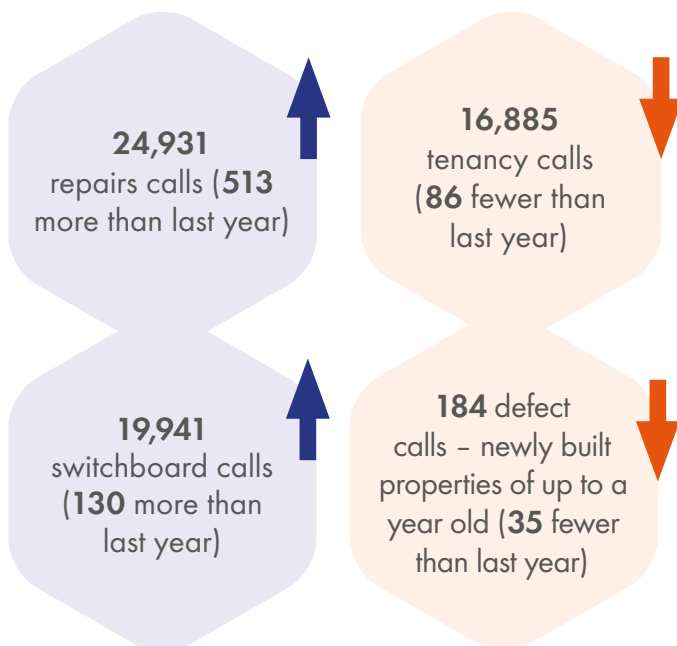


The Customer Service Team worked hard to meet and beat their goals in the past financial year

We were presented with a total of **66,187** calls (**321** more than last year).

Of these calls, we answered **61,941** (**262** more than last year)...

This breaks-down to us answering the following for each of the lines:



We achieved a service level of **82%** against our target of **80%** and an abandoned call rate of **6.41%** against our target of **7.5%**.

We achieved a service level of **100%** for repair emails, dealing with all **7007** (**661** more than last year) within **1.1 working days** of receiving them, against our target of **3 working days**.

Service Level:

This measure is widely used in customers contact environments and is linked to our promise that we strive to answer 80% of your calls within 30 seconds. This target is set over a rolling year, which starts in April and finishes at the end of March. For 2019/20 we achieved a service level of **82%**, exceeding the target by **2%**.

Abandoned Calls:

There can be busy hours where we receive an influx of calls; known as a call 'spike'. During spikes some customers can't wait for an extended period and put the phone down. We class these calls as being 'abandoned', because through no fault of the customer, we were not able to get to that call. Information about when wrong numbers are called can easily be seen from our reports, so these types of abandoned calls are not counted. Our target for abandoned calls is set at **7.5%**. For 2019/20 we achieved **6.41%** exceeding this target.

So what are the best times to call?

We tend to find we get quieter periods from Tuesday afternoon through to Thursday afternoon. We tend to be busy throughout most of Mondays and Friday's, also during lunchtime between 12pm-2pm.

FIRE SAFETY

Hexagon are currently in the third year of a three year programme of fire risk assessments. Our accredited assessors, The Oakleaf Group, identified many areas that needed bringing up to standard. Hexagon has risen to the challenge.

Since 2018 Hexagon has commissioned the survey of fire doors across our entire stocks. Many fires doors have received a replacement and upgrade, including communal cross-corridor fire doors and flat entry doors, in line with BS 8214 requirements.

The accredited fire protection specialists Bell Group have carried out these works, which includes 'fire-stopping' using the latest fire rated materials. All of our active fire safety systems are, as always, maintained and tested in line with the latest British Standards.

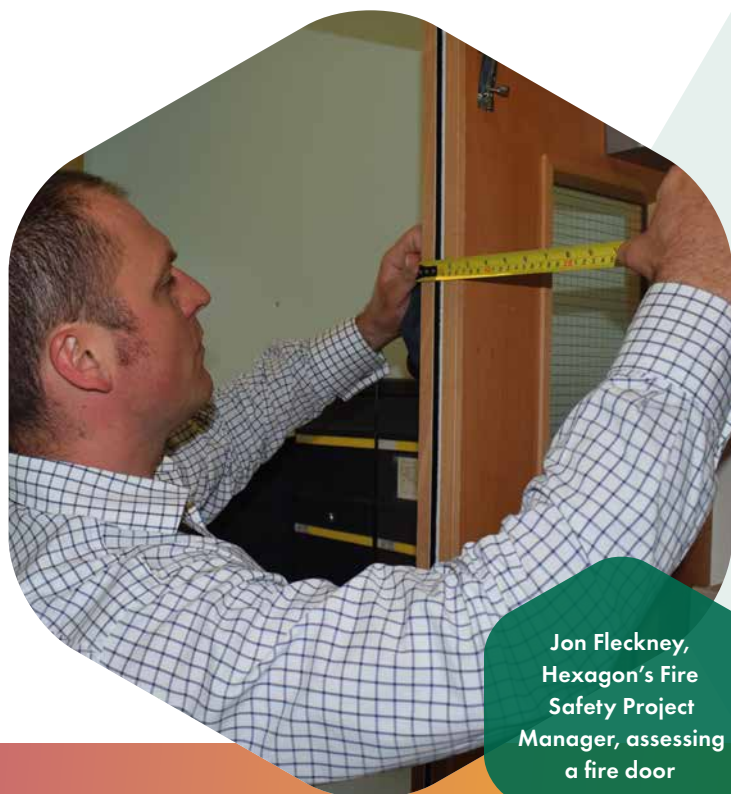
By the end of 2020, it is expected that the Government will pass a new 'Fire Bill'. One of the anticipated recommendations is an investigation into what materials are fitted to the external wall system of all housing blocks standing 18 metres tall and above. Hexagon do not have any high rise blocks and we do not have the ACM cladding that caused the Grenfell disaster. We are nevertheless determined to learn

from that tragedy, so Hexagon has already begun this investigation in all our blocks, regardless of height.

To ensure that fire safety for Hexagon residents is to the highest standard, Hexagon have begun an assessment of all combustible materials found in our balconies.

This is in line with the latest advice from the Ministry of Housing, Communities and Local Government. Hexagon would like to point out that, even with all the work we are doing on fire safety, we cannot do it without you. Remember:

- Do not obstruct any fire exit
- The means of escape must be kept clear of combustible material at all times
- Keep all fire doors closed
- Do not store anything within the common areas
- Do not smoke too close to the building
- If there are bin chutes in your block, please always ensure that your rubbish goes in the chute, but without blocking it



Jon Fleckney,
Hexagon's Fire
Safety Project
Manager, assessing
a fire door

Hexagon have 548 properties subject to the Fire Safety Order (2005), which means they need a Fire Risk Assessment (FRA) carried out. 86% of these properties have now had an FRA, over the three year FRA programme.

'Compartmentation' is one of our biggest FRA actions - usually this means an upgrade of fire doors. Hexagon has spent nearly £600,000 on improving the compartmentation of its buildings over the last 12 months. The replacement of signage that has been removed or is worse for wear is another common FRA action.

'Housekeeping' is another key issue in FRA checks. Items blocking a means of escape present our most common fire risk. We urge all our residents to help us clear all common areas including bin areas of items such as prams, buggies, boxes and all other combustible material.

LOOKING AHEAD: COVID-19 & OUR FINANCES

MONEY MATTERS

As the pandemic came in at the very end of our financial year, its impact on our finances was minimal for 2019/20. Now we look ahead to project how covid-19 may affect our budgets for 2019/20.

Whilst the UK went into lockdown on 23rd March, Hexagon had already moved to having all office staff working from home by 18th March. There was very little impact on Hexagon's finances for the year to March 2020 as – other than cancelling a training course and buying a few extra laptops to help with home working – Hexagon continued to operate.

With the economic effects of covid-19 still to be determined, it is too early to say what the impact will be for 2020/21. The impacts modelled in our cashflow forecast are explained below, in order of significance.



What might happen?	Likely impact	What we have done
House prices fall in London	Lower income from shared ownership and outright sale properties in development	Made sure we can withstand a 10% drop in prices
Contractors who are building new homes get into financial difficulties because sites are closed	Might have to use another contractor, at a higher cost	Monitoring how the sites (which have now all re-opened) are progressing
Buyers cannot view properties for sale	Delays in sales income from shared ownership properties that have already been developed	Set up online viewings, and made arrangements for in person viewings that comply with social distancing
Residents who lose their jobs need to make Universal Credit claims for the first time	Rent arrears rise	Residents in this situation are supported by specialist staff
Programmes for major repairs and cyclical decorations are delayed	If programmes finish after March 2021, some costs would fall into 2021/22	Planned for the programmes to complete in 2020/21 as far as possible
A reduction in responsive repairs	None, provided that we catch up with any backlog by the March 2021	The Responsive Repairs Team are repeatedly monitoring contractor performance to minimise the negative impact of the pandemic on our repairs service and maintain our high standards



We ensure regular weekly contact support with our residents transitioning onto Universal Credit, until the first payment is received

The Financial Inclusion Team assisted 55 new claimants in the year 2019/20, up from 20 new claims in 2018/19. This support included Council Tax claims, general money advice, and other entitlements such as Personal Independence Payments (PIP).

Hexagon received direct payments from 402 Universal Credit claimants in the year 2019/20, up from 312 claims in 2018/19. Income generated from direct Universal Credit payments for the year 2020/21 is anticipated to be approximately £3,281,000, an increase of £766,280 from 2019/20. This equates to 15% of the annual revenue expected for Hexagon.

These monetary values are estimates, because the number of Universal Credit claimants will fluctuate as residents transition back into employment. Universal Credit claimants who receive payments directly from the Department of Works & Pensions – and become responsible for paying their rent to Hexagon – are not able to be counted in the figures above.

TRANSITION TO UNIVERSAL CREDIT

Universal Credit – or UC as it is widely known – is now a challenge facing not only Hexagon but all housing associations across the sector. At time of writing 500 of our residents had already made the transition across to UC from the current 'legacy benefits system' as we know it – being Housing Benefit, Income Support, and Jobseeker's Allowance.

During these transitions, Hexagon identified areas that we feel we could improve upon to provide better support, advice and guidance. The management team looked at a number of different ways in which we could approach this challenge – to help minimise both the impact for all our residents transitioning, and the impact on our arrears. We looked across the sector at how our peers within the industry were meeting this challenge, then designed and created a 'UC Hub' to best serve our residents' needs.

The UC Hub is where the Revenue Team and Financial Inclusion Team work closely together to provide support, advice and guidance – from the time a resident makes a UC claim to the time the first payment is received.

Many residents may not notice anything different to how your rent account is managed when you make your UC

claim. However internally, we have put an emphasis on ensuring regular weekly contact with our residents during the usual four to six weeks waiting period, up until when your first payment of UC is received. This enables the UC Hub team to provide intensive support and to be a focus point for any questions and concerns that residents may have during this period, as we understand that UC is a big change for residents to undertake.

Hexagon adopted this approach because we acknowledge that this period of transition can be a very confusing and challenging time for some residents. Not all residents understand what UC is, or how it works. We hope that our efforts will help make the transition for any of our residents moving across to UC as easy as possible. Our goal is that, moving forward, it will be a seamless transition for all.

DIGITAL ENGAGEMENT

Hexagon provides digital skills support to help residents learn how to independently get online, and to help those already online to further improve their digital skills. This has been an important priority for Hexagon's Community Investment Team over the past year.

Hexagon employs a small team of five digital champions to undertake this work. Four of these Digital Champions are Hexagon residents.

In 2019/20 we supported 57 residents to get online and/or improve their digital skills.

The year ahead

Due to the pandemic, many services and organisations in the wider community have moved their services online over the last few months. A quarter of our residents are not online – as a result, over the last few months we have seen a growth in demand from residents to access digital skills support. Significantly, this includes new demand from residents who would describe themselves as

reluctant to get online, but who recognise the benefits it can bring should another lockdown occur.

We have been working to develop different ways to provide digital skills remotely. Our team has been working on this new approach so we can support residents including those who have little or no digital skills to get online and boost their confidence online.

Hexagon is a registered UK Online Centre. Through this centre residents can access a wide range of digital learning resources for different skill levels and interests.

Residents can now register and learn at their own pace through the website www.learnmyway.com. By adding Hexagon's centre code which is **8000669** residents can have the added support of our Digital Champions, who can help guide learners through areas they may be unsure about.



Linda McMahon
is a Hexagon
resident and a
Digital Champion

LEARNING ONLINE

In 2019/20 Hexagon's Community Investment Team worked with training providers Learning Curve Group, London Learning Consortium, and the Workers' Educational Association. Of these, Learning Curve Group proved the most popular with our residents, where a total of 32 residents enrolled onto employability related, accredited learning courses through the Learning Curve programme.

This was significantly lower than the 54 successfully enrolled residents during 2018/19. However, 19 residents scheduled to attend enrolment days in March 2020, which due to the covid-19 lockdown had to be postponed.

Working with Learning Curve Group to move enrolments online during April and May 2020, we saw the number of residents enrolling increase to over 50.

The Year Ahead

We are working with our partners to expand online learning opportunities, particularly accredited and employment-related courses which are our most popular.

We are exploring how we can develop the virtual classroom to enable us to offer increased online learning opportunities. As some residents are not comfortable with telephone and video conferencing such as Zoom, or WhatsApp, we are working to support residents to increase their confidence.



CARE & SUPPORT SERVICES

Hexagon has been providing high quality housing, care and support services to vulnerable client groups for more than 20 years. Our high quality, client centred services offer supported housing environments for clients with long term, enduring mental ill-health.

The total number of units providing this service is 27, split between our two sites at Newstead Road and Kirkwood Road.

The team worked with 31 residents in the year 2019/20. The number of residents we worked with is higher than the number of units available. This is due to some residents moving out from our service and new residents moving in during the period.

Below are some of the achievements made by staff and residents from our two supported housing facilities at Kirkwood Road and Newstead Road.

Newstead Road during 2019/20

- A report from The Clinical Commissioning Group (CCG) overviewed Newstead Road to be a very smooth running service which delivers good social care
- A resident representative continued to facilitate well attended House Meetings
- Essential skills training – such as cooking, cleaning, budgeting, self-care, emotional resilience, and maintaining a safe environment to live in – helped support four residents to soon move on to more independent living
- Ongoing activities which engaged the residents included massage therapy, music therapy, animal therapy, barbeques, Diversity Day, MyTime specific support, and our annual Christmas party

Kirkwood Road during 2019/20

- Residents shared knowledge and interests to promote strong, person-centred values such as equality, dignity, respect and choice
- Residents made ground rules for during residents' meetings; took the minutes and chaired meetings in turns; nominated one person as a representative and developed good rapport with facilitators
- Residents were actively involved in their key work sessions, support plans, and resettlement plans
- A resident was supported to bid on Southwark Homesearch and successfully secured a tenancy. Staff liaised with other professionals to ensure the resident settled well
- Ongoing activities which have always proved popular with residents included relaxation sessions, music therapy, art therapy, baking, digital inclusion sessions, table tennis and the Sunday Lunch Club
- Residents raised £30.80 for Macmillan Cancer Research

During the 2019/20 year, Newstead Road ran a total of 457 activities for residents to attend, where the average number of sessions attended across the entire year came to 71 sessions per resident. At Kirkwood Road a total of 280 activities were held, with each resident attending an average of 53 activities in total.

Resident MS and others often enjoy taking part in cooking



RESIDENT INVOLVEMENT

Residents' Scrutiny goes from strength to strength

Residents' Advisory Group (RAG)

One of the highlights over the 2019/20 year was the introduction of a new advisory group. The group was set up to review Hexagon's major policies and strategies. The aim of the group is to bring a residents' perspective to the development of key policies. The group has been assisted in its formation by an independent consultant who currently chairs the meetings of the group. The group works to an annual programme of reviewing key policies.

Some recommendations go via the managers and/or the Board. For the year, there have been three meetings of the RAG since being set up, and in that time they have reviewed the Gas Safety Policy; the 2020/23 Corporate Plan; a Digital Engagement Strategy; a Value for Money Strategy and the Residents Involvement Strategy.

RAG have made a number of changes to these policies, including detailing the current gas safety regulations into the policy. As a result of RAG feedback, Hexagon responded by agreeing to undertake further audit checks on 5% of all properties. Where legal action may be required to gain access to a property, we have listened to the recommendation from RAG and agreed to cross reference such legal action to our Equality Policy to protect any vulnerable residents.

In reviewing the Corporate Plan objectives, the RAG provided a number of helpful changes – including more emphasis on using high quality components in building and repair works.

In addition, the group have reviewed the Residents' Involvement Strategy, the Value for Money Strategy and the Anti-Social Behaviour Policy.

Looking ahead, the momentum will continue. RAG will be scrutinising how Hexagon handles complaints from residents, plus examining the Shared Ownership Policy.

Estate Graders

Another highlight of the year was the work of the Estate Graders. This is where residents, who are trained in our Estate Services Standards, visit estates and rank each one taking into account the condition of communal areas such as rubbish stores, external lighting, door entry systems, and car park areas.

Across the 17 estates visited, Hexagon were pleased to note that the Estate Graders ranked 10 estates at a Gold standard, and seven estates at a Silver standard.

On top of these impressive rankings, the Estate Graders gave us a report containing some 59 recommendations for addressing issues on the estates such as communal lighting, fly tipping, dumped vehicles and overflowing bin chambers. Hexagon responded by



The Resident Involvement Team also held events out in the community over the past year, such as The Summer Big Lunch, and the Plant Your Own Hanging Basket workshop pictured here during a Neighbourhood Event in Lewisham



Our Resident Involvement Team also oversee the production of our resident magazine Home News, which has evolved into a much more modern publication over the past year. The new cover design and a broader range of professional journalism has led to the publication enjoying a rise in readership, more competition entries, and much unsolicited praise from residents, the Board, and staff.

See here the covers from Spring 2109 and Spring 2020

raising orders for each of the recommendations. All the issues raised by the Estate Graders have been successfully resolved by the Housing Services and Responsive Repairs Teams. This has resulted in much improved living environments for those residents living in the estates visited by the Estate Graders.

The results following the recent round of Estate Grading are as follows:



Alexander Evans Mews SE23
Biggin Hill SE19
Bramble Close CR0
Culling Road DA17
Frederick Court DA17
Friendly Street SE8
Michel Walk SE18
Nihil Place CR0
Storer Drive DA16
Vidler House – Campbell Road CR0



Brickfield Cottages SE18
Foxgrove Apartments / Virgo Fidelis CR0
Giblin House – Samuel Street SE18
Lyles Court DA1
Raleigh House / Mitcham Road CR0
Southport Road SE18
Waleorde Road SE17

Scrutiny Panel

The Scrutiny Panel is the Performance Review Group (PRG) who review performance across a broad range of areas including repairs, rent arrears and relettings turnaround. Residents on the PRG suggest where improvements can be made, and they make these recommendations to managers. This year residents questioned managers over repairs contractors' performance, our performance on completing Fire Risk Assessment actions, and how we monitor communal repairs, among other areas. In constructively challenging how our services are delivered, the PRG have helped strengthen Hexagon's monitoring of repairs contractor performance – and also aided our plans for improved delivery of communal repairs in blocks and estates.

Residents have also helped to improve services and made a difference to the work of Hexagon via Residents' Inspections, Care & Support Feedback Forums, the Disability Inclusion Group, Estate Champions, the Readers' Panel, Residents' Design Panel, the Annual Report Group and other focus groups.

Hexagon would like to extend our thanks to all the residents who have been involved with the many ways of shaping and improving how we deliver services to you. Without residents giving their time to make valuable input, we wouldn't be achieving the improvements in the way we work. We know there is still a way to go, and that improvement is a continuous process. Valuable oversight from our residents helps to ensure that Hexagon continues to deliver improved services, which is something we will always aim for.



This new build at 95 Peckham Road in Southwark has been shortlisted for a Royal Institution of British Architects (RIBA) London Award! The development of 33 private apartments was completed in July 2019

NEW BUILDS

Hexagon's objective is to achieve or – where affordable – exceed the sustainability standards for new homes set by the Homes and Communities Agency and local planning authorities.

We aim to do this using designs and technologies that improve the quality of life for residents and which can be easily maintained over the lifetime of the homes.

Last financial year we had the following handovers of keys to new homes for our residents:

Location/Address	Rent	Shared Ownership
Cricketers/Furlong Close	18	0
95 Peckham Rd*	2	6
Dartmouth	0	27
Sumner Rd	0	5
Green Lane/Stephens Ct	9	3
Total	29	41

*Although Peckham Road comprises of 33 units, as Hexagon were a partner in this project, the remaining units were sold as private apartments by the developer.

The homes were completed to high sustainability standards with most of them achieving Code of Sustainability Level 4. The 'Code for Sustainable Homes' is an environmental rating for new homes which assesses the environmental performance of newly built dwellings. The Code has a scale level of 1-6, level 6 being the highest achievement of 'zero carbon'. Level 4 is now commonly required in many parts of the UK. Apart from Peckham Road, all were certified on completion by a third party, Sustainable Homes Independent Assessors, who are consultants approved to use the certification's trademark. Peckham Road was recently nominated for an award (see above).

All new builds in the past year have been 'market-related rents'.

Market-related rented housing is let by local authorities, or private registered providers of social housing, to households that are eligible for social rented housing. Market-related rent is no more than 80% of the local market rent (including service charges, where applicable).

For the current financial year we are expecting to complete 68 homes. We are also busy with improvements on fire safety, for example carrying out fire safety upgrades at Atrium Court and Parkspring Court in Bexley.

VALUE FOR MONEY

Hexagon's turnover decreased by 11% over the past year (from £41.6m to £37m) compared to 2018/19. Some £3.4m of this decrease is in income from outright sales, as there were fewer units ready for sale this year.

The main source of turnover – income from social housing rents – increased by 1%, as the income from newly developed units outweighed the 1% in rent decreases on existing tenancies.

Operating costs increased by 5.6% from £24.9m to £26.3m. This is largely due to increased expenditure on fire risk safety works and service costs in general.

Hexagon reserves stand at £45.6m (2019: £42.1m). The Board has adopted a policy of using the cash generated by its reserves to fund the improvement and development of housing stock, thereby reducing interest costs and enabling rents to be kept at affordable levels.

Hexagon spent £17.9m on acquiring and developing properties in the year, of which £1.4m was funded through capital grants. Out of this 65 additional units were completed, and a further 191 units are still under development.

Our Finances

Statement of Comprehensive Income

	2020 (£000s)	2019 (£000s)
For the year ended 31st March 2020 (£000s)		
Turnover	36,997	41,555
Cost of sales	(5,620)	(8,687)
Operating costs	(25,450)	(24,039)
Surplus on sale of properties	1,506	3,088
Operating surplus	7,433	11,917
Interest receivable	22	39
Interest payable and similar charges	(4,687)	(4,775)
Change in fair value of financial instrument	(2,360)	(414)
Surplus for the year before tax	408	6,767
Taxation	(31)	
Initial recognition of multi-employer defined benefit scheme		(2,349)
Actuarial gains/(losses) on defined benefit pension scheme	4,729	(1,997)
Change in fair value of hedged financial instrument	(1,793)	(185)
Change in fair value of Investment properties	140	1,500
Total comprehensive income for the year	3,453	3,736

Full financial statements can be downloaded from our website at www.hexagon.org.uk



How every £ of rent was spent

Planned maintenance and home improvement programme	39%
Responsive repairs	24%
Interest on loans	18%
Housing management and tenant participation	17%
Community development	3%



Turnover breakdown (£000s)

General needs	24,503	66%
Low cost home ownership lettings and sales	7,107	19%
Supported housing	1,734	5%
Nursing homes	127	0%
Agency managed	1,690	5%
Other	1,837	5%
Total	36,997	



Balance sheet funding (£000s)

Grants	223,316	45%
Loans	203,996	41%
Reserves	68,170	14%
Total	495,482	

SUSTAINABILITY

One of Hexagon's corporate objectives is to be socially responsible in the way we run our business and, in particular, to focus our efforts on promoting environmental sustainability.

Hexagon is committed to achieving sustainability in all that we do: in our office premises, employment and business practices; and in our core services of building new homes, maintaining our existing homes and providing services to residents and service users. We are committed to a holistic approach to sustainability that balances social, environmental and economic benefits.

Our Successes

The Standard Assessment Procedure (SAP) is the methodology used by the Government to assess and compare the energy and environmental performance of dwellings. Houses receive a rating of up to SAP 100, which would be a home that is fully sustainable. The government target for less sustainable homes is for them to reach SAP 65.

Hexagon manage around 4200 homes, with around 10% of these currently below SAP 65 – improving on the 15% when work began a decade ago.

Currently 88% of Hexagon dwellings are equal to or above SAP 65, with our average being SAP 73. A modern flat in a block will normally be much more energy efficient than, for example, a Victorian street property.

Over the past years we have been **improving the energy efficiency** of homes known to have poor efficiency ratings with loft insulation, draught proofing, LED lighting and wall insulation.

Some properties cannot be improved without large investments and require external funding. The main challenges are the cost of expensive works for external cladding to solid walls and PV solar panels on the roof.

381 of our older street properties can be brought up to SAP 65 with both energy improvements and planned works such as window and boiler replacements. 69 homes are very difficult to upgrade without substantial external funding.

We continue to replace the communal lighting of larger blocks and car park areas, saving energy and the cost of service charges for our residents.

SHIFT

SHIFT (Sustainable Homes Index for Tomorrow) is the sustainability standard for the housing sector. Being a SHIFT Landlord ensures we measure and improve the quality of life for our residents and staff through higher quality homes and offices.

Hexagon have achieved Gold SHIFT accreditation since 2014, putting us firmly at the forefront of positive change.

We use SHIFT reports to target areas which we need to enhance to reduce our carbon footprint.



Solar panels on roof at Brampton Road, Bexleyheath

Hexagon

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