

# Hexagon



## 2021 2022

### RESIDENTS' REPORT

Listening, Learning & Improving

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The cover photos show images of residents (from bottom left) Ife Akintoye with daughter Reya Nelson; Raju Ahmed, Hasina Zuberi with granddaughter Yesenia; and Sarah Schuh.

# Welcome

## This report comes in exciting and changing times for Hexagon Housing.

The Association recently raised £250m by issuing an own name public bond following a favourable A- Stable Investment Grade Credit Rating from Standard & Poor (a leading index provider). This will ensure we can pursue our objectives of building new homes, funding fire safety works following changes to guidance, and making our existing homes greener by becoming more energy efficient. The bond issue was oversubscribed by four times and as a result this allowed the margin to be reduced from the initial offer price, which was a very good result. A total of 26 investors funded the final deal.

The Association has continued to work on its environmental and sustainable goals, with two key targets. Firstly, to ensure all homes are Energy Performance Certificate (EPC) level C by 2030 (we intend to spend around £10m) and secondly, to ensure all properties are zero carbon by 2050 (we will spend in the region of £90m by 2050). These cost assumptions now inform our long-term business plan.

The comprehensive plan of fire safety works endures. We continue to prioritise remedial works, to address any fire safety matters raised in our Fire Risk Assessments and any other matters raised to ensure full statutory health and safety compliance.

Our refurbished head office has created a new modern environment that is suitable for hybrid working following the lifting of lockdown restrictions. This new way of working is aimed at ensuring the Association is more effective and efficient than ever before.

Shortly after this year end, in June 2022, Chief Executive Tom McCormack retired after 22 years with the Association. His successor, Sharon Carter, joined Hexagon and she will continue to drive the Association forward. We very much welcome Sharon Carter as our new Chief Executive and thank Tom for his contribution over many years.

Thank you to all our residents who continued to engage throughout the year, the Board Members, staff, and our partners who provided skills and time towards ensuring Hexagon Housing continues to deliver the best possible service to residents.



In June 2022, shortly after the end of our last financial year, Chief Executive Tom McCormack retired after 22 years with the Association.



We very much welcome Sharon Carter as our new Chief Executive.



# What our Customer Service Team achieved 2021/22

We are very sorry; the 2021-22 financial year proved a testing year for our Customer Service Team.

## THE HURDLES WE FACED

- The ongoing pandemic and the continuation of home working restrictions meant a double challenge of many of our residents hitting harder times than previously, but also a realignment of how our staff operated
- Issues with some of our repair contractors had an impact of driving up call lengths dealing with complaints
- After an upgrade to our phone systems we encountered issues when some of your calls were not able to reach us
- We unfortunately had two full-time members of the team off for an extended period which also impacted on the service

**The good news is that in the final quarter of the year changes made within the Customer Service Team meant we were able to provide you with the improved service you expect from us.**



Neil Nasser, Customer Service Manager, with Cecilia Cole, one of our Customer Service Officers.

Below shows a breakdown of each quarter from April 2021 to the end of March 2022:

	Q1	Q2	Q3	Q4
Calls Received	15,209	15,040	13,437	14,390
Calls Answered	13,666	12,307	12,177	13,582
Service Level	68%	52%	71%	82%
Abandoned Calls	10.1%	18.2%	9.4%	5.6%

Below shows a snapshot of our end of year results for the last four years:

	2018/19	2019/20	2020/21	2021/22
Calls Received	65,866	66,187	57,588	58,067
Calls Answered	61,679	61,941	53,164	51,732
Service Level	82%	82%	80%	68%
Abandoned Calls	6.35%	6.41%	7%	10.92%

Note: Our target for Service Level is 82% of calls answered within 30 seconds, with Abandoned Calls (where caller hangs up before we can answer) at 6.9%

We remain focused and dedicated in continuing the same trend as we finished the year in the final quarter, and will make improvements to our service as we move forward further in to 2022 and beyond.



Neil Nasser,  
Customer Service Manager

# Customer Complaints

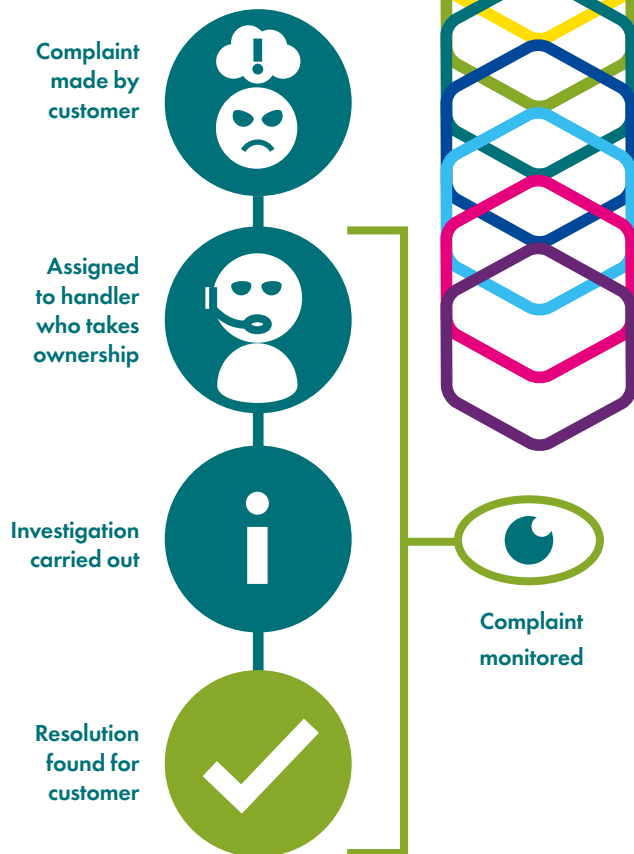
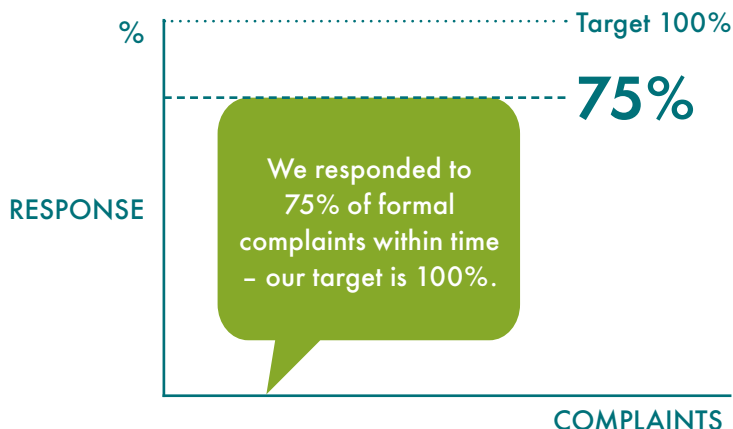
## Performance

We had 252 formal complaints in the period 2021-22. We responded to 75% of these within time (our target is 100%).

Our performance isn't where we would like it to be, and we know we need to do better. Our residents deserve to have their complaint responded to in a timely manner, and to be kept informed of the progress of their complaint.

## What are we doing about it?

- We've employed two part-time Complaints Officers to help our performance and make sure our residents are kept informed of where their complaint is in the process
- We're providing training to all our complaint handlers so they're really clear about what is required of them
- We've introduced a new system to monitor our complaints – that allows us to track what's going on
- We've centralised the complaints process, so that our customer service manager is responsible for complaints – with complaint handlers taking ownership of each complaint that's been assigned to them to investigate, and find a resolution for the customer
- We've reviewed our complaints procedure
- We have introduced fortnightly meetings to discuss complaints, and monitor performance
- Our Performance Review Group – made up of residents – scrutinises our complaints performance on a quarterly basis, and will be focused on this area, until we're performing on target
- The Performance Management Committee made up of Board Members also scrutinise our complaints performance



Elizabeth Whitehead-Davies joins us in the newly created post of Complaints Officer.

Our performance isn't where we would like it to be, however measures are already in place (see above left) to bring us to where we want to be.

# Employment & Training Case Study



Our thanks to Raju Ahmed for appearing with this testimony in the Resident Report.

"In early 2017 I had a great opportunity to spend time volunteering within Hexagon's Customer Service Team, learning how to work within an office setting on the front line. I learnt so much, developing my communication and customer service skills to the point I was able to operate the systems and the phones unaided. The Customer Service Manager, Neil Nasser coached, mentored and developed me throughout this voluntary period. With this support from him and the rest of the team I was able to secure a position as a member of their Bank Team where I would work flexibly to help to support the service.

"The continuous development and coaching did not end there. I continued to add to my skill set and growing in confidence, taking on more tasks, learning about handling complaints and the repairs services.

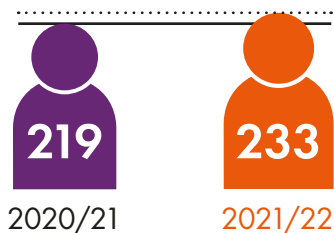
"In late 2021 an opportunity came up for a permanent full-time role at another housing provider doing a similar role. I felt ready to take this step and after speaking to Neil and others in the team I was encouraged to apply for this role which I successfully got. As of now I have passed my probation period and am excelling in the role; handling 19 different tasks.

"I owe a lot to Neil and the team at Hexagon for giving me the opportunity to grow and develop my skills. Without this experience I would not be where I am today. Thank you for believing in me."

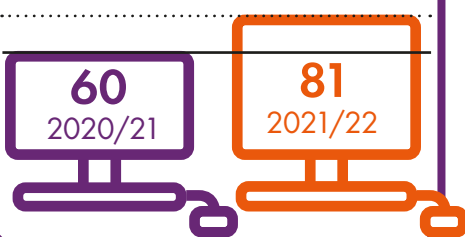
**Raju Ahmed**



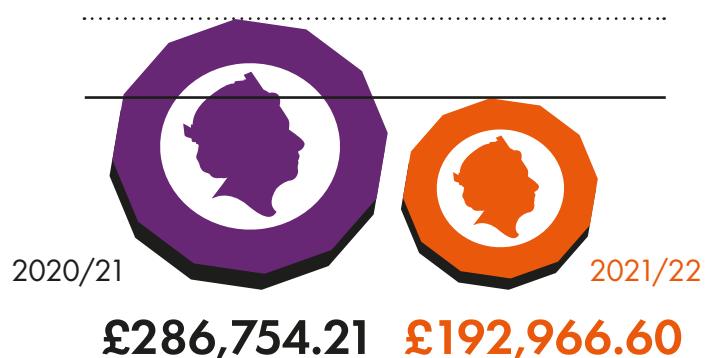
Residents helped to resolve money worries  
(up from 219 in 2020/21)



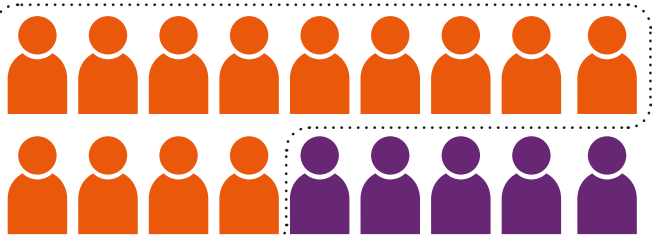
Residents supported to improve digital skills  
(up from 60 in 2020/21)



Income coming into Hexagon and to residents directly, that they may have not received without our intervention  
(down from £286,754.21 in 2020/21)

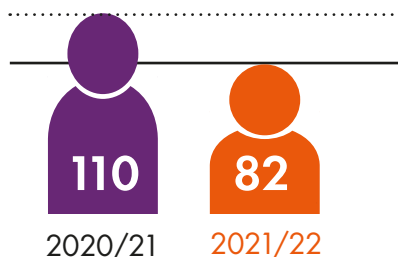


Employed residents who accessed the employment progression programme = **18** (down from 36 in 2020/21)



13 reported at least 1 positive outcome

Residents accessing employment support (down from 110 in 2020/21)



## Case Study: Salvatore

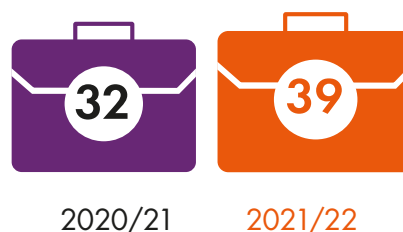
Salvatore is a resident who enrolled onto our Love London Working project in June 2021 – after being out of work for over 12 months and struggling financially for quite some time. He needed something part-time with flexible hours to fit around his childcare responsibilities. Salvatore was able to have an in-depth initial discussion with a Hexagon Employment Advisor and agree a plan of action to help him move back into work.

**During Salvatore's time on the project he accessed the following support:**

- CV development support leading to an updated CV
- An interview skills session on Zoom
- Referral to money management support and debt advice through Stepchange, who completed an in-work benefit calculation for him, then also provided information on managing his money and debt
- Support to access Transport for London apprenticeships and hospitality vacancies
- Regular 1-to-1 Zoom appointments where he accessed careers information, advice and guidance and discussed his job search progress
- Support with travel costs for a hospitality work trial
- Salvatore found work as a chef in a school, with hours that suited his personal circumstances and responsibilities. We gave him further support with his travel expenses for his first month of employment and his advisor kept in regular contact to check he is enjoying his work

Salvatore said, "I want to thank Hexagon for the support I received from the project. After a few months thanks to the help and support, I was able to find a job. Now I work in a school as a chef."

39 Secured employment (up from 32 in 2020/21)



Our thanks to Salvatore for agreeing to appear in this case study for the Resident Report.



Nicky Hazelwood  
Community Investment Manager

# Resident Voice & Engagement

**The Resident Involvement Team changed its name to Resident Voice & Engagement, reflecting changes in the government's Social Housing White Paper.**

We continued to offer all of our residents the chance to give us feedback over each year. We offered a number of formal ways to collaborate with Hexagon in decision making, recommendations, service review and design, and in monitoring how effective we are at service delivery. We also began a new resident Homeowner Forum, and residents on the Repairs Group played a vital role in appointing Gilmartins as our new Responsive Repairs Contractor.

## Performance Review Group

- Completely redesigned performance information
- Made **18** recommendations – **16** were implemented and **2** are in progress
- Pushed for improvements in complaints handling

## Repairs Group

- Attended **20** contractor meetings
- Secured improved new contract which began in July 2022
- Reviewed case studies in key areas of the repairs process
- **9** recommendations implemented

## Resident Advisory Group

- Reviewed **18** policies
- Made **57** recommendations
- **54** were implemented

Thank you to (from top) residents Christine, Sarah, Sonji and Adrian – plus all other members of the Annual Report Group – who help guide the design and content of this Resident Report.



**"As a Hexagon Director the PRG hold me to account on performance as much as the rest of the organisation."**

**Rebecca Outram**  
Director of Housing Services



**"Resident Engagement at Hexagon was the best we had ever seen in the housing sector in procuring the responsive repairs contract."**

**Mike Gammak**  
Echelon Consultancy



**Jane Eyles**  
Resident Voice & Engagement Lead

# Residents' active role in choosing our new repairs contractor

9

Staff from every level and department were involved in the procurement process of selecting our new repairs contractor.

Residents in the newly reformed Repairs Group met with bidding companies in face-to-face meetings, to challenge concepts and dig deeper into operations. Details were requested about not just what the companies claimed they could do to improve our repairs service – from enhanced sustainability, to quicker response times and live tracking – but what practical steps would be taken to bring promises to fruition.

## RESIDENT FEEDBACK

### Christine

"The whole process was very thorough, companies responded to our feedback and supplied lots of notes. The face-to-face interviews opened an opportunity to explore questions that might not have been included otherwise. As a result, the companies worked harder to explore what was to be accomplished and how – for example sustainability concerns, aspects of safeguarding and how contractors should interact with and respond to residents."

### Sonji

"The newly reformed Repairs Group worked hard within the process and will as a collective have made a positive impact. We reviewed submissions full of ideas from the bidding companies, then sent our feedback and questions to respond to. I was pleasantly surprised by the depth of the consultation – for example exploring what is diversity in reality, and how can it be delivered? It was very useful to be able to question companies about the changes they need to implement for service improvements to lift off the paper and become a reality."

"Residents have not been involved in choosing who are Hexagon's repairs contractors in this way before, so it is a significant step forward in listening to residents' voices."

### Adrian

"I found the procurement process a whole new exciting experience. Working with both Echelon and Hexagon staff for support, I gained a whole new skill set. It really opened my eyes as to what is required to obtain a really good, synergistic repairs contract. We all worked together to obtain the best repairs contract through positive collaboration and support."



Residents – along with staff from every department and level of Hexagon – were actively involved in the procurement process for our new repairs contractor, consulting and questioning bidders in a thorough process which saw Gilmartins successful.



FROM LEFT: Hexagon residents Christine, Sonji and Adrian with Gilmartins Supervisor Lauthman Paytel at the launch of our new repairs contractor.



FROM LEFT In discussion: Sarah Baxter, Gilmartin's Head of Delivery, resident Adrian of the Repairs Group, successful contractor owner Terry Gilmartin, and resident Sonji also of the Repairs Group. Hexagon residents played a key role throughout the repairs procurement process, posing tough questions to ensure the successful contractors could make good on promises made within the bid.

# Anti-social behaviour (ASB)



ASB cases rose across the UK following periods of lockdown. Perpetrators, and their victims, can be men or women. We aim in future to keep those involved with ASB cases more up to date as cases progress.

**When the pandemic hit, ASB levels recorded by the police more than doubled in England and Wales.**

The continuing impact of the pandemic and coronavirus restrictions made 2021-22 another very challenging year for ASB cases across the country. This impacted Hexagon in regards to managing ASB cases reported to us by our residents.

We managed several high-risk cases involving drug and alcohol abuse and/or mental health issues. Such cases require a complex mix of support and enforcement. The pandemic and a lack of resources in our boroughs meant face-to-face support was not easily available to vulnerable residents. Hexagon colleagues worked collaboratively to manage cases and met social and mental health support workers while working remotely.

The re-opening of courts and restarting of evictions allowed us to conclude several cases where residents had experienced severe anti-social behaviour. Four evictions were carried out and six injunctions were granted for racial harassment, assault, severe nuisance, Class A drug dealing, and threatening behaviour. Three neighbour disputes were referred for mediation. We are encouraging people to use mediation to resolve their differences where there isn't a legal solution as the cases are time consuming to manage.

When we close a case, we carry out a satisfaction survey. **Out of 30** people who replied, **57%** were satisfied with the outcome and **53%** with the way Hexagon dealt with the cases. These figures are lower than we would like and are disappointing. On the upside, **90%** thought we were helpful, sensitive, knowledgeable and courteous – but only **57%** thought we kept them up-to-date, which is the key factor in overall satisfaction. We aim to update those involved with ASB cases more regularly in future, keeping them more informed as the cases progress.

## How are we planning to improve?

We are carrying out case reviews where people were not satisfied, so we can do better next time.

Hexagon have until now employed only one ASB Officer, being Melonie Wheatle. We made plans to reorganise our team to take on a second specialist ASB Officer to help deal with difficult cases and support our Neighbourhood Officers in their work.

We will measure satisfaction throughout the case rather than when it is closed so we can put things right earlier.

**“We managed several high-risk cases involving drug and alcohol abuse and/or mental health issues, which required a complex mix of support and enforcement.”**

# Property Safety

The Property Safety Team was created in Summer 2020.

## Fire safety – response to fire risk assessments

Increasingly rigorous standards, changes to legislation, guidance and the sector wide reduction in 'acceptable' risk level has led to a significant volume of risk assessment recommendations.

The team have gone through a detailed procurement process to replace the previous fire safety contractor. This process ensured that the contract allows for much greater control over work activities including a clear focus on quality.

## Intrusive building façade investigations

The team carried out a detailed risk profiling exercise in relation to all of Hexagon's purpose-built multi-unit blocks: collating and reviewing information such as planning documents, hand-over files, designs, technical specifications, Fire Risk Assessment (FRA) recommendations, age, construction materials used, and construction methodology.

Subsequent to this risk-profiling exercise being completed, new government guidance was issued giving guidance on how to prioritise risk: the work we had already done was found to be arguably more comprehensive than the newly issued government guidance.

Liaison and consultation with residents was vital to ensuring that not only were the expectations reasonable but also that the reasoning behind any restrictions is clearly explained. It is hoped that having clear expectations in relation to what is allowed on balconies and in communal spaces – as well as explaining why – will help all residents engage and 'do their bit'.

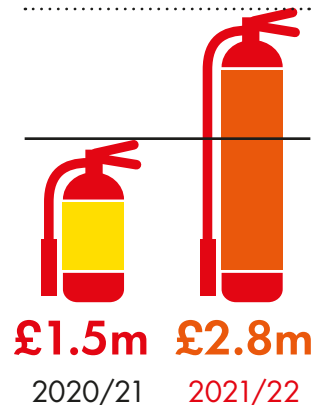
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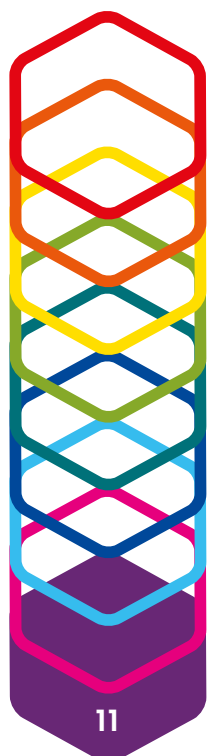
## KEY ACHIEVEMENTS

- **312** fire risk assessments completed
- A total of **2,282** Fire Risk Assessment (FRA) recommendations completed
- **30** intrusive investigations completed (3 more than planned). These inspections cover external fire spread, cladding, build quality, compare what is built to the agreed plans and review structural integrity
- A **doubling of the testing/** maintenance schedule for emergency lighting, alarms etc
- Installed **264** fire-related front entrance door sets
- Installed over **90** communal fire-related door sets
- Installed or upgraded over **30** alarm systems

£2.8 million spent on fire safety related work. Up from £1.5 million the previous year



Michael Galt  
Head of Property Safety



# Sustainability



Charles Mtakati  
Property Services Director



Rumana Khair  
Stock Improvement Manager

## During the year we maintained our Gold SHIFT (Sustainable Homes Index for Tomorrow) status.

Two key focuses this year have been working towards ensuring all properties achieve EPC (Energy Performance Certificate) band C or above by 2030; and to have a roadmap in place to achieve net zero carbon by 2050.

A new Environmental Sustainability Strategy, which was developed with residents input, was approved by the Board.

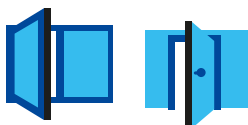
Our consultants, Turner and Townsend, were appointed to help develop the net zero carbon roadmap. Our average SAP rating for our properties at 72.49 was slightly higher than the average for the whole of the UK of 68, demonstrating our focus on achieving sustainability.



### Component: Energy efficiency

**Number installed:** Despite a low access rate of 31% during the pandemic, **76 measures** were installed at **28 homes** enhancing their energy performance to **above SAP 65** (old strategy target). This included – **10 HHRSH** (high heat retention storage heating system); **five underfloor insulations**, and **two EWI&IWI & CWIs** (external wall insulation, internal wall insulation, cavity wall insulation). Other smaller measures included draught proofing, cylinder jackets and TRV (thermostatic radiator valves).

**Budget spent:** We spent **£116,756** (56% of the **£200,000** budget). This reduction was partly due to access limitations, but also a financial request to cut back on revenue spend.



### Component: Windows & Doors

**Number installed:** **63 homes** had windows installed. **16 FED** (front entrance doors) were installed.

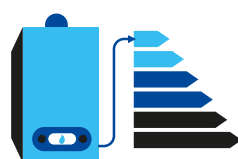
**Budget spent:** **£451,265** was spent on enhancing the energy performance of our homes.



### Component: Roofs

**Number installed:** **8 roofs** replaced with conditions improving their energy performance.

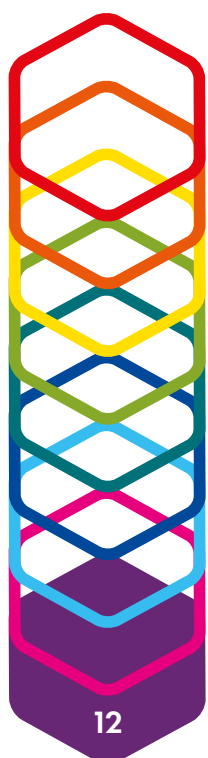
**Budget spent:** **£195,990.96**



### Component: New energy efficient gas boilers

**Number installed:** **99 energy efficient boilers** installed in homes, improving their energy efficiency and rating

**Budget spent:** **£302,642**



# Lettings

Hexagon works closely with our partner boroughs (Lewisham, Southwark, Croydon, Greenwich and Bexley) to allocate our homes to the people who need them most.

All homes in Lewisham go to people nominated by the council. In the other boroughs, Hexagon can keep **25%** of homes for our own residents. We no longer have an open waiting list, so usually these homes go to urgent transfers.

## In 2021-22

**17** of our homes went to Hexagon residents last year, whereas **24** of our residents found their own moves via mutual exchange using Homeswapper or Houseexchange.

We re-let **66** homes, up from **58** the year before.

Our "void loss" figure (rent lost on empty properties between tenancies as a proportion of total rental income) was **0.64%**. This compares well with the national (Housemark) figure of **0.78%**.

It's important that we re-let homes as soon as possible after they become empty, both so that we house someone who needs a home and so that we don't lose rent.

The number of days that we take to carry out work and let the home has been taking too long. In 2021-22, it took us **57 days** to re-let a home needing minor repairs (target 38 days), and **80 days** to let a home needing major repairs (target 65 days).

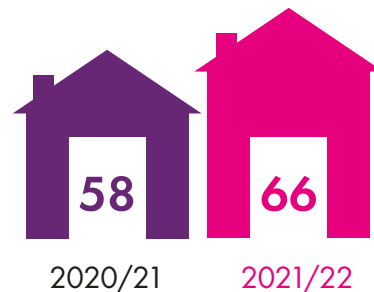
Our new repairs contractors Gilmartins plan to get a home ready to re-let within **10 days** of receiving the keys. We aim to cut down to **5 days** the time from the home being ready to move into and the start of the tenancy.

Judith Harries  
Neighbourhood  
Services Manager

"It's important that we re-let homes as soon as possible after they become empty, both so that we house someone who needs a home and so that we don't lose rent."

When the first lockdown started in March 2020, we paused our lettings, largely because maintenance contractors had problems with materials and staff, and we were working mostly from home. We soon realised that this meant leaving homeless families in unsatisfactory accommodation and it was important to keep re-letting homes. We agreed ways of working with our contractors and developed innovative workarounds including viewings by WhatsApp, and e-signatures on tenancy agreements.

**66 Homes re-let**  
(up from 58 in 2020/21)



We fully understand it continues to be difficult for many of our residents in the current economic climate. However, collection of our rental income is vital to enable other departments within Hexagon to continue to carry out our other services – from repairs to sustainability and community investment. Without the collection of rental income, funding these services wouldn't be possible. Rental income is essential if we are to improve the standard and quality of your homes.

# Revenues

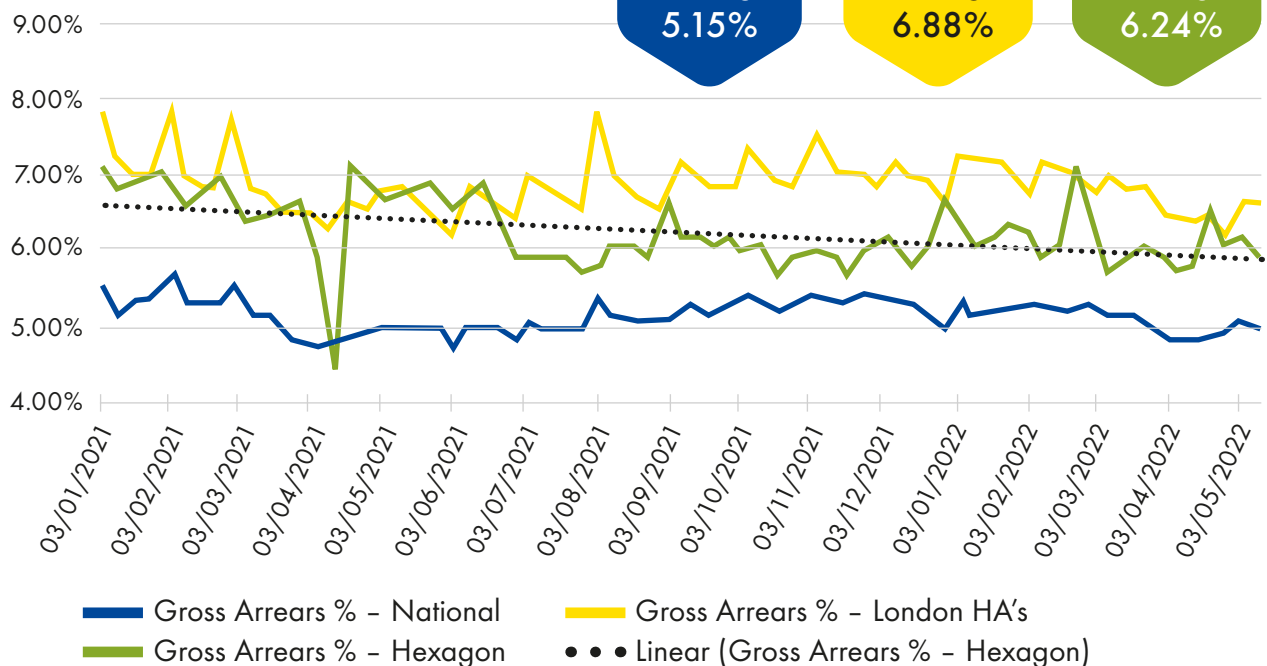
**With what has been a difficult year for all, the Revenues Team continued to working closely with all our residents – providing the required support, advice and guidance to ensure we continue to receive our rental income, whilst trying to reduce our arrears.**

Arrears targets within our supported housing (**183 Properties**) and shared ownership and leasehold (**661 Properties**) exceeded target performance.

We have seen a slight increase of **0.2%** in arrears within our main body of residents – classed as General Needs meaning not housing co-ops, supported housing, nor leaseholders etc. – (**4095 Properties**) from **6.4%** to **6.6%** respectively.

Against our peers within the sector, we are performing under other London Housing Associations having an average arrears percentage of **6.88%** against a national average of **5.15%**. Therefore, we have some way to go but are on the right path – data showing these figures is below.

## Gross Arrears %



Our financial year runs from 1 April to 31 March. Having the data from prior and post period allows trend analysis



**Rebecca Outram**  
Housing Services Director

# Financial summary

Statement of Comprehensive Income for the year ended 31 March 2022

Group turnover increased by 15.0% to £40.6m in 2021-22, compared to £35.3m in 2020-21. £3.3m of this increase is a one-off income from Brickfield Cottages insurance claim. A further £1.5m of the increase is in income from first tranche sales as there were more sales this year. The main source of turnover is income from social housing lettings, which increased by 2.4% on average in the year.

Operating costs excluding fair value and pension adjustments decreased by 14.3% to £23.2m from £27.1m. Operating margin from social housing lettings excluding fair value adjustments and all property sales increased to 22% from 7%. This is largely due to a one-off £6.3m impairment charge included in the 2020-21 operating cost relating to a scheme under construction, which did not recur in 2021-22. Excluding this one-off non-cash impairment charge in 2020-21, operating costs excluding fair value and pension adjustments increased by 12% to £23.2m from £20.8m. Similarly, excluding the same impairment charge from 2020-21, the operating margin excluding fair value adjustments and all property sales decreased to 22% from 28%. The reduction in the margin is mainly due to the increase in management costs, service charge costs and responsive repairs.

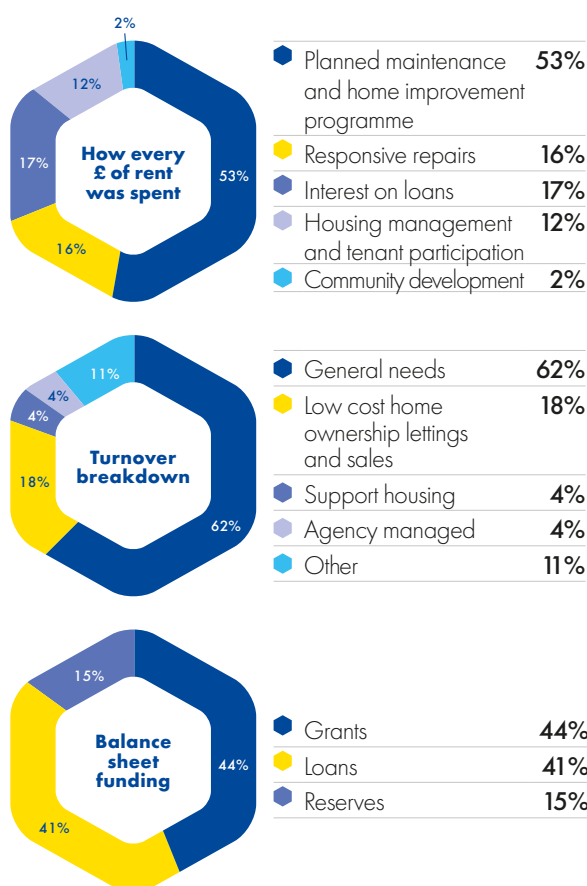
Net financing costs were 6% higher at £3.6m which was due to the increase in interest costs arising from additional drawdowns from the revolving credit facility. £2.6m (2021: £1.4m) was realised through a combination of staircasing sales of shared ownership properties and the sale of housing properties which were uneconomic to repair.

There is an overall £15.8m total comprehensive income surplus for the year against the £0.017m deficit in the previous year. The main operational cause of the deficit in 2021 is the £6.3m one-off non-cash impairment charge as stated above. There was also a £1.0m gain from actuarial valuation in the year for the SHPS multi-employer defined benefit pension scheme (2021: £4.2m loss). Finally, there was a £5.5m gain arising from change in the value of financial instruments (2021: £5.2m).

Group reserves currently stand at £61.4m (2021: £45.6m). The Board has adopted a policy of using the cash generated by its operating activities to fund the improvement and development of housing stock, thereby reducing borrowing requirement and interest costs and enabling rents to be kept at affordable levels.

The Group spent £8.2m on acquiring and developing properties in the year, of which £0.06m was funded through capital grants. There were no handovers in the year with 153 units under development. The Group's loans increased to £207.4m from £206.7m. £37.6m of loan facilities were available at year end. The weighted average interest rate on the Group's loan portfolio was 2.24% (2021: 2.28%). The Board estimates that the investment value of the Group's properties was £820m, of which £398m were in unsecured properties.

The financial performance of the Group, as set out in the statement of comprehensive income, is shown as operating results plus the impact of fair value measurements of longer-term liabilities such as derivative contracts and pensions payments.



**Izzet Dizdar**  
Finance & IT Director

# The Board

In September 2021, the Board said goodbye and thank you to Board Member, Dermot Finn. Dermot had served the maximum term of nine years on the Board, many of those as Chair of the Remuneration Committee. Dermot was also Lead Board Member for IT.

The Board also bade farewell to Carol Bernstein following her resignation for personal reasons in March 2022. Carol was Lead Board Member for Housing Management and Customer Services.

Following the Resident Board Member election held in the summer of 2021, Members welcomed Roseann Ayton onto the Board.

Members also welcomed Claud Williams in September 2021 when he joined the Board following his success at being selected after a competitive interview process.

