

Workshop 2e:

Raising the standard of my stock (after talking to the FD!)

Speaker: Tim Jackson, Golding Homes, Jon Cross,
Hexagon HA

Chaired by: Paul Isherwood, Helm Housing
Room: Harewood Room



National Housing Maintenance Forum

served by





Raising the standard of my stock (after talking to the FD!)

Jon Cross

Property Services Director

Hexagon Housing Association

Background



- HHA SE London RP 4000 units
- Bexley, Southwark, Greenwich, Lewisham, Croydon
- 40+ years old, 25 as Hexagon
- Circa 46% - 54% Post 1990 to Pre 1990
- Victorian street properties / conversions
- Change from previous role 22000 units
- Issues still the same

Content

- Raising the standard of the stock.
- Why
- Getting people on board, having “that” conversation.
- Emotional intelligence & FD
- Giving a convincing argument, structured and plausible, NOT a wish list.
- Practical example



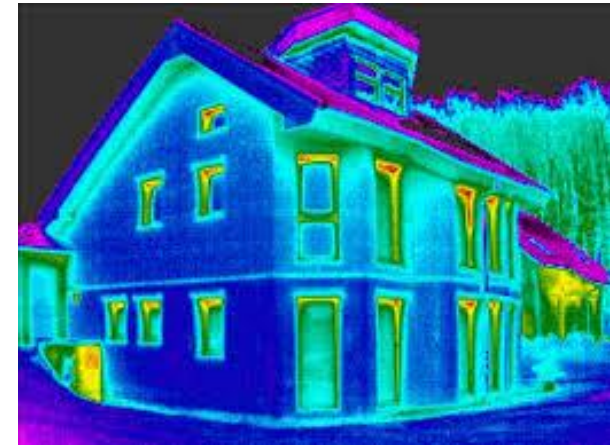
Raising the Standard

- Why?
- Disposal and re provision?
- 70% still exist by 2050
- Development vs. improvement
- Focus & clarity
- Portfolio Management
- Energy efficiency & Fuel poverty



Raising the Standard

- Greening the stock
- Strategic objectives
 - Tackling fuel poverty
 - Reducing CO₂ – GLA 2020 /UK 2050
- Why?
- Current position
- Standard Assessment Procedure (SAP)
- Average of 69.24 (London average 71)



Raising the Standard

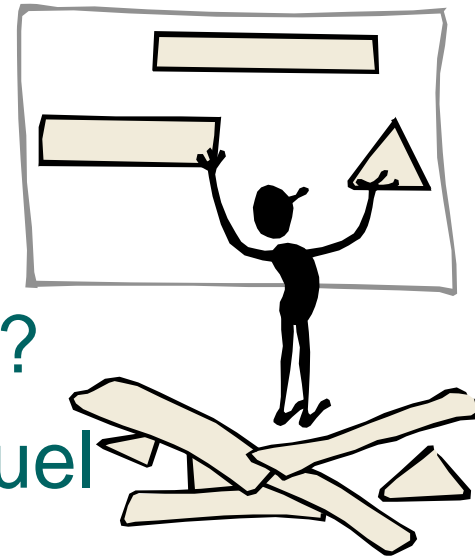


| NUMBER OF PROPERTIES BY | Rd SAP 9.91 BANDING | |
|-------------------------|---------------------|---------|
| | | |
| SAP BAND | NUMBER OF UNITS | VALUE |
| A | 0 | 92+ |
| B | 648 | 81 – 91 |
| C | 1240 | 69 – 80 |
| D | 1503 | 55 – 68 |
| E | 275 | 39 – 54 |
| F | 6 | 21 – 38 |
| G | 0 | 1 – 20 |
| | | |
| TOTAL | 3681 | |

NB: Difference between 4000 units and 3681 is multiple occupancy within a single dwelling where dwelling is counted as a whole not single units.

Raising the Standard

- Where do we need to be and when?
- Minimum SAP 81 = eradication of fuel poverty
- Minimum SAP 86 = 2050 CO2 target met
- Sustainable Homes (SHIFT) starting point for 2017 should be Minimum SAP 65
- HHA 1784 properties below Band C
- Focal point



Raising the Standard



- Stock Condition Surveys 100%
- 5 year rolling programme
- Targeted units average SAP = 61.27
- Cost to migrate all into Band C (69-80)
- £13.27 million (ouch!)
- However £11m on EWI for a 6.7 SAP point improvement
- Implications (death of FD by shock & Board requiring CPR)

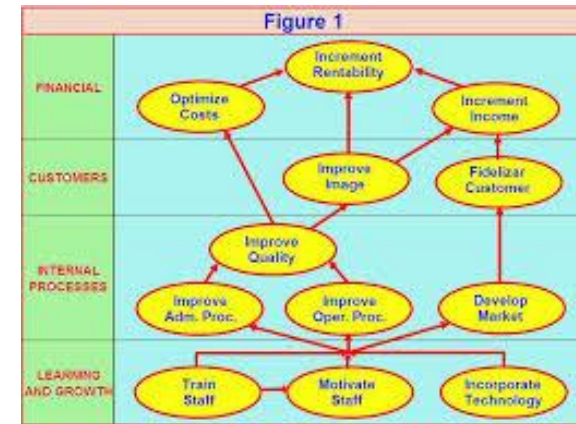
Raising the Standard



- Review options with FD (now best friend!)
- Could achieve the Min SAP 65 with £2m excluding EWI
- Strategy – sow the seed, emotional intelligence, adopt – adapt and improve
- Sustainability focus
- Resident involvement – Green Champions
- Community Involvement – Green Doctor

Raising the Standard

- Ingredients in place
- Early wins
- Draft Strategy developed (FD review ;o))
- Additional data
 - 28 measures assessed to improve
 - Indicative costs per measure
 - Average £ per SAP point
 - Moving bands D,E, and F cost breakdown
 - Top 14 cost effective measures
 - Windows and Boilers cost implication
 - Cross cutting action plans (RI, CI, Dev, SIP, RR, SP)



Raising the Standard

- Retain or dispose
 - Long list top 10% (Portfolio scoring)
- VfM
 - Budgets
 - Timber vs UPVC
 - Cycl costs & systems
- Know your stock
- Data and Trends



Conclusion



- Why do you want to do it
- Can it stand up to scrutiny
- What cross cutting or supporting elements are there
- Test your key thoughts with the FD & get their input
- Link it to improving finances, wider picture
- Double team at the Board with lead board member support

Conclusion

- Taken as read
- Min 30 year Asset Plan (60 if possible)
- 5 year focus cycles
- Long list reviewed each year
- Model options with Finance
- Trend performance and costs
- Never be satisfied
- Never underestimate the power of a thank you, cup of coffee or a beer to aid your cause.



Conclusion

- Keep the good news coming
- Thank you & questions.

