Housing and residential journalist

The Watchers: Behind the scenes with the residents doing their own waking watch

https://www.insidehousing.co.uk/insight/the-watchers-behind-the-scenes-with-the-residents-doing-their-own-waking-watch-61530

The travails of residents living in private blocks with dangerous cladding are well known – but Jack's feature from May found a new and compelling way of telling this story.

Jack discovered a building where, to save money from the crippling service charge, residents were carrying out the 'waking watches' on their blocks themselves. Having built a good relationship with some of these residents, he was invited along to join for a shift and produce a piece about his experience.

The end result is a feature which brings home the nightmarish reality of living in a block with dangerous cladding and also a detailed discussion of the effectiveness of waking watches as a fire safety mechanism in other buildings with dangerous cladding – effectively the only line of defence should a clad building catch alight.

In the months following publication of this piece, journalists from *The Times* and *The New York Times* also carried out waking watch shifts with the residents of the same block and wrote about their experiences. Imitation, as they say, is the most sincere kind of flattery.

Social Housing contractors in crisis

https://www.insidehousing.co.uk/insight/insight/social-housing-contractors-in-crisis-59980

The collapse of the contractor Carillion was one of the largest failures in UK corporate history. Its eventual liquidation not only had an impact on the UK economy, but also changed the very nature of the UK construction industry.

Jack was the first person to take an in-depth look into how its collapse was impacting contractors working in social housing. What he uncovered was a sector in crisis, with contractors facing risks to their futures on an unprecedented scale and housing associations bringing more work in-house to mitigate the risks.

Speaking to a number of industry figures, Jack explained why contractors were facing such troubles, unpicking their business models and outlining why complex issues such as difficulties accessing finance and the growing pressure on payment times were threatening businesses.

This was all presented in a clear and accessible way, with a number of examples, obtained through poring through contractors' accounts, to highlight the problems.

Any good trade magazine piece should inform its readership and bring to light new information or issues that can inform business decisions. This piece did just that and has become one of the most popular analysis pieces *Inside Housing* has produced this year, attracting well over 3,000 readers.

A Miller's Tale

https://www.insidehousing.co.uk/insight/insight/the-millers-tale-we-interview-the-new-clarion-chief-executive-59253

Starting at any new trade magazine in a new area of expertise can often take a little bit of time to find your feet.

However, Jack showed his ability to hit the ground running by securing an interview with the boss of the country's largest housing association.

Within weeks of starting, and having had no experience of the social housing sector before, Jack was able to secure and carry out an interview with Clare Miller, Clarion chief executive - a piece that became one of the best-read interviews of the year.

The interview shows Jack's ability to understand complex issues such as grant funding, Brexit's impact on housing and Clarion's repairs legacy, and turn it into an engaging and accessible piece for the reader.

It also shows that he is not afraid to ask difficult questions, repeatedly asking about the circumstances that revolved around the dramatic exit of Ms Miller's predecessor, and getting out of her the fact that she had an eye on the top job even when this was taking place.

Following a period of significant change and the odd scandal, the piece gives you a sense of Ms Miller's character and the direction she is looking to take the association in.

24 May 2019 | www.insidehousing.co.uk IBP housing journalist of the year BSME Talent best subbing team IBP feature writer of the year PPA designer of the year

INSIDE HOUSING

Fire safety and HAs
How fire safety works are hitting housing associations and their tenants
Analysis, page 10

Safe from harm
Dry houses: what are they and why are they disappearing?
Feature, page 18

WAKING WATCH: BEHIND THE SCENES

END OUR CLADDING SCANDAL

Cladding The use of a waking watch on blocks wrapped in dangerous cladding has proliferated since Grenfell. With questions raised over its cost and effectiveness, *Jack Simpson* visits one of the affected developments. Turn to page 22

DAN JOSEPH

END OUR CLADDING SCANDAL

The watchers

With dangerous Grenfell-style cladding still covering hundreds of tower blocks, waking watches have become commonplace. *Jack Simpson* meets a group of residents who have taken on the grim job themselves

PHOTOGRAPHY: DAN JOSEPH

"How do you keep smiling?" I ask Ritu Saha, as we make our way to the top of the Northpoint apartment block in Bromley, south-east London.

Northpoint is covered in dangerous Grenfell-style cladding. The cladding is one of a number of fire safety issues here - issues that are expected to cost Ms Saha and her neighbours more than £60,000 each to fix.

"If I don't try and smile, I would cry," she replies.

It is 8pm on a clear spring evening and we are nearly an hour into Ms Saha's five-hour patrol of the eight-storey block.

When aluminium composite material (ACM) cladding was discovered on Northpoint in November 2017, the evacuation advice for the block changed from stay put to simultaneous evacuation. That meant that two people had to patrol the building for signs of fire 24 hours a day.

A private company initially carried out the waking watch. But after the £24,000-a-month bill became unaffordable for residents, they decided to do it themselves.

I am here to join Ms Saha on one of her shifts and find out how residents juggle their new commitments with already busy lives.

Her day sounds exhausting: "I left at 7.30am this morning, got home at 6.20pm, and now I'm down here. I haven't had time to eat."

Ms Saha is one of six residents covering three waking watch shifts today: 7pm to 12am; midnight to 7am; and then a 12-hour shift between 7am and 7pm.

Besides balancing her duties with a full-time job, she is also dealing with the stress that comes from living in a block covered in a deadly envelope.

Northpoint sits in the centre of Bromley, a leafy suburb on the Kent-London border. As we reach the building's roof, we stop to watch the sun setting over central London 11 miles away.

"It's a lovely sunset from here - it's a shame it's a living hell for us," she says.

Since the Grenfell fire, the use of waking watches has proliferated.

Dangerous ACM cladding has been found on 333 high-rise residential buildings. This doesn't include many more blocks where dangerous combustible non-ACM has been identified as a hazard. Evacuation instructions on these blocks have changed in line with Northpoint. As a result, installing a permanent waking watch or an alarm system has become mandatory. Of these, waking watches are quicker to implement and cheaper, at least in the short term.

Nearly two years after Grenfell, they are still in place in many buildings.

In Manchester alone, there are 65 blocks with interim measures, and 26 of them use a waking watch.

In London, 209 residential buildings have changed from stay put to evacuation. There is no breakdown on how many of these use a waking watch.

Official guidance from the National Fire Chiefs Council (NFCC) clearly states that a waking watch should only be a temporary solution.

An NFCC spokesperson tells *Inside Housing* that in all cases remediation is the best option, and that a waking watch should be considered an interim measure as remediation work takes place. Yet on blocks like Northpoint, where disagreements over who will foot the cladding bill have slowed down remediation, waking watches remain.

Unable to return to India where their families are from due to a lack of funds and with the prospect of paying extortionate holiday rates to contractors, the Sahas spent Christmas patrolling the eight uniform corridors.

"Me and my husband did a 12-hour waking watch shift on Christmas Day," recalls Ms Saha, as we make our way down from the roof to the seventh floor.

Outside one door, we pass a doormat carrying the apt message: "Enter at your peril". Since the Northpoint block was converted from offices to flats in 1999, it has become a house of horrors in terms of fire safety.

Billion-pound solution

Ms Saha details myriad fire safety issues, from missing firestops, to "fire-resistant" doors made out of plywood.

The block's fire consultant - who charges £25,000 for fire safety advice - has estimated it would cost £500,000 to make the inside of the building safe. This is in addition to the re-cladding bill estimated at between £2.5m and £3.2m, and the thousands of pounds already paid for waking watches.

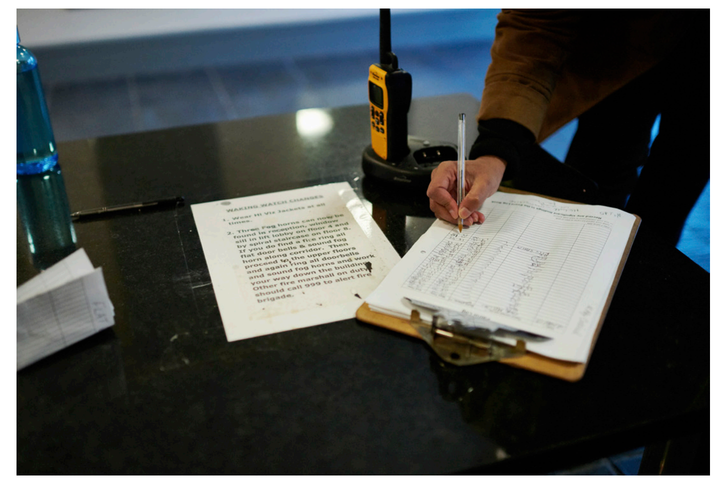
Ms Saha describes the day in January 2018 when her neighbour knocked on residents' doors and told them about how much a waking watch was costing them.

"Some people broke down and cried," she recalls.

The waking watch bill was initially £24,000 a month. By carrying out duties themselves, the costs have now been reduced to £14,000 a month. Residents are still paid minimum wage for their services, and contractors have to be brought in when shifts can't be filled.

"In any other industry looking at risk mitigation, you wouldn't come up with a solution that costs a billion pounds," says Ms Saha.

"Me and my husband did a 12-hour shift on Christmas Day"



Previous page, clockwise from top left: Ritu Saha takes a picture of a fire hazard – a pile of wood in the car park; out on the roof terrace with views of London and Kent; Northpoint building from the street; the underground car park

This page, clockwise from top left: 'Enter at your peril' doormat; an air horn to be used during evacuation; the log book, which documents every patrol, and a walkie-talkie; walking down one of the corridors inside the high rise

Inside Housing has spoken to a number of people from blocks that have had to fork out thousands for waking watches. At the Paddington Walk development in central London, leaseholders paid £21,000 per month for a waking watch over a 10-month period.

In some cases, there seems to be very little transparency over these costs. *Inside Housing* spoke to one resident, living in a Sheffield block, whose property manager charged £2,000 per week for the service.

When the property manager was replaced by residents, the new company was able to reduce this to just £452 a week.

However, while the waking watch is a costly solution, the alternative could be worse for residents.

One fire service source tells *Inside Housing* that while a waking watch is not the "perfect answer, as it is at risk of human error", the alternative is that buildings become prohibited and residents are moved out.

NFCC guidance for simultaneous evacuation states that a common fire alarm can be used instead of a waking watch, but these can be costly.

Paddington Walk's alarm cost leaseholders £263,000 to install. Northpoint is also currently looking to have a fire alarm system installed, which Ms Saha says could cost them approximately £119,000.

The block's lobby has become a waking watch control room. Walkie-talkies sit on a coffee table next to a log book, where every patrol is recorded. On the windowsill is an air horn, to be used in the event of an evacuation. Every hour the two residents on patrol duty hand over.

Hayley Kennedy, tonight's other waking watcher, sits beside us. The 35-year-old does between three and five five-hour shifts every week, on top of a full-time job.

She is also managing a condition which means she is losing her sight. She does the watch to help pay her service charge bill.

"I'm single, living by myself and having to fork out these extortionate sums," she says, explaining how the patrols, which she has been doing for 10 months, have taken over her life.

I ask Ms Saha about training. "There is no formal training that we know of," she replies.

The need for waking watches post-Grenfell has seen a new industry form overnight. Look across the UK's high rises and you will find companies, never previously associated with fire safety, providing services.

From construction businesses to security firms, and even a bailiff company, many have taken advantage of the opportunity.

Northpoint uses its cleaning company to fill gaps in its watch rota.

There are concerns that the rate of growth of waking watches has led to poor service in some cases.

The NFCC guidance stresses that waking watch operatives should receive specific fire training, with appropriate equipment.

But while the NFCC guidance is there, it is ultimately the responsible person, which in most cases is the building owner, that has to follow it.

One local government housing expert tells *Inside Housing* that they doubt many people involved in waking watches have actually read that NFCC guidance.

"The quality does really vary. There are some building owners that are providing reasonably expensive training or hiring people who are trained, but that is the minority of cases - in many cases the service is appalling," they say.

They add that there is a discrepancy between the social and private housing sectors, with the performance of the former generally better.

Inside Housing has heard a number of stories of private waking watch staff members not turning up to shifts, or falling asleep on the job.

One resident of a block in south London told *Inside Housing* about an incident during the football World Cup last year, when they found waking watch staff watching a match instead of working.

Insufficient measures

While, thankfully, another Grenfell-style disaster hasn't happened, there have been fires in blocks with waking watches.

At the ACM-clad Vallea Court block in Manchester, residents were critical of the waking watch. They claimed that some residents had not been woken up during the fire and that measures were not sufficient.

One resident says they only discovered that there had been a fire the next day, when a colleague at work asked him about it.

Pemberstone, the building's owner, says all systems including the waking watch had worked correctly, and the fire service was satisfied.

To ensure building owners are meeting NFCC guidance, fire services make unannounced visits to blocks. If the fire service deems the waking watch inadequate, it has the power to take enforcement action against the responsible person.

Inside Housing understands that these checks have at times revealed bad practice, but in most cases an informal warning has improved performance. However, more serious steps can be taken if there is no improvement.

Greater Manchester Fire and Rescue confirmed that it has served two enforcement notices requiring improvements by the building's responsible person.

The responsible person at Northpoint is Northpoint (Bromley) Management Company, a group made up of directors that are also leaseholders. This means that directors, like Ms Saha, are responsible for the fire safety and waking watch on the building, something she says adds extra pressure.

As we reach the roof for the second time, Ms Saha points out a house 400 metres away. When she and her husband first came to Bromley to look for a flat, that was the property they were interested in.

On a whim, they took a look at the Northpoint flat. Seeing the impressive views of London on one side and rolling fields of Kent on the other, they decided to buy. Now, at the start of every patrol, she is reminded of what could have been.

After descending the eight identical corridors once again, the second patrol comes to an end.

It is the last for me, but for Ms Saha and Ms Kennedy there are still three more cycles to go tonight. Ms Saha is on again on Thursday night, Ms Kennedy is down to do Tuesday, Saturday and Sunday night.

"This is so exhausting. You get to 11 o'clock and think when will this end?" Ms Saha tells me with anguish on her face. "We have invited [housing minister] Kit Malthouse to do this, but he hasn't come yet."

I say my goodbyes and return home to have dinner, and go to bed just before midnight.

At the same time in Bromley, Ms Saha will be handing over duties to her neighbour, Rachel Guy, and another seven-hour waking watch shift begins. ■

Following the collapse of construction giant Carillion and after other similar financial failures from within the social housing sector recently, are contractors still making the same mistakes? *Jack Simpson* finds out

Contractors in crisis?

"The board of Carillion has concluded it has no choice but to enter into compulsory liquidation with immediate effect," read the message confirming one of the largest failures in British business history.

Owing an estimated £7bn to its suppliers and leaving a trail of incomplete contracts across the country, Carillion's collapse sent shockwaves through the construction sector.

Those in social housing were not immune. More than 12 months on and the impact is still being felt, not only by unpaid suppliers reeling from the lost revenue, but also by Carillion's contracting rivals, which are dealing with the repercussions of a failure of that size.

The collapse exposed flaws in construction business models and contractor practices, which has been met by a more concerted effort by public sector clients to fix them. But the Carillion effect has created more challenging trading conditions for contractors, as shown by recent turbulence at Kier, Mitie, and Interserve (which was targeted by short sellers in the aftermath of Carillion's collapse), and a more vigilant approach from banks and their social housing clients when dealing with contracts.

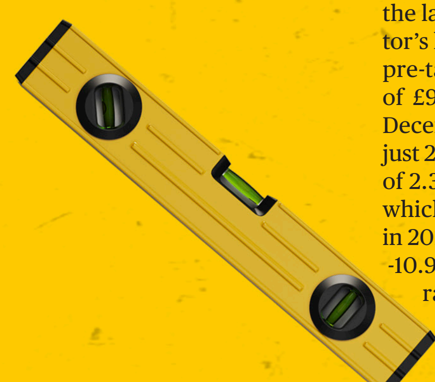
So with tougher trading conditions and opportunities scarcer, *Inside Housing* asks if a crisis is building among social housing contractors. And should the sector brace itself for more failures?

Sector collapses

The social housing sector has seen a number of high-profile collapses in the past decade, most during the financial crisis. From Kinetics, to Rok, to the biggest of them all, the £660m-turnover contractor Connaught, there is no shortage of casualties to look at.

In many ways these collapses have failed to act as exemplars of what not to do. Contractors' business models have remained mostly unchanged, and firms still by and large chase volume in terms of the size of contracts and operate on wafer-thin margins.

"[The lack of finance in the sector is] of critical national importance"



Noble Francis, economics director at the Construction Products Association (CPA), says contractors have been operating on "slim or negative margins" for at least 15 years and it has taken the Carillion collapse to show that firms can no longer get away with sailing so close to the wind.

To put contractors' margins into perspective, you just have to look at the last full-year accounts of the sector's key contractors. Mears posted a pre-tax profit of £22.2m on revenue of £900.2m for the year ending 31 December 2017 - a pre-tax margin of just 2.4%. Wates had a pre-tax margin of 2.3%, Mulalley 3.3%, while Engie, which was badly hit by a £72.7m loss in 2017, suffered a negative margin of -10.9%. By way of comparison, Barratt Developments, Britain's biggest house builder, had a pre-tax profit of £835.5m and turnover of £4.9m - an operating margin of 17.7%.

But clients in social housing aren't blameless; after all, clients make the rules and contractors play the ▶

GETTY, ARTWORK: JON HEAL

PRESS ASSOCIATION

Carillion entered compulsory liquidation in January 2018, a move which its estimated cost the taxpayer £148m

game. A move by many clients to look for lowest-price tenders has driven these behaviours.

The precarious contracting business model of high risk and low reward is being put under additional pressure by increasingly difficult post-Carillion trading conditions.

The payment terms of contractors came under the microscope in the past 12 months, with the government's public sector clients pushing for 30-day payment terms through procurement – something that goes against how many firms are set up.

In November, the Cabinet Office said it would introduce a prompt payment code which could see late payers banned from public contracts.

New payment rules

As one construction lawyer, who preferred not to be named, explains, contractors have been adopting business models for years that rely on holding on to subcontractors' money, in some cases for longer than 60 days. The new, more stringent rules around payment, the lawyer says, will have an enormous impact on firms which are still relying on these models, and will put pressure on their margins. The impact of the stringent payment landscape was evident in Kier's share rights issue in November.

It said the move was driven by an increase in risk due to more detailed checks on clients' balance sheets, and an increasing pressure on companies to pay their suppliers more quickly.

The third reason given by the contractor for its problems was the difficulties in obtaining finance.

A lack of confidence in construction has filtered through to the banks, which are more reluctant to lend.

Mr Francis of the CPA says lending to construction was becoming more scarce, with the cost far higher than in previous years.

In October, Laing O'Rourke, the country's largest private builder, had to delay filing its accounts due to struggles in securing a refinancing deal. Its chief executive Ray O'Rourke blamed the "historic turbulence" caused by the collapse of contractors, saying this was impacting the approach of banks and insurers to the sector, adding that the lack of finance in the sector is an "issue of critical national importance and concern".

The increasing uncertainty in banks has spread to housing clients, with many considering more carefully who they contract with, or whether they contract outside of the business at all.

Jon Slade, director at consultancy Campbell Tickell, says there has been a noticeable movement towards in-house delivery of repairs in the past two to three years, as opposed to moving towards big players, which had been a previous safety strategy.

"If you felt in the past that the way of protecting yourself against a collapse was to go with a bigger contractor, Carillion got rid of the notion that bigger was safer," he says.

Mr Slade adds that uncertainty around Brexit and greater focus on fire safety and regulation post-Grenfell would also likely see contractor prices increase.

The shift is apparent over the past few years with L&Q, Sovereign and Clarion all increasing their in-house delivery. Councils such as Southwark and Kensington and Chelsea have followed suit. The mammoth Northern Ireland Housing Executive (NIHE), the only UK social landlord seriously affected by the Carillion collapse, is also considering the merits of in-house delivery and will publish a report in April.

> **"Carillion got rid of the notion that bigger was safer"**

So with extra pressures on contractors' business models and a shrinking pool of opportunities for housing associations, there are questions over whether the sector should be bracing itself for more contractor woes.

The sector has already had one high-profile failure in recent times, when in November contractor Forrest – among those to step in to pick up the pieces from the Kinetics collapse – went into administration.

Analysts have said that Kier, which replaced Carillion as the second-biggest construction firm, is in a stronger position. Nonetheless, it has recently been hit by some issues of its own, which culminated in losing its chief executive last week.

Russ Mould, a financial analyst at AJ Bell, says there are similarities between Kier and Carillion, including its debt position, thin margins and wide geographical spread.

Nevertheless, he believes Kier is in a stronger position, doesn't have a large pension deficit, doesn't have "fingers in quite as many pies" as Carillion did, and has more cash, having raised £250m from its rights issue.

He also thinks bigger contractors like Kier have the option to sell off assets as a means of raising capital.

In a trading update by Kier last week, it said it was on track to meet its full-year targets, it had reduced its month-end net debt and the future-proofing of the Kier programme was progressing well.

If the past few months are anything to go by, the social housing parts of such a business could be the first to go.

In November we saw Mitie, which has had its own financial troubles, agree a deal with Mears to offload its social housing arm. Lakehouse sold its property services arm last summer after problems in 2016.

Taking opportunities

But despite the exit of some contractors, there are still those that see opportunities. Engie snapped up Carillion's NIHE deals and Forrest's contract with Anchor Housing Association. Just two years ago it completed the £330m deal for Keepmoat Regeneration. Mears' £35m acquisition of Mitie's social housing arm is also an indicator that the company still sees opportunity in the sector.

Nick Sterling, former executive director of Osborne Communities, says there are still many opportunities in the sector for contractors which adapt their model, and that the shift to direct repairs is overstated by some. He estimates only around "10% to 15%" of associations are doing so.

He adds that some which have are now regretting it, and want to go back to market due to the increased efficiencies a large provider can offer.

Regardless, contractors still have an essential role to play. But with a changing market, we are likely to see a smaller number of contractors chasing a smaller pool of work. Some contractors will adapt and thrive. For others, there are challenges ahead. While it is too early to say whether or not the sector will have to deal with another collapse, there is no doubt that the turbulent period hitting the contracting world is not over yet. ■

PHOTOGRAPHY: JON ENOCH

THE MILLER'S TALE

Clare Miller is Clarion's third chief executive in seven months.

Jack Simpson meets her to talk social housing, Brexit and fixing the organisation's repairs service

The turnover of chief executives at the UK's largest housing association has been matched only by housing ministers over the course of 2018.

Appointed at the start of October, Clare Miller became Clarion's third chief executive in seven months.

Inside Housing meets her nearly seven weeks into her new role - meaning she has already spent a third of the time in charge as her predecessor, Ruth Cooke.

Ms Cooke was appointed in April after the retirement of long-standing boss Keith Exford. But in September she stepped back, citing "personal reasons" and Ms Miller took over as interim chief executive. By the start of October, Ms Cooke was officially gone, and Ms Miller had stepped into the hot seat. She was formerly director of governance and compliance at Clarion, a role she held at Affinity Sutton before the merger with Circle.

When asked about the circumstances surrounding Ms Cooke's exit in October, Ms Miller will not reveal the details.

"Ruth went for personal reasons, I can't say more than that," she says.

It was a turn of events Ms Miller could not have expected when Ms Cooke was appointed. However, taking on leadership of the organisation is not something she would have refused, having ▶

applied for the position and missed out to Ms Cooke when Mr Exford announced his retirement.

"I have great fondness for the company, it does fantastic work; I would always have been delighted to think I might be in charge one day," she says.

Inside Housing meets Ms Miller at Clarion's offices at More London, an upmarket complex in London Bridge, positioned adjacent to the headquarters of professional services giants EY and PwC. As a former accountant, Ms Miller will feel at home. She started her career at Price Waterhouse before it merged with Coopers & Lybrand to form PwC.

Early appeal

It was a job auditing the accounts of Spiral Housing Association, now part of Sanctuary, in the early 1990s that piqued her interest in social housing. But it was not the organisation's balance sheet that sucked her in.

"I don't confess to be an enthusiastic accountant," she says. "I just thought they [Spiral] were doing a great job and I wanted to learn more."

By 1992 she had joined the Housing Corporation, first as a financial regulator. Over the next 18 years she would move up the organisation to become director of regulation, followed by a brief stint in a senior role at the Tenant Services Authority.

"At the regulator I had a unique perspective – I knew who the good associations were and Affinity Sutton was definitely up there with the best performers," she says. In 2010 she left the regulator to join Affinity Sutton.

In 2015, however, this role expanded somewhat. Affinity Sutton opened merger talks with Circle Housing Group. This merger would not only be the largest in the sector's history – with 58,000 and 70,000 homes respectively, Affinity Sutton and Circle were two of the biggest landlords operating in the sector. But it was further complicated by a repairs crisis at Circle that had led the regulator to brand the landlord non-compliant with its basic standard for governance in April of that year – citing "chronic failures" resulting in "exceptionally poor provision of repairs". Director of compliance was about to become a more complicated role.

Just a month after Clarion was formed, Circle was slammed again by the regulator for risking serious harm to tenants due to ongoing repairs failings. Ms Miller says Affinity Sutton looked closely at Circle's problems during merger talks but ultimately believed the issues could be overcome. "We always took the view that the bigger prize here was to bring together two organisations so we could release talent and capacity – we knew we could fix these problems," she says.

"The bigger prize was to bring together two organisations to release talent and capacity."

Clarion agreed an action plan with the regulator, and after a year of oversight and monitoring the situation was hitting the regulator's targets.

The regulator confirmed this in March when Clarion was upgraded to the top rating, with the regulator reporting that the business had the governance in place to manage risk around its repairs service.

However, the crisis is bound to have strained tenant-landlord relations.

Ms Miller admits the business is still "on a journey with repairs", but says it has made great strides with residents. She points to customer satisfaction rates being in the high 90s for the repairs service.

The experience has also upheld Ms Miller's belief that repairs should be a fully in-house function.

Two weeks ago Clarion Response, the organisation's in-house repairs team, took over the 18,000 properties formerly serviced under Circle's problematic repairs deals in north and east London, meaning repairs on 80% of all Clarion's stock are now carried out by Clarion Response.

But the fallout from the repairs saga has had an impact on other parts of the organisation, not least its development plans. One of the main drivers behind the merger was to leverage the size of both businesses to build more homes. Clarion aims to be able to deliver 5,000 new homes a year.

Last year it fell short of its target of 1,328 completions, hitting only 1,263.

Ms Miller explains Clarion's charitable constitution needs to balance two aims: looking after its current residents and providing houses for those that can't afford them. "We always have in mind that balance. If you look at our first year post-merger when we were dealing with residual problems we inherited, I would say the balance was more towards our existing residents and investing in existing stock."

Ambitious targets

She says this year Clarion hopes to better satisfy both, and focus more on the delivery of homes. The organisation has been increasing its land options and plans to deliver 1,600 homes by the end of the year.

Clarion's pipeline includes the £1.2bn regeneration of Merton; a 7,500-home new town in Honingham, Norfolk; and a joint venture for a 2,600-home scheme as part of Ebbsfleet's new garden city. As is the case with all large housing association developments in this era, all of these will include homes for private sale.

Walk through the Clarion offices and you would be forgiven for thinking you were walking into the offices of a developer. The view from Ms Miller's office, which includes HMS Belfast and the Shard, would rival that of any boss at a London corporate firm.

But Ms Miller is keen to stress that the association's development for the private market is a means of building more affordable homes. Clarion wants two-thirds of its new homes to be affordable.

"We will do commercial and build homes for sale but only do it to the level where we can support the affordable output we are looking at," she says. She decries the current grant system, saying it is holding back the organisation from building more truly affordable homes.

Breaking from her usually measured responses, she bursts into action taking out a pen and picking up a nearby scrap of paper to show the difficulties she faces.

"It would cost £400,000 to build a two-bed flat in London," she explains.

"Over 30 years I can hope to get social rent of £100,000, grant at the moment from the [Greater London Authority] is at maximum £80,000.

"Let's take the maximum £80,000, that's £180,000, so that's £220,000 I have to make up for one social home. I can't do a lot of that and if I do, I can't do other things."

She says as a result, private sales on schemes like Ebbsfleet and Honingham will act as the "money makers" to fund the construction of more social rent properties.

"Those are all places for the minimum amount of risk, we can get the maximum return," she says.

Minimum risk, though, is still risk. The looming threat is, of course, Brexit. With the country teetering on the edge of a no-deal, Ms Miller says it is "something that keeps [me] awake at night".

She says that depending on the severity of the impact on the UK economy the organisation could rail back on its 5,000-homes-a-year target.

But Ms Miller wants to build. If Brexit hits the private market it means associations will need more grant. "If we could secure more grant we could absolutely build more," she says.

With the turnover of Clarion chief executives resembling Premier League football managers this year, *Inside Housing* cheekily asks how long Ms Miller expects to stay.

"I'd like to be here long enough to make a change," she says. "I would like to build more social rent, I want to make a real contribution to tackling homelessness."

A period of stability at the top might be just what Clarion needs. ■