



ANNUAL REPORT

2014-15



mhs
homes group

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AN EXCITING AND SUCCESSFUL YEAR

2014-15 has been a busy but hugely exciting and successful year.

Much focus has been placed on transforming our services so that full use is made of available technology and customers have the opportunity to self serve where they wish. For example, the launch of the new website led to 7,500 rent payments being made online. We have invested in hand held technology for staff and moved to more agile ways of working.

We were delighted to achieve the Customer Service Excellence accreditation as well as winning Silver in the Kent Digital Awards.

Step changes have also been made in core service areas. Voids performance has been radically improved with average 'key to key' time reduced from 28 days to 11 days. First time fix of repairs has increased to 85% and repair appointments kept increased to 97.6%.

We have worked hard to support our customers against the backdrop of the welfare reforms. mhs community charity has led the way in creating employment and training opportunities and improving financial literacy for our residents. Our Welfare Benefits Team helped customers secure £340,000 in additional benefits last financial year.

I am delighted about the progress made in developing and harnessing the talent of the brilliant staff we have. This was recognised through our success in retaining the Investors in People Gold accreditation and our Human Resources Team winning Central Services Team of the Year at the Housing Heroes Awards 2015.

Our work on embedding Lean thinking has paid dividends. We achieved efficiency savings amounting to £750,000 in 2014/15 and increased our operating margin to 59% (against a target of 58%).

We finished the year fitter, stronger and better performing than we started it and look forward to pushing these achievements even further in the year ahead.

Ashley Hook
Chief Executive



MORE HOMES FOR LOCAL PEOPLE

The last year has been an important one in building our capacity to be a major developer of affordable housing in Kent.

We started the year successfully with Heart of Medway Housing Association being selected as an investment partner with the Homes and Communities Agency for the 2015-18 Affordable Homes Programme, and finished the year with over 400 new homes on site.

I was particularly proud of the successful completion of The Auditorium, a mixed tenure development in central Chatham. This landmark scheme has been developed on the site of the Theatre Royal which had lain derelict since 1953 and has now been shortlisted for a National Housing Award.

Looking to the future, we will develop over 600 new homes in the next three years. We will also be leading the way on some key regeneration sites having secured planning consent on three sites in Chatham town centre and recently submitted a

planning application adjacent to Rochester Riverside.

We were successful in securing an additional £50 million in new borrowings this year and will be looking also to the capital markets over the coming months to raise additional funds through a private placement.

The future will be challenging. However, as a progressive social business which is committed to meeting customers' housing needs, we will use our resources wisely to ensure that we can deliver as much new affordable housing as possible

Joe Scullion
Group Chair



COMPANY STRUCTURE



“ Looking to the future, we will develop over 600 new homes in the next three years ”

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HEART OF MEDWAY

The last few years have seen great successes for Heart of Medway and 2014-15 was no different, delivering 68 homes overall with a £7.9 million investment. The Christmas period marked a key point in our ambitious development programme with 415 homes on site in total, including over 250 in Maidstone as part of our expansion into surrounding areas.

Last year saw several high quality schemes delivered, with the former Rainham Police Station site, Cozenton Point, being shortlisted for a UK Housing Award. We also completed the historic Theatre Royal site, now known as The Auditorium, in March. This high-quality scheme delivered 26 apartments across all tenures and set a precedent for the wider regeneration of the Chatham town centre area.

Other highlights of 2014-15 include the significant acquisition of five Maidstone sites: Tonbridge Road, Eccleston Road, Maidstone Barracks, Langley Park and Imperial Park. 190 homes will be delivered in the coming years at these five schemes.

Overall, our development programme for 2015-16 includes 149 homes with a £21.5 million investment. It will also see us complete our first

homes at The Brook, Chatham with planning permission now granted for all three schemes in our £12 million regeneration project.

Further regeneration projects we are working on in 2015-16 include our contribution to the regeneration of Rochester Riverside, and plans to build 89 homes here across two blocks, including homes for private sale for the first time in our history.

2015-16 is set to be a greatly successful year for Heart of Medway; please read the following pages of this annual report for further details about our development plans.

Chris Sparks



DEVELOPMENT

At March 2015 the mhs homes group had **8,371 properties, including:**

- 7,031 Affordable and Sheltered
- 517 Leasehold
- 216 Market Rent
- 165 Freehold
- 67 Commercial
- 32 Shared Ownership

Subsidiary Heart of Medway had:

- 262 Affordable homes
- 81 Shared Ownership

7.9M

We invested £7.9 million to deliver 68 new homes



COMPLETED SCHEMES 2014-15

AMHERST HEIGHTS, BROMPTON

Nine two, three and four bedroom apartments for Shared Ownership.

COZENTON POINT, RAINHAM

23 one and two bedroom apartments for Affordable Rent and Shared Ownership. This popular scheme was shortlisted for the UK Housing Awards, Outstanding Development of the Year.

THE AUDITORIUM, CHATHAM

26 one and two bedroom apartments for Affordable Rent, Market Rent and Shared Ownership.

LOWER RAINHAM ROAD, GILLINGHAM

Four two bedroom houses for Shared Ownership.

BOWER LANE, MAIDSTONE

Six one and two bedroom apartments for Market Rent.

FUTURE DEVELOPMENTS 2015 ONWARDS

FAIRMEADOW, MAIDSTONE

21 two bedroom apartments for Shared Ownership and Affordable Rent.

LANGLEY PARK, MAIDSTONE

51 new homes, a combination of one bedroom apartments, two, three and four bedroom houses for Affordable Rent and Shared Ownership.

IMPERIAL PARK, MAIDSTONE

56 new homes in a combination of one bedroom apartments, two, three and four bedroom houses for Affordable Rent and Shared Ownership.

MERCURY CLOSE, CHATHAM

Eight one and two bedroom apartments for Affordable Rent.

RICHMOND ROAD, GILLINGHAM

20 new homes in a combination of apartments and houses for Affordable Rent.

ELDON STREET, CHATHAM

11 one and two bed apartments and Eight two bed houses all for Affordable Rent.

UPBURY WAY, CHATHAM

Five one and two bedroom apartments for Affordable Rent and three three bedroom houses for Shared Ownership.

CROSS STREET, CHATHAM

50 new homes for Affordable Rent and Market Rent.

“ Overall, our development programme for 2015-16 includes 149 homes with a £21.5 million investment ”

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REPAIRS

We know that delivering a high quality repairs service is important to our customers. We strive to make it as easy as possible for customers to report repairs and continue to look at ways of improving the repairs reporting process.

In 2014/15 we exceeded our targets in four key areas of responsive repairs; the amount of repairs fixed the first time, the number of appointments kept out of the total made, the average days to complete repairs and reductions in the number of customers calling to chase repairs.

In 2014/15 we spent £2.4 million on responsive repairs and £420,000 on larger repair works. These were delivered with a first time fix rate of 85%. 97% of appointments took place within 7

calendar days and customers called to chase 1% of these.

We kept our use of external contractors to a minimum, with our in-house responsive repairs team delivering 97% of the repairs. Over the next year we aim to make better use of technology to make it quicker and easier for customers to report repairs and book an appointment time that suits them.

We will also focus on fully completing repairs in the first visit, improving on this years performance of 85% repairs completed first time.

“ We installed 355 kitchens, 239 bathrooms and 469 boilers throughout the year ”



“ In 2014/15 we spent **£2.4 million** on responsive repairs and **£420,000** on larger repair works ”

 **£8M**

has been invested to maintain and improve homes

PLANNED MAINTENANCE

Home improvement works

Over the past 12 months we have spent over £8 million on investment in our existing stock to improve the quality of our homes and estates.

We have delivered:

- **355** new kitchens
- **239** new bathrooms
- **469** new boilers
- **31** homes have received double glazing to replace existing single glazing

Over 1000 homes received external repairs, maintenance and decoration.

For customers that require an extra level of support, we completed a range of works to help them enjoy their home. During the last financial year, we completed 346 minor aids and adaptations, including installing hand rails, lever taps or minor ramps and 79 major aids and adaptations.

In addition, we completed 391 Handyperson jobs, 104 Assisted Decorations, and 373 lawns were cut throughout the year.

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FINANCIAL SUPPORT

The welfare reforms have presented some additional challenges to some of our residents who needed help to set a budget and manage their tenancies. Our financial support services have helped hundreds of customers by offering advice, support and advocacy.

Last year, the Income Team assisted customers to gain £340,556 in benefit payments owed and applied for one-off Discretionary Housing Benefit on behalf of some customers.

Last year, we discovered that our unique status as an unregistered social housing provider meant that our customers were not included in the Social Sector Size Restriction changes.

This meant that, by working with Medway Council, over £178,000 was refunded to customers.

We employed two Citizens Advice Bureau-trained Debt Advisors to assist our customers with rent arrears and other debts. In 2014-15 they assisted 179 tenants to reduce their debts by £31,454.

They also gained additional grants for customers and asked lenders to write off debt, which resulted in over £91,000 of additional income.

£340,000

Our Welfare Benefits Team helped customers secure £340,000 in additional benefits last financial year.



FINANCIAL PERFORMANCE

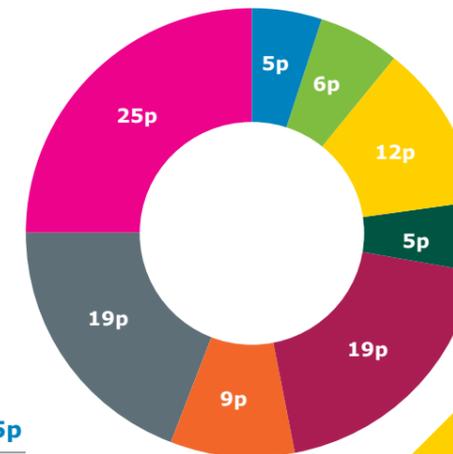
During the last financial year we worked hard to reduce our operating costs and streamline our services.

Last year we had a turnover of £46.9 million and a surplus of £11.5 million.

The surplus will be used to meet our ambitious target of 9,000 homes owned and managed by 2018 and will be reinvested into other core services.

“ Our surplus is reinvested into core services and used to build new homes ”

EACH POUND OF YOUR RENT FOR 2014-15 WAS SPENT IN THE FOLLOWING WAY:



COST PER £1

Routine repairs and Voids	5p
Cyclical works	6p
Major repairs	12p
Service costs	5p
Management and overheads	19p
Depreciation	9p
Interest payable/receivable	19p
Development	25p

RESIDENT INVOLVEMENT

In 2014-15, many of our customers took part in resident involvement activities to help us to improve our services.

They include:

- Consulting our E-reader Panel on a number of services including new publications, repairs responsibilities, our moving and lettings standard and our decorating scheme.
- Holding a focus group with customers when we were making improvements to our repairs service.
- We have completed 2775 customer satisfaction surveys through our partner organisation Voluntas, helping to provide extremely valuable feedback about our services.

- We have worked with our Estate Champions to develop an estate investment plan for 2015-16 for which £100,000 of funding has been secured.
- 160.5 hours of free customer training as part of the Kent Engagement Group programme to enable customers to develop their skills including IT and First Aid.



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CUSTOMER SERVICES

Over the last year we have been developing our customer service by investing in more digital services so that our residents can contact us at a time that suits them. This approach is evolving and we will continue to review our service to meet customer expectations.

Last year, our Customer Service Team answered over 88,000 calls and completed over 7,500 digital transactions with our customers. We saw a reduction in face to face visitors from previous years as more customers contacted us via our website, email and social media. More residents are now registered with My Account so they can complete popular tasks such as

reporting repairs and checking their account balance quickly and easily. We are equipping our front line staff with mobile technology to allow them to work more efficiently and to provide access to information and services in our neighbourhoods.

This summer, we are redesigning our Broadside reception into a vibrant customer hub that will allow customers to access key services.

“ We received 88,000 calls from customers last year ”



95%

“ of complaints logged last year were resolved at Stage one ”

NEIGHBOURHOOD SERVICES

We know that we cannot get a true understanding of what is happening in our neighbourhoods from behind a desk, so last year our Neighbourhood Officers completed 409 Neighbourhood Walkabouts to gather residents' feedback on issues affecting our estates.

should be made across the areas in which we work.

We also made some changes to the grounds maintenance and neighbourhood teams to deliver a more efficient and flexible service for our customers.

We also conducted inspections on 455 blocks and estates to review the quality of estate services as either bronze, silver or gold. Over the last year, we improved 47 blocks from either bronze to silver or from silver to gold.

This year we have committed £100,000 to improve our neighbourhoods. Working with our estate champions we identified which enhancements



£100,000

will be spent on neighbourhood improvements in 2015-16

IMPROVING OUR SERVICES

We are committed to continuously improving our services and over the last year have implemented a new way of seeking customer feedback. With help from business intelligence organisation, Voluntas, we carry out regular customer surveys on a range of topics to better understand how we are performing.

We completed 2775 surveys last year which gave us insight on areas such as repairs, income and estate services, as well as our contact centre. We used this information to improve our services and resolve issues.

We have also taken a more proactive approach to complaints. After training every member of staff to handle complaints, we encourage our front line staff to resolve problems at the first point of contact. We recognise that this is not always possible in complex cases but in 95% of cases, the complaint was resolved at the first stage of the process.

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MHS COMMUNITY CHARITY REVIEW

I am proud to report that 2014-15 has been a pivotal year for mhs community charity.

Building on our decision to focus our work on supporting mhs homes customers through the challenge of the welfare reforms, we successfully launched our Community Investment Strategy.

The strategy sets out our ambition for customers to prosper by supporting them into employment, enabling them to better manage their finances and helping them to get online. For me, one of the most exciting aspects of the strategy is that we are looking to deliver it in partnership with local organisations which we believe will offer improved accessibility for our customers and maximise our resources.

Implementing our strategy is the new Community Investment Manager, Ian Long. Since joining us in September, Ian has quickly got to work developing partnerships

to help us deliver the initiatives outlined within the strategy. Within his first six months, Ian and his team developed some really exciting partnership projects to carry us into the new financial year and are already seeing some great outcomes, especially for the 22 people they helped into work.

Running alongside the Community Investment Strategy is the incredibly successful Day for Medway, which encourages staff to volunteer a day of their time to support local organisations. I'm really pleased to report that we exceeded our target, with staff giving over 220 days of their time to support over 30 good causes across Medway.

Finally I speak on behalf of all the mhs community charity board when I say how immensely proud we are of mhs homes' longstanding commitment to supporting local charities. In 2014 our staff climbed

higher, swam further and sold more cakes to raise over £22,000 for the Kent Autistic Trust.

Geoff Waters
Chair of mhs community charity



“ We installed Wi-Fi in our 20 sheltered housing schemes and two Foyers, benefitting 500 residents ”

Last year we launched our £1 million community investment programme.
£1,000,000

Last year, mhs homes launched a four year Community Investment Strategy, a £1 million programme to support customers through welfare reforms and the introduction of Universal Credit.

Focused on three key areas, the strategy aims to:

- Support over 200 of our customers into employment
- Ensure more than 90% of customers have access to the internet
- Provide financial advice and guidance to over 1,500 customers

To deliver the strategy, we are working with a number of local organisations to ensure that our customers can access the support they need.

EMPLOYMENT

In 2014 we supported 22 customers into employment. For some, it was their very first job and we are very proud to have helped 11 young people find and sustain an apprenticeship.

As part of our employment support programme we also provided 26 work placements to help prepare our customers for employment.

DIGITAL INCLUSION

Working in partnership with local training providers, we helped 50 customers to improve their IT skills and benefit from being online.

We also installed Wi-Fi in our 20 Sheltered Schemes and two Foyers, benefitting 500 residents.

FINANCIAL SUPPORT

During 2014, we worked in partnership with the Citizens Advice Bureau, who helped 179 customers to manage their debts and become more financially secure.

Working with Strood Community Project allowed 1000 customers living in rural areas to access budgeting support.

DAY FOR MEDWAY

Last year 226 employees spent a day supporting over 30 different organisations across Medway.

Working on a range of projects from mock interviews with Mid Kent College to working with the RSPCA, our staff have made a significant contribution and enjoyed themselves in the process.

COMMUNITY CENTRES

mhs homes owns several community centres which we provide for local organisations that work with our customers.

In 2014, over 2,000 people visited these community centres and benefitted from the range of support and activities on offer.

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SUPPORTED AND SHELTERED HOUSING

Endeavour and Springboard Foyers are supported housing projects for young people aged between 16 - 25 who need support to fulfil their potential.

We have recently been re-accredited by the Foyer Federation for three years. During this past year we have been rolling out a healthy lifestyles programme, thanks to a grant from the Foyer Federation's Healthy Conversations initiative. Through this, residents have taken part in Race for Life and other initiatives, and have now published their own recipe book called "Healthy Food for Healthy Minds".

We have had lots of personal successes in the Foyers this year. Of the 36 residents;

- **Fifteen** are in further education
- **Seven** are involved in training

- **Three** are involved in volunteering or work experience
- **Three** are apprentices
- **Four** are employed, either part time or full time.

Over the past 12 months, 31 young people successfully moved on to their own independent accommodation or to share with family and friends.

Last year, the Sheltered Housing Team at mhs homes focused on enhancing customers' lives through the appointment of a new Activities Coordinator. The new post holder will organise events and activities for the schemes to help our residents to enjoy their homes in later life.



Over the past 12 months, 31 young people successfully moved on to their own independent accommodation or to share with family and friends.



2015 marks the 25th anniversary of mhs homes



THE NEXT CHAPTER

2015 marks 25 years of mhs homes. As we reflect on our achievements over the last 25 years, we have put plans in place to continue our successes.

Our new Strategic Plan outlines our dream of being the best housing provider in Kent. The plan also sets out five new business objectives to be met by 2018:

- To deliver great services
- To provide quality homes
- To help our customers achieve their potential
- To be financially fit and lean
- To have exceptional and diverse talent

For 2015-16 we will continue to focus on our core purpose of meeting local housing need and ambition.

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Contact us

mhs homes group

Broadside, Leviathan Way,
Chatham, Kent ME4 4LL

Opening Times:

Monday - Friday: 8.30am to 5pm

Saturday: 8.30am to 2pm

Customer Service Centre:

01634 565333

