



ANNUAL REPORT

2015-16



02

CELEBRATING 25 YEARS

Last financial year, mhs homes celebrated its 25th anniversary alongside our customers, staff and stakeholders. mhs homes was formed in 1990 when we took on the housing stock of the then Rochester-Upon-Medway City Council and has developed into Kent's largest independent landlord with over 20,000 customers, 8,500 properties and 270 staff.

The last financial year saw us build new homes outside of Medway for the first time, which is an important milestone in our company history. We now offer affordable homes to meet the needs of customers in Maidstone, Dartford and Gravesham as well as in the Medway towns.

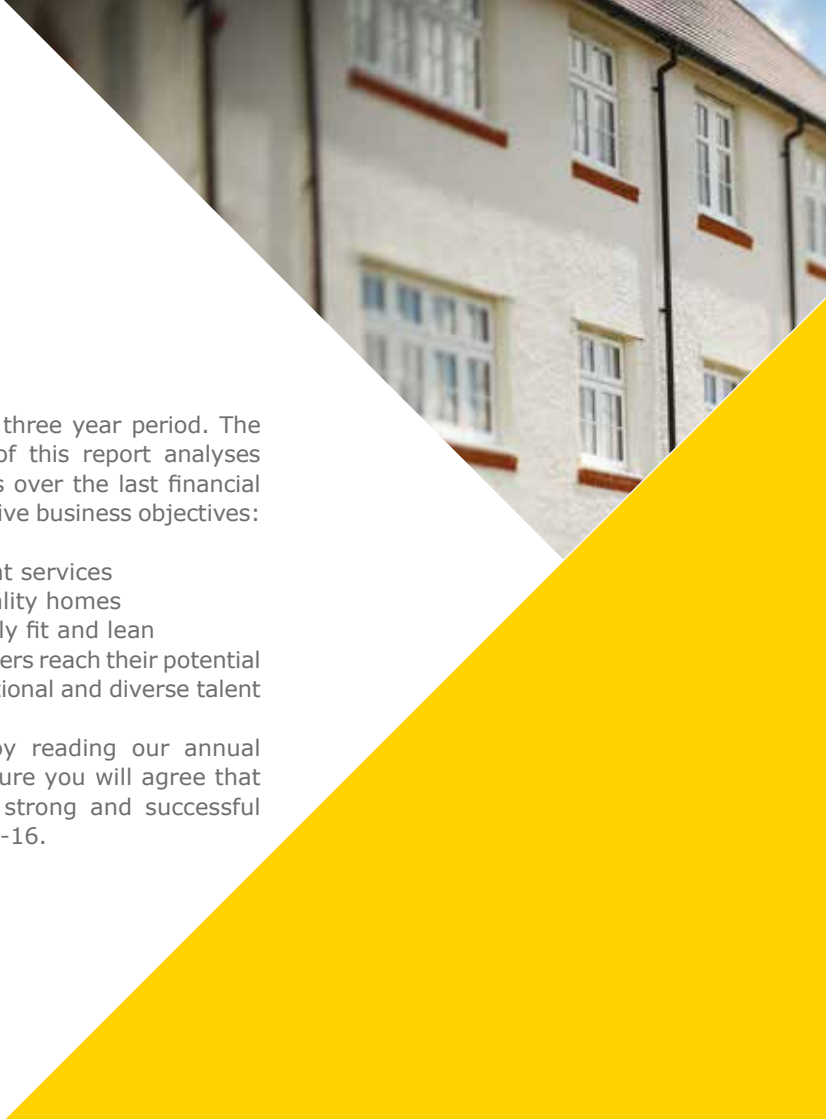
At the start of the last financial year we launched our 2015-18 Strategic Plan which outlined what we want to

achieve over the three year period. The following pages of this report analyses our achievements over the last financial year against our five business objectives:

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

I hope you enjoy reading our annual report, and am sure you will agree that we had another strong and successful year during 2015-16.

Ashley Hook
Chief Executive



MORE HOMES FOR LOCAL PEOPLE

mhs homes group is in the first year of a three year Strategic Plan. When planning the Strategic Plan no one imagined the huge changes which would flow through the social housing sector during the year. I am proud of how we responded to these challenges so that we can maintain our ambitions to build 600 new homes over the life of the plan.

We are clear that mhs homes is a social business, so it is excellent news that we housed over 600 new customers last year and maintained 100% of our homes to the Decent Homes Standard. Our service to our customers is paramount and we continually monitor customer feedback through an independently measured net promoter score to ensure that our levels of service continue to improve.

During the year we also secured a £40 million private placement, which will help us to fund 600 new properties over the three year Strategic Plan.

Finally, mhs homes was 25 years old in 2015 and is in better shape than ever. With all the changes within the sector there is much uncertainty ahead, but mhs homes group is uniquely placed to thrive in such times, both through its financial strength and its ability to control its own destiny.

Joe Scullion
Group Chair

“ During the year we also secured a £40 million private placement, which will allow us to fund 600 new properties over the three year Strategic Plan. ”

03

04

TO DELIVER GREAT SERVICES

Over the last financial year, we began to measure customer loyalty using a net promoter score. We asked customers to tell us how likely they are to recommend mhs homes to their family or friends based on their experience of repairs, grounds maintenance and caretaking, income and benefits service and overall customer service.

We worked hard to increase customer satisfaction by introducing a range of new ways for customers to get in touch with us. We redesigned our Broadside reception and installed six self-service kiosks. We also introduced Live Chat to our website, making it easier for customers to speak to us in real time whilst on the go.

We used the feedback that customers gave us over the last financial year to implement our neighbourhood improvement programme. We worked with a team of Estate Champions to decide where a total of £100,000 should be invested to make improvements. The money was spent on initiatives such as installing new signage or notice boards and creating more parking bays, with more improvements planned for the current financial year.

Customers also told us that they were extremely happy with the contact they had with our customer service team and that they were pleased with the standard of the grounds and caretaking services we offer.



100%

of customers said
we were polite
and helpful



**Our Neighbourhood
Team visited**

3,060

customers during the
last financial year



We allocated

£100,000

on our neighbourhood
improvement
programme

“ The ASB team did
everything they
could to help us
and the outcome
has been brilliant. ”

05

06

TO PROVIDE QUALITY HOMES

Heart of Medway Housing Association is a registered subsidiary of mhs homes, which builds all new build homes and has access to grant funding from the Homes and Communities Agency. Over the last financial year, Heart of Medway has proved itself to be ambitious and optimistic despite the challenges to its income following the social rent reduction, and the uncertainties of the current economic and political climate.

This year, Heart of Medway built over 150 new homes and is now landlord to over 480 households. mhs homes will invest £81 million in plans to build 750 new homes in the next four years, evidence of the organisation's overarching commitment to provide quality homes that help tackle local housing need.

Providing effective and good value-for-money services to the people who live in our homes is also crucial. Heart of Medway residents benefit from the excellent services provided by a dedicated team at mhs homes. The time taken to re-let available homes and the amount of rent owed has reduced, and satisfaction with our services has increased. Our foyers and housing for older people provide homes to those who need a little bit more support to live independently.

Having the security of a safe place to call home is fundamental to each of us achieving all we can be. That is why I am incredibly proud to Chair Heart of Medway.

**Andrea Baker,
Chair, Heart of Medway**



**This year,
Heart of Medway built
over 150 new homes**



BUILDING NEW HOMES

In 2015/16 we invested £22.5 million into building 157 new homes. We also developed homes outside of Medway for the first time in our history, including five sites in Maidstone, with 69 homes in total and one in Dartford; a boutique development of just four homes.

In Medway, we completed the first phase of regeneration in the Brook area of Chatham with 27 new houses and apartments. This area will benefit from an investment of £12 million which will replace a number of post-war homes and a garage site with 79 new homes.

Over the last financial year, we received almost £1.4 million in grant funding from the Homes and Communities Agency and worked closely with national house builders such as Redrow, Bellway and Taylor Wimpey to

help them to provide affordable housing in Kent.

During 2016/17 we expect to build even more homes, and will soon complete our 1,000th new home. We are on track to build our first ever homes for private sale in Corporation Street, Rochester, replacing an existing development next to the new Rochester train station.

“we invested
£22.5M
into building 157
new homes”

INVESTING IN OUR PROPERTIES

We also invested £7 million into maintaining our existing homes, through routine repairs as well as planned upgrades to kitchens, bathrooms and boilers.

Last year, we completed:



271
Kitchens



215
Rewires



191
Bathrooms



332
Boilers

07

08

TO HELP OUR CUSTOMERS ACHIEVE THEIR POTENTIAL

When the Charity Board set out the Community Investment targets at the beginning of 2015 we knew they were going to be challenging. So I am very pleased and proud to report that not only did we meet these targets, in many cases we significantly exceeded them.

Central to our Community Investment Strategy is our commitment to work in partnership with other organisations. This approach ensures our customers can access the right support, when and where they need it. As such, my thanks goes out to all our partners who collectively supported over 1,000 mhs homes customers, helping them to move into employment, get online and prosper.

I am particularly proud to see the work of our young apprentices. This year we've employed more apprentices than ever before, giving many of these young people the first step on their career pathway. The energy and creativity of these young apprentices always amazes me and I truly believe that mhs homes is a stronger and more diverse company because of them.

My thanks goes to all the staff at mhs homes, and specifically the work of our Community Investment Team, who, once again, have shown their commitment to supporting a wide variety of good causes. Our Day for Medway programme supported over

“ The Welfare Benefit Advisors assisted

303

customers to access the benefits that they are entitled to ”

40 local organisations and we raised £15,000 for our charity of the year Dandelion Time.

Finally, as I look to the next financial year I know the challenge is even greater, however through our network of trusted partners, commitment of staff and youthful outlook of our apprentices I am confident that we can continue to make a significant impact on the communities we serve.

Geoff Waters
Chair, mhs community charity



“ We invested
£240,000
into community
initiatives ”

SUPPORTING OUR CUSTOMERS

The Welfare Benefit Advisors assisted 303 customers to access the benefits that they are entitled to, helping them to avoid eviction due to rent arrears and ensuring they can afford basic necessities such as food and heating.

They helped customers to claim an additional £383,477 of benefits that they were entitled to, as well as £43,533 in Discretionary Housing Payments to help many of our customers retain their tenancies and avoid eviction.

COMMUNITY INVESTMENT IN NUMBERS:

Our staff volunteered 236 days in total through our Day for Medway scheme, working with 47 local organisations to support good causes.

We invested £240,000 into Community Investment last year and calculate that our Social Return on Investment is 5:1, as our work created £1.35 million of social value through helping people to find work, reduce their debts and get online.

We supported 80 customers into employment, 595 customers benefited from financial support and we helped 329 customers to get online.

09

10

TO BE FINANCIALLY FIT AND LEAN

During the last financial year, we made cost savings across the business of £600,000 in order to reduce our overhead costs.

In 2015-16, mhs homes saved £811,038 against predicted budgets, through more efficient procurement practices, to find the suppliers that best meet our needs.



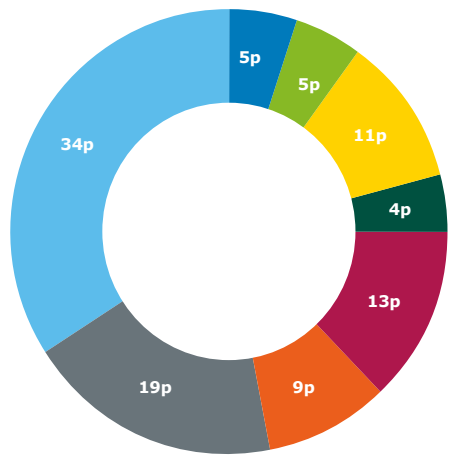
“ mhs homes saved
£811,038
against predicted
budgets ”





HOW EACH £1 OF CUSTOMERS MONEY IS SPENT

Routine Repairs	5p
Cyclical repairs	5p
Major repairs	11p
Service costs	4p
Management and overheads	13p
Depreciation	9p
Interest payable/receivable	19p
Development	34p



11

12

TO HAVE EXCEPTIONAL AND DIVERSE TALENT

In 2015/16, our staff completed an average of six days undertaking training and development. This includes the Institute of Leadership and Management Level 3 award which 80% of our managers, now hold.

We introduced a new range of flexible benefits for staff, including the ability to buy and sell annual leave and access private medical insurance, as well as local and national shopping discounts.

For this financial year, our focus is on ensuring that we are a great employer, having successfully retained our

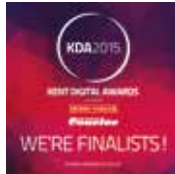
Investors in People Gold accreditation during this financial year. We are working towards achieving the Investors in Diversity accreditation and hope to be listed as 'one to watch' in the prestigious Sunday Times Top 100 Employers list.

We were also ranked 8th in a national innovation index of social landlords, put together by Inside Housing and Dolphin Index.



“ 80% of our managers
now hold a
LEVEL 3
award from the
Institute of Leadership
and Management ”

AWARDS AND ACCREDITATIONS



14

CONCLUSION

Over the coming financial year, we have many successes still to come.

We have already secured a £40 million private placement funding arrangement, which will be used to fund our future development programme. As part of this, we are planning to deliver our first homes for private sale, replacing post-war housing in Corporation Street, Rochester as part of the regeneration of the Rochester Riverside area.

We will also continue to invest in our staff, with the introduction of an academy for our direct labour operatives; creating a multi-skilled and more responsive workforce.

We hope these measures will lead to us being listed as 'one to watch' in the prestigious Sunday Times Top 100 employers list, in recognition of our hard work in developing exceptional and diverse talent.

For the remainder of the Strategic Plan, we will focus on further increasing our net promoter score. We reached an average of 40% last year and hope to increase this to at least 42% this coming year, as well as increase repairs completed on the first visit from 84% to 88%.



“ We have already secured a

£40 MILLION

private placement
funding arrangement ”

15



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



mhs
homes group