



Heart
of Medway

Our Strategic Plan

2018-2021

Everyone needs a decent home



Foreword

Heart of Medway is a young, ambitious and growing housing association making a big impact.

Registered with the regulator of social housing, we were formed in 2010. We've gone from strength to strength and now provide over 760 homes.

Over the next three years we'll do all we can to relieve the housing crisis in north Kent. With mhs homes providing support and funding, we'll build 160 new affordable homes. We'll also use our social assets to secure new borrowing and increase our development capacity.

Whilst vital to our vision, our impact is not only measured by the number of homes we develop. The positive impact we can have on lives is equally important. Our Foyer services for young people are a source of great pride, and the achievements

of the young people we house are hugely gratifying. In these next three years we will expand and modernise this important provision.

This strategic plan sets out the Board's ambitions and goals. It confirms that Heart of Medway is 'open for business', and we look forward to working with partners over the next three years who share our vision and values.



Andrea Baker
Chair, Heart of Medway Housing Association

About Heart of Medway

We built our first home in 2011 and now own 760.

An ambitious development programme supported by our parent, mhs homes group, has powered growth as well as two successful stock transfers from other registered providers.

The support of Homes England and partner local authorities has also been key to our success.

Heart of Medway is part of the mhs homes group. mhs homes has enabled Heart of Medway's development

programme with over £60 million in gift aid donations. As mhs homes is now a registered charity, it can no longer provide gift aid donations.

Importantly, because Heart of Medway is now generating significant income, 2018-21 will see our reliance on mhs homes reduce. This will allow us to explore securing our own borrowing to fund more development, in turn providing more much-needed affordable homes.

Our ambition

Heart of Medway's overarching ambition, purpose and values are the same as those of the mhs homes group.

Our ultimate ambition is;

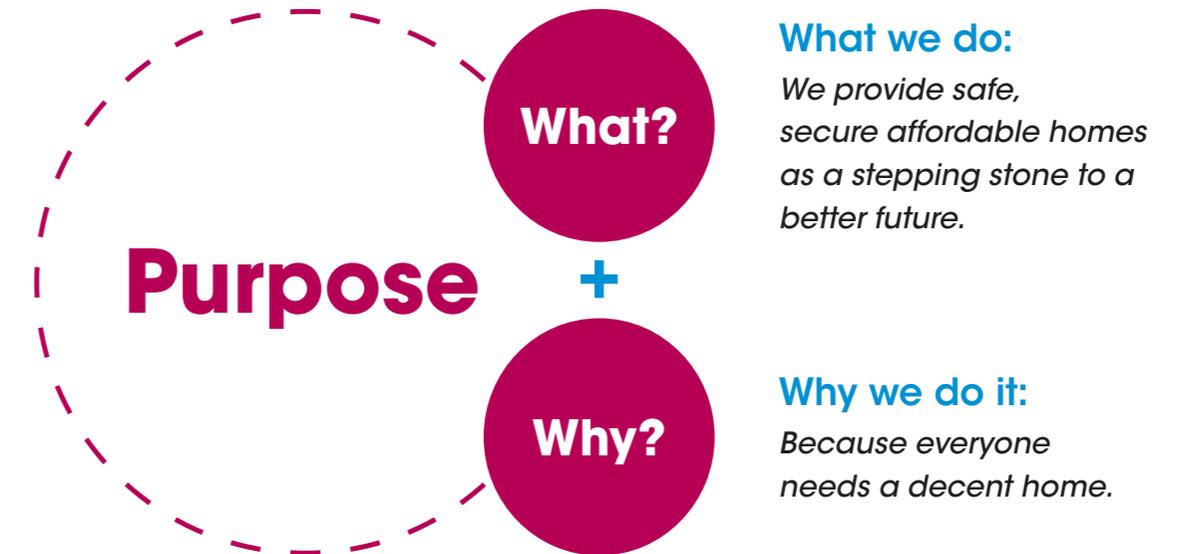
"To help end the housing crisis in north Kent"



Our purpose

The Board has defined Heart of Medway's purpose according to **why** we exist and **what** we do. **Why** and **what** we do isn't complex.

It does, however, have a massive impact on the life chances of our customers. These principles are fundamental touchstones for everything we do.



Our values

Our CREATE values underpin how we behave and operate:

C
Community

A
Agility

R
Respect

T
Teamwork

E
Excellence

E
Enjoyment

Open for Business – Sustainable Growth

Over the next three years, we will invest over £25 million in building 160 new affordable homes.

We will proactively seek opportunities for stock transfers from registered providers with housing stock in north Kent.

Our Foyer service will be expanded and modernised to help even more young people.

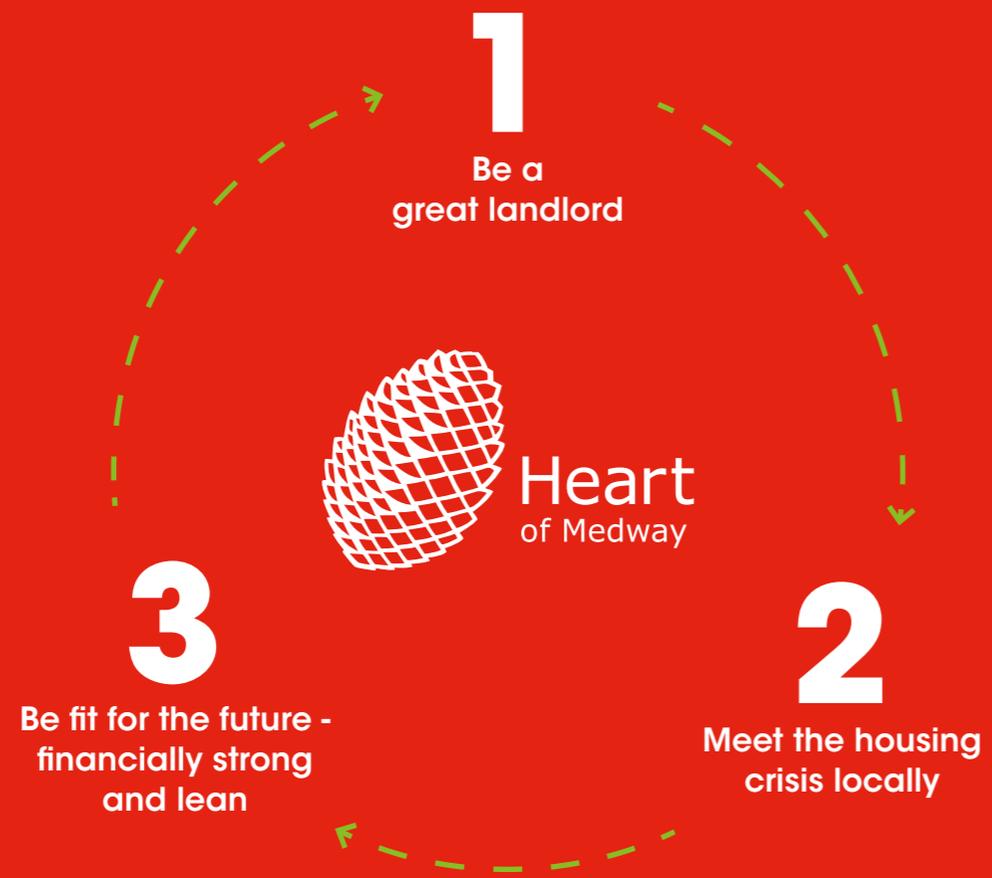
By 2021, we will own at least 1,000 homes.





Our strategic priorities

We have three interlinked strategic priorities:



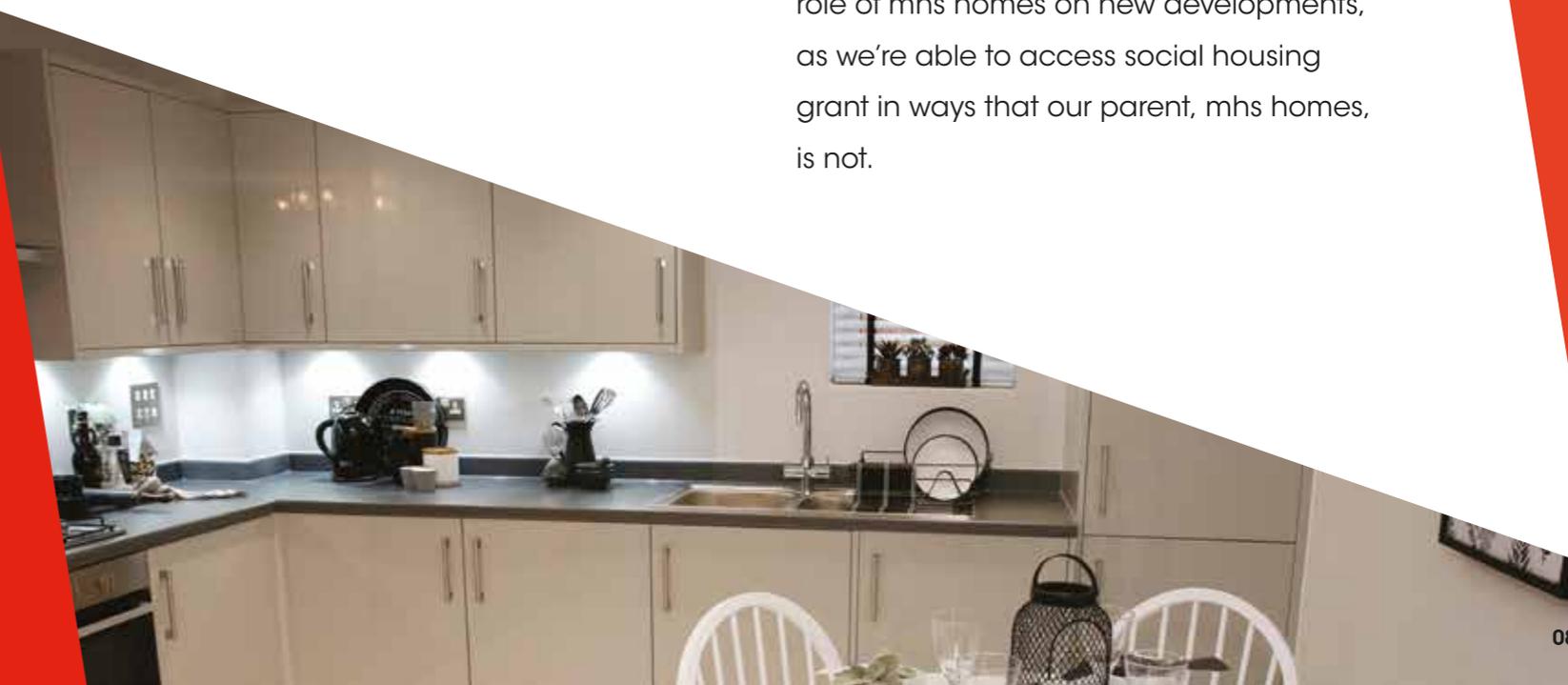
Our core activity

We'll do what we're best at, and where we can add most value. We operate within a group structure, and recognise the importance of both mhs and Heart of Medway boards, working seamlessly to increase the provision of affordable homes.

Heart of Medway's core activities are:

- + Affordable rented homes
- + Shared ownership homes
- + Supported foyers accommodation for young people.

Heart of Medway often complements the role of mhs homes on new developments, as we're able to access social housing grant in ways that our parent, mhs homes, is not.



Our areas of operation

To maximise our impact, and provide excellent services to our customers, we operate in a focused geographic area.

These are all areas of high housing stress that have an acute need for more affordable housing.



Our operating model

Heart of Medway's operating model is different to most other housing providers.

We're registered with the regulator of social housing and are a subsidiary of mhs homes. mhs homes is a registered charity that owns over 8,000 affordable homes.

We believe our approach delivers the 'best of both worlds'. All housing management and maintenance services are provided to Heart of Medway by mhs homes through an intra-group agreement. Heart of Medway doesn't employ any staff directly.

We can therefore achieve economies of scale that other organisations our size can't. Consequently, our operating costs are one of the lowest in the sector and the cost per property per year is far lower than the majority of registered providers, large or small.

We are especially proud of our Foyer service for homeless and vulnerable 16- 25 year olds. Our approach is to break the negative cycle of "no home, no job - no job, no home" so our young people can thrive. We do this by providing a home and then working with customers so they gain training and employment.



Within our governance structure we have a Customer Scrutiny Panel that holds the Board to account on all aspects of our operations.

The new Heart of Medway 'deal' will also ensure that customer insight continues to be used to identify and drive service improvements.



Our finances

Heart of Medway is well managed and financially strong. We'll invest over £25 million building 160 new homes in the next three years.

Heart of Medway is generating significant cash and, despite a growing asset base, is in the rare position of having no borrowings. This is because all borrowing to-date has been via on lending from mhs homes. This means we have significant balance sheet capacity, with security cover that can potentially support £30 million through direct borrowing to invest in developing even more homes.

Over the next three years Heart of Medway will build up debt of £10 million through intra-company borrowing from

mhs homes. This will be repaid by 2024, by which time Heart of Medway will be generating a surplus of £4 million per year.

Value for money is a key element to our approach and much work has been done to embed this as an intrinsic part of the way we operate. This links directly to our overall purpose - for every £60,000 we generate in savings or additional income, we can build another affordable home.



Our three year plan

Within each strategic priority there are a number of strategic goals - these are the 11 most important things that we will achieve in the next three years.

Be a great landlord

By 2021 we will:

- + Deliver year-on-year improvements to services to our customers.
- + Offer all customers the 'Heart of Medway deal', underpinned by great digital services facilitating service excellence.
- + Achieve year-on-year progress in customer loyalty (net promoter score) and customer feeling (net emotional score).
- + Proactively seek out stock transfer opportunities from registered providers with stock in our geographic areas of operation.
- + Invest £1.5 million in existing homes ensuring they are fit for the future and continue to meet the Decent Homes Standard.

Meet the housing crisis locally

By 2021 we will:

- + Build 160 new affordable homes.
- + Extend our Foyer service to provide accommodation for more young homeless and vulnerable people.
- + Review and modernise the Foyer offer so it reflects the future needs and aspirations of our young people.



Be fit for the future - financially strong and lean

By 2021 we will:

- + Deliver top quartile performance, as defined by the sector scorecard, in terms of operating costs and level of investment in new homes.
- + Generate £4.5 million receipts through shared ownership sales.
- + Put in place arrangements to access direct borrowing.





Any questions?

Heart of Medway is 'open for business', and we look forward to working with partners over the next three years. Get in touch if you'd like to know more.

✉ contactus@mhs.org.uk

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