



NHF Great Places Interim Report

A response from Midland Heart

April 2019

Topline

We support the proposals set out in the Great Places Interim Report, but it is important to acknowledge that different models will apply across the housing sector. Our role is to support balanced and sustainable communities by providing high quality homes, where customers want to live and choose to stay. Our new five year Corporate Plan sets out how we will achieve this.

Key Points

- Great Places models and approaches will differ between associations depending on the geography, priorities and organisation type. This paper sets out Midland Heart's approach to creating Great Places, which will be different to community based housing providers.
- Through our position as an anchor institution, offering good quality affordable new homes, first class landlord services and rewarding employment opportunities, we can foster Great Places by establishing strong links and relationships with communities.
- We are committed to delivering Great Places by establishing partnerships for purpose. For example, we are working closely with the local authority and a local developer partner to deliver a £58m regeneration programme to transform three large disused sites in Leicester into 400 high quality new homes.
- We are reviewing the role and impact of our Allocations Policy to shape Great Places within communities. Our aim is to create balanced communities, breaking down cycles of deprivation and dependency and we are exploring a research collaboration to investigate this further.
- There is further scope for the housing sector to share local knowledge and champion their role in the delivery of new homes to support local plans and Industrial Strategies.

Introduction

Midland Heart is a leading housing organisation, delivering homes and services across the Midlands that enable people to live independently. We own and manage 33,000 homes and are dedicated to providing decent, affordable homes combined with excellent services to over 70,000 customers. Over 40% of our homes are located in Birmingham.

We have a dynamic development programme with nearly 830 homes on site and an ambition to deliver over 600 new homes a year. We build homes principally for low cost rent in line with our social purpose.

We are committed to spending £100m over five years to regenerate communities and improve the condition of our housing offer.

Key Challenges

- We have a large geographical footprint, operating across 54 local authority areas.
- Like many landlords, some of our older properties are increasingly difficult to let. They require significant investment as their type and design no longer meets customer expectations.
- 70% of our stock is located in 20% of the most deprived wards nationally.

Our Approach to Delivering Great Places

We support the principles set out in the interim report; however, it is important to acknowledge that the Great Places 'offer' will be unique for each housing provider and will not look the same across the housing sector. Midland Heart operates across a vast geography and naturally we will take a different, but equally important, approach to create Great Places compared to a wholly community based housing provider. We have focussed on our own strengths within communities and strive to create Great Places by building new homes to meet community needs, delivering first class landlord services and improving the quality of homes. These are crucial components in creating balanced and sustainable communities. We have an excellent track record doing this. Our performance continues to be amongst the best in the sector and customer satisfaction, financial performance and staff engagement results remain consistently high year in year out.

The rest of the paper reflects our own approach to Great Places and sets out how we think the housing sector can contribute from a policy perspective.

1. People

The housing sector's role is to:

- *Support local communities by providing sustainable and meaningful skills and training.*
- *Empower existing and future communities to make meaningful decisions that will shape their community.*
- *Develop tailored models to foster, strengthen and build trusting relationships within communities.*

Our Approach:

- Through our dedicated Customer Scrutiny Team we empower our residents to influence key decisions about our services in a meaningful way. We deploy a variety of methods to enable residents to get involved, engage hard to reach groups and to build trusting relationships within communities. Different engagement methods include social media and digital portals, events, surveys, texts, and neighbourhood visits - we received feedback from 12,000 customers in 2017/18. A Customer Scrutiny Panel, comprising over 40 customers, is supported to review and challenge customer facing services and drive improvements. At Midland Heart, customers make up half the members of our Operations Committee - a key internal decision making body.
- We run an apprenticeship programme aligned to permanent roles; this gives apprentices a genuine career pathway to develop and grow their skills. We have created 20 apprentice opportunities over the last 18 months through our apprenticeship programme and engagement with our supply chains.
- We have given employment support opportunities (e.g. volunteering, work experience etc) to 25 individuals over the last 12 months.
- We are committed to investing in young people. Over the last 7 years, 35 volunteer mentors from Midland Heart have joined the innovative Prince's Trust programme to empower young people across the Midlands. The mentoring programme has raised the aspirations of

these 11 to 16 year olds by building their confidence, self-belief, motivation and employability skills.

- Customers are actively involved in assessing and scoring tender submissions. This allows them to have a meaningful say in which contractors are appointed to deliver services that are visible in the community (e.g. grounds maintenance and window cleaning).

2. Places

The housing sector's role is to:

- *Work with residents and partners to improve the condition of homes, estates and communities.*
- *Ensure that the services they provide contribute to the creation of balanced and sustainable communities.*
- *Meet community expectations by building the types of homes that the community needs most.*

Our Approach:

Investing in our stock

- Over the next five years we will be investing £100m in our homes; this will improve living conditions for customers and will ensure our buildings are fit for purpose for existing and future communities. The properties are across the Midlands region including Stafford, Stoke-on-Trent, Coventry, Northampton and Birmingham. Over a number of years we have been working to increase the energy efficiency of homes. We have assessed more than 900 homes for insulation improvements. The figure is predicted to rise as further eligible homes are identified and a new programme of work is delivered.
- As part of our planned capital expenditure, we will be investing £8m in 150 Intervention Schemes over the next 5 years, to regenerate challenging areas. Our investment will both improve the physical environment and enhance measures to reduce anti-social behaviour. This will reduce tenancy turnover, helping to create more balanced and sustainable communities.
- We will also deliver a £15m five year Retirement Living Improvement Programme, to substantially upgrade selected schemes. Our Retirement Living Strategy is also committed to investing in lifestyle and wellbeing activities to create vibrant and active communities across our retirement living portfolio. This includes the appointment of a new manager dedicated to engaging with retirement living communities to implement a diverse range of activities.
- Our approach is to engage with residents when making investment decisions about homes and communities so that we understand our customer's needs, requirements and expectations now and in the future.

Fostering Balanced and Sustainable Communities

- The limited supply of social housing stock has impacted on the wider community, with councils nominating increasingly high proportions of households with severe vulnerabilities

or high levels of support needs. In some areas it has exacerbated antisocial behaviour and led to high rates of tenancy turnover, which in turn perpetuates cycles of homelessness. This reinforces the importance of nurturing balanced and sustainable communities and tackling the adverse impact caused by concentrating a high proportion of people with acute support needs in certain areas. We believe housing providers should have greater flexibility to allocate their homes in the interests of local communities by looking at the community profile, whilst continuing to meet the needs of vulnerable people in acute housing need.

- There should also be a wider conversation about how local agencies can work together to create balanced communities and provide support to sustain tenancies. Council and housing association allocations could be more closely aligned to achieve this aim and to ensure appropriate support is provided to vulnerable people, using specialist support services where necessary.
- We are reviewing our Allocations Policy to see how we can let social housing more carefully in the future, aiming to create a more diverse community mix. We will also be commissioning research later this year to provide a radical review of current approaches to allocating and managing social housing and a bold programme for reform, learning from the most successful allocation policies deployed around the world. The research will aim to evidence the benefits to society of achieving more balanced and sustainable communities.

Development Programme

We have an ambitious plan to grow our portfolio of homes, to ensure the supply of housing is sustainable and geared towards what our communities need most. We are committed to building approximately 3000 homes over the next five years, with a clear focus on increasing the supply of much needed family housing. More important now, with the uncertainty over Brexit, is the need to manage this in a sustainable way. We will be aiming to take an innovative approach to financing and risk management and will pursue partnership opportunities. This will ensure Midland Heart can remain financially strong to respond to future challenges.

Different places will have different priorities and will require different models and new ways of working. To deliver our ambitious development plans we will explore:

- Joint Venture opportunities - to deliver new homes at greater pace and scale. Through JVs we will be able to share specialist expertise, local knowledge, links to communities and utilise access to low-cost funding streams, to support the creation of sustainable communities. We are particularly interested in collaborating with local authorities, the West Midlands Combined Authority (WMCA) and other regional housing associations to deliver our joint building aspirations.
- Working closely with Homes England through their investment programmes to lever additional funding and scale up housing delivery.
- Land-led development opportunities, rather than the traditional focus on increasing our supply through S106 agreements. By having control of the site and being the lead developer, we can exercise greater flexibility to create thriving communities. This includes consideration of child friendly places as part of the scheme design, taking into account gaps in provision and long term sustainability of any facilities provided.

- Developing closer links with Combined Authorities (CA). We believe stronger strategic planning powers should be devolved to the WMCA, alongside the creation of a single spatial vision. This will provide the necessary momentum for the WMCA to assemble land for housing development (in particular brownfield sites) and agree cross-boundary solutions, to provide genuinely affordable housing on the scale needed in the region.

3. **Partners**

The housing sector's role is to:

- *Develop robust connections and establish trust with other anchor institutions and partners, to successfully create Great Places across a vast geography.*
- *Strengthen their links with CAs and LEPs to drive Industrial Strategies.*

Our Approach:

Collaborating with other Anchor Institutions & Stakeholders

Developing connections and trust with other anchor institutions and partners, including local authorities, is crucial when operating across a vast geography.

- Midland Heart are a leading member of the West Midlands Housing Association Partnership. The Partnership provides a robust sector-wide voice as it covers a total of 120,000 homes in the core combined authority area. Collectively the organisations add £600m to the regional economy each year and employ 18,500 people. The Partnership supports the West Midlands Combined Authority to deliver its social and economic aims, through housing and related activities.
- We believe there is scope for the housing sector to champion housing development as a key driver of regional economies and Industrial Strategies and better connect to the work of LEPs. Articulating more clearly how the work of LEPs align with the CAs and the focus of their activities, would be helpful to engage the housing sector and draw on their local knowledge.
- We strive to strengthen our relationships and build trust with other anchor institutions and politicians. Specifically, we are committed to maintaining strong relationships with local councillors, local authority officers and MPs to emphasise the housing sector's role and potential to delivering Great Places.

A Collaborative Approach to Tackling Anti-Social Behaviour

Our effective partnerships has helped us to deliver a co-ordinated approach to resolve anti-social behaviour, widely known to cause misery for communities. We are strongly committed to working with residents at the earliest possible stage so people feel safe in their community. We have also successfully worked with the West Midlands Police and local authorities to tackle antisocial behaviour by enforcing breaches of tenancy, using antisocial behaviour contracts and using wider tools such as a closure order. We are calling for the Government to pilot a specialist housing court as part of the new deal for social housing. This will help the housing sector to take more decisive action against tenants who cause harm to their neighbourhoods and provide swifter results for landlords seeking possession.

4. Housing Association

The housing sector's role is to:

- *Manage assets responsibly and transparently to ensure they thrive in the community and are aligned to growth plans.*
- *Align their operational services and business structures to ensure they are responsive to community needs.*

Our Approach:

Responsible Disposals of Assets

- The housing sector has been faced with many challenges such as customer affordability issues arising from welfare reforms, demographic changes and changing customer expectations. We cannot, therefore, operate a business model of maintaining the status quo and must evaluate our asset base to identify low or poorly performing stock that does not meet our customers' current needs. Our future plans include a five year disposal programme, based on limited assets, clearly identified as unviable. This will enable us to invest in communities by funding new homes that are fit for purpose.
- The rationale for disposing of stock should be transparent and communicated clearly to stakeholders. There is scope for us to look wider than financial metrics when appraising assets. Specifically we will ensure our divestment strategy aligns with growth plans. Where feasible we will explore opportunities to work with and mentor community led housing groups to transfer assets so that they remain in the local community and thrive.

Aligning services to meet customer expectations

We have tailored our operational structure to ensure it is responsive to the way customers interact with Midland Heart. This includes a:

- Cross-directorate Customer Hub to manage customer contact efficiently;
- People Team to provide expert direction to tackle complex issues that impact on their customers (such as Anti-Social Behaviour);
- Place Team to ensure neighbourhoods are managed to a high standard;
- Rangers service to enhance fire safety and to carry out estate improvements.

Digital Transformation

Enhancing our digital offer is important to maintain effective local services, particularly where geographic distance from the nearest office is an issue. Our new Corporate Plan will enhance our digital capability; this will empower our customers to build resilience and take greater control of their own lives. At the forefront of our transformation is a project to make our services more accessible and improve customer experience. The project began in early 2019 with the launch of our very first customer app, giving customers the ability to access their rent accounts, download statements and make online payments. The app also provides easy access to relevant information and services for customers, such as being able to report issues or access money advice. We co-designed the app with customers by establishing a customer panel and involving them heavily in the roadmap, design and testing of our digital services.

The customer app will continue to grow and evolve over the coming years, introducing health, safety and issue reporting and self-service appointment bookings. This will facilitate a culture of collaboration to improve the efficiency of our core landlord functions, such as grounds maintenance and environmental services.

Conclusion

There is no one size fits all approach to Great Places; different models will apply, depending on the housing association's offer and the communities they operate in. Midland Heart is committed to continuing to work with partners to create Great Places, focusing on the delivery of first class landlord services, investing in improving homes and building good quality affordable homes that communities need. We see these as key components to achieving balanced and sustainable communities.

Get in touch

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