

TENANTS AT

HEART

CORPORATE PLAN 2025-30



Our legacy since 1925 has always been to provide safe, well-maintained and affordable homes, and this continues to be the essence of who we are and what we do. We operate in some of the most challenging and deprived urban neighbourhoods, with some of the most diverse communities in Europe and have some of the oldest properties of any housing association.



By talking to each other and our tenants, we have developed a better understanding of how we tackle these challenges and how we can really make a difference to tenants' experience of living in our homes. We have spent the last two years engaging with thousands of tenants across the Midlands to co-produce this plan, actively listening to meet their expectations, tackle their concerns and focus on their priorities.

**THIS PLAN IS NOT MERELY
SHAPED BY TENANT VOICE,**

**IT IS OUR
TENANTS' VOICE**

Our whole focus is to put the tenant at the heart of all we do. To further sharpen our purpose, our new vision is to: **Provide quality, affordable homes across the Midlands**

QUALITY AFFORDABLE



TENANTS AT HEART

During the course of the last corporate plan (Making What Matters Brilliant 2019-2025), we delivered very real improvements for our tenants, improving service outcomes and providing greater transparency. We have made record investments in the services we offer, building new homes while upgrading existing homes and offering more digital services to tenants, as well as supporting colleagues to grow and build their careers.

Our financial health will allow us to do this in a way we never have before. We enter this plan financially strong and as the only provider in the country with a Governance and Viability regulatory rating of G1 V1 and credit rating of A1 (Moody's). We have also been placed in the Top 100 of the Sunday Times Best Places to Work list. It is important that we continue to remain financially strong as we further tackle our ageing homes and contribute to the new supply of affordable housing in the Midlands.



From listening to our tenants, colleagues and stakeholders, we know that investing in existing homes is paramount. Improving energy efficiency and more simplified, visible and responsive service standards are clear priorities whilst ensuring we remain a financially secure landlord.

Our new corporate plan to 2030 is ambitious. We want to deliver the very best outcomes for our tenants, our colleagues and our stakeholders and this is aligned to our core charitable and social aims. This means we need to continue to make sustainable investments in new and existing homes, tackle diverse needs, have a greater local impact, do things right first time, be more responsive, enhance our digital offering, and deliver new ways of working through empowering colleagues.



The cornerstone of our plan to 2030 and beyond will be our ambitious programme to tackle our ageing stock. We want to make sure that our homes are fit for modern living and meet tenants' expectations, and that we work with partners to tackle our most challenging neighbourhoods.

We know that our operating environment is experiencing unprecedented changes. This includes growing tenant expectations, new consumer regulations, Awaab's Law, 'Professionalisation', a new Building Safety Regulator, greater scrutiny from the Ombudsman, and a continued national shortage of affordable homes. Politically, we are moving into a new era at both national and local level. These changes provide opportunities and very much resonate with our continued focus on delivering quality core landlord services.

Much has been done, but there is much work to do to make sure we can deliver continuous improvements for our tenants every day. We very much look forward to continuing this exciting journey with you all and hearing from you as our plans progress.

Joint statement

Llewellyn Graham,
Chair of Midland Heart

Trevor Stanley,
Chair of My Impact Tenant Group



CORPORATE PLAN 2025-30

“ We want to deliver the very best outcomes for our tenants, colleagues and stakeholders. ”

CHIEF EXECUTIVE

STRATEGIC

OVERVIEW

We know our operating environment continues to remain challenging. We are also facing a number of structural challenges:

- One third of our homes are c100 years old (c10,000 homes), and we have a higher proportion of pre-war properties than other large housing associations
- We operate in seven of the UK's top 100 most deprived wards (c4,000 homes)
- Given Local Authority nominations, we have above average vulnerable tenants
- More than half of our tenants pay all or part of their rent themselves
- Given our geography, our homes are inherently of relative low value.

The nature of our properties is such that values are low when seeking to secure loans. It is important that we have the financial capacity to deliver on our promises irrespective of external shocks, such as, rent cuts, the cost-of-living crisis, Brexit, COVID and the broader macro-economic environment.

We have spent the last decade simplifying our business, moving to an organisation that provides primarily rented homes that are affordable to tenants. We have undertaken a considered and measured process, moving away from non-landlord activity.

We have also strengthened our housing portfolio by building and/or acquiring 4,000 homes over the past six years through new build activity and stock swaps with other registered providers, consolidating our footprint in the Midlands.

Our performance remains strong, and we will hit all of our strategic targets by the end of our corporate plan to 2025:

- Both overall tenant and repairs satisfaction following a transaction remain consistently strong at c90%. We have also reported on the Regulator’s new Tenant Satisfaction Measures.

- We have implemented an online repairs offer to tenants, allowing them to raise, amend and cancel repairs 24/7. This is a significant step forward in the way our tenants access our core services.
- We completed interventions at 150 general need schemes, tackling communal areas in our more challenging blocks, allowing for more balanced and sustainable communities.
- We achieved our lowest ever rent arrears and void loss, despite the cost of living challenges.
- We delivered our largest ever programme of home upgrades, including new kitchens, windows, roofs and bathrooms.

- We delivered our highest level of capital investment on both new (3,750 new homes in six years) and existing homes.
- We continue to deliver 100% building safety compliance.
- We made important strides in improving the energy efficiency of our homes. c80% of our properties are now registered at EPC band C with 99.9% at EPC band D.
- We were named in the Top 100 of the Sunday Times Best Places to Work list.

While we are extremely proud of our achievements, we know there is still much more to do. Our new corporate plan puts our tenants at the centre of everything we do. Knowing our tenants and our homes is key to providing quality, affordable homes and providing greater local impact in the neighbourhoods we serve.

Our aim is to focus on the day-to-day issues that our tenants tell us matter most to them; be it getting our repairs right first time or resolving anti-social behaviour issues. We want to devote our full energy to making these issues better for them.

Glenn Harris
Chief Executive of Midland Heart



Our new corporate plan tackles these challenges head on and will be delivered through four key pillars:

- Homes that enable modern living
- Quality services and local impact
- Financial resilience and sustainable growth
- One team working together for our tenants

- We will make record investment in our most challenging homes (c6,000 over the corporate plan). We know more than 75% of these are pre-war properties (c4,500), are our least energy efficient and in our most deprived wards. We will make these homes more affordable for tenants to maintain, improve the thermal comfort and help alleviate some of the challenges with fuel poverty. We'll focus on moving these homes to at least EPC

band C and improve the overall condition to meet tenant expectations and enable modern living. This will also be underpinned by improving our void standard. **That's a c£300m investment in our existing homes.**

- Dealing with repairs is overwhelmingly the key driver of overall tenant satisfaction. We want to deliver a faster, more responsive repairs services for our tenants, halving our target time for completions from 28 to 14 days.

HOMES THAT ENABLE

MODERN LIVING

QUALITY SERVICES LOCAL IMPACT



- We will remain focussed on providing high quality and tenant-centric services, while strengthening our approach to local neighbourhood management by having a greater frontline presence and impact in the local areas where we work. We will work with tenants, partners and statutory agencies to invest in local areas and work collaboratively to tackle tenants' priorities.
- We will enhance our digital offering and provide a greater breadth of digital services to tenants, improving ease of access, convenience and transparency throughout the life of our tenancies.



FINANCIAL RESILIENCE

SUSTAINABLE GROWTH



- To celebrate 100 years of Midland Heart, and following the success of Project 80 (our new build eco homes, the first to meet the Futures Homes Standard 2025), we will extend the concept to deliver Project 100, a net zero affordable housing community scheme of scale in the Midlands.
- We will seek to deliver 2,250 homes between now and 2030, and will remain agile to the prevailing economic and political circumstances. Achieving this would mean we would have built 6,000 new homes in a decade.



ONE TEAM WORKING

TOGETHER

FOR OUR TENANTS



- The current national labour shortages will be amplified through the government's housing programme, Awaab's Law and Decent Homes 2. More colleagues, like surveyors for example, will be needed on the frontline. To tackle this skills shortage, we will work with like-minded housing associations, partners, and the best regional education providers, to develop the first housing regional skills academy in the Midlands, positioning housing as a career for the brightest talent across our geography.

KEY OUTCOMES TO 2030

By 2030, we have an ambitious and bold programme to fundamentally improve the quality of our homes and service outcomes for tenants:



Homes that enable modern living:

- We will make record investments of c£300m in our existing homes.
- We will seek to upgrade c6,000 homes to enable modern living, of which 75% (c4,500) are pre-war.
- All homes will be at EPC band C by 2030, making them more affordable to heat. This equates to a reduction of 6,500 tonnes in carbon emissions, the equivalent of planting c200,000 trees.
- We will deliver a faster, more responsive repairs service, halving our target time for completions from 28 to 14 days (90%-95% target).
- We will score 100% on Building Safety compliance.
- We want to better understand our homes, with 100% minimum five year stock condition surveys.



Quality services and local impact:

- In an environment of greater expectations, we aim to improve tenant satisfaction to above 80% for low cost rented accommodation and above 75% for low cost home ownership (TSM overall satisfaction).
- We want to increase local engagement and visibility. We will measure this by increasing satisfaction and the positive contribution we make to neighbourhoods to above 75% (TSM measure).
- We will seek to provide positive, on-the-ground assurance by visiting each home through HomeChecker within 18 months. Any not visited will then be seen within a further six months.
- We will create a positive complaints-handling culture and encourage tenants to tell us about things that aren't working while making sure less than 50% of the complaints we receive are upheld.
- We will keep our Independent Housing Ombudsman maladministration rate below the national average.
- We will reduce rent arrears to 3.5% by 2030 (3.5% mean sector average 2023/24).



Financial resilience and sustainable growth:

- We will seek to deliver 2,250 homes to 2030 and will remain agile to the prevailing economic and political circumstances. Achieving this would mean we would have built 6,000 new homes in a decade.
- We will deliver Project 100, a net zero affordable housing community scheme of scale in the Midlands.
- We will adhere to our financial golden rules on liquidity, interest cover and gearing and create a new financial framework to maintain headroom.
- We want to operate sustainably and continue on our journey to net zero. We will aim to reduce our direct operational (scopes 1 & 2) CO2 emissions by 1,250 tonnes, a Paris Agreement science-based target.



One team working together for our tenants:

- As we complete 100 years, we aim to develop c100 new colleagues through our early careers programme, including through the region's first housing skills academy. This will represent c10% of our workforce.
- We will continue to be a great place to work, assessed externally (colleague engagement ≥80%).
- We will attain accreditation, Inclusive Employer Standard, or equivalent.
- We will close our workforce EDI gaps, notably on gender pay ≤11%.
- We will score 90% for colleagues acting professionally and treating tenants with fairness and respect.
- We will maintain colleague turnover of 11.5% or less.
- We will maintain colleague absence of 3% or less.



We will also actively consider like-minded housing associations open to the prospect of a merger, focusing on those that are Midlands-based. Our Board would make a decision based on the long-term interests of tenants.

IMPROVING THE EVERYDAY FOR TENANTS

While we know the key outcomes we need to get to by 2030, it is important we also remain focused on improving our tenants' lives every day.

As part of our Service Standards for tenants, we will:

- Do all we can to make settling in as easy as we can for new tenants
- Clearly explain rent and service charges
- Make it accessible and easy to transact with us
- Do as much as we can to minimise disruption when we do work to homes
- Simplify our repairs service standards, reduce repair completion times from 28 to 14 days, and complete emergency repairs in 24 hours and 90 days for specific major works only
- Deliver on Awaab's Law, with 14 days to assess and provide a clear agreed plan of action
- Deliver an outcome to a complaint for stage one and stage two in 10 and 20 workings days, respectively.

When delivering services to tenants, we aim to:

- Be responsive, transparent and upfront
- Show empathy, fairness, respect and act professionally
- Be straight with tenants and clear about timescales
- Be upfront about our performance and what we're doing to improve
- When things go wrong, we will take responsibility for our mistakes.

SHAPING OUR JOURNEY TO 2030

We have spent considerable time speaking to our tenants, colleagues and stakeholders to understand their priorities, which has shaped this corporate plan.

Tenants

We received feedback from c1,500 tenants, which included 650 face-to-face visits. We have:

- Held more than 80 tenant meetings;
- Undertaken 141 estate inspections with tenants;
- Carried out c14,000 surveys with tenants;
- Obtained c6,000 pieces of insight through bespoke surveys; and
- Have 89 tenants actively engaged through our My Voice tenant framework.

Investing in existing homes, improving energy efficiency, tackling fuel poverty and providing more simplified, visible and responsive services are key priorities for us. So too is making sure we remain a financially-secure landlord.

The efficiency and quality of our repairs service was also a clear priority for our tenants. Many of the comments from tenants align closely with the themes of new consumer regulation, with a strong focus on the safety and cleanliness of buildings and the neighbourhood in which our tenants live. The security and cleanliness of and the surrounding areas were also a strong theme within this.

The affordability of our homes also featured prominently in tenant feedback, which is understandable given the prolonged cost of living pressures.

Colleagues

We spoke to more than c1,000 colleagues, with feedback largely around the following key areas:

- **Greater empowerment:** There was a lot of discussion around a desire to be more empowered to get things right for tenants in the quickest way possible. Colleagues feel some of this should be done through hard measures (revisiting policies), as well as softer measures, such as cultural and behavioural change. There is a clear desire to make ‘can do’ our default attitude as a team.
- **A louder, clearer tenant voice:** Many colleagues feel that we should understand the diversity of tenants better and how this affects their use and perception of our services. Colleagues understand this is a significant undertaking that goes beyond simply collecting data and relies on how we use, store and record this information.
- **Agreed standards:** Colleagues liked that the delivery of high quality services and homes is at the centre of our future plans. However, they also identified that quality is subjective and needs to be the hallmark of our corporate plan.

Stakeholders

We spoke to a range of wider stakeholders across the Midlands, including MPs, Local Authorities, regional bodies and other partners.

Our stakeholders acknowledged that it has been a challenging few years for housing providers and that the landscape around our sector has changed rapidly. It was clear that retrofitting our existing homes with new ‘greener’ technologies was the priority of the vast majority of our local authority and parliamentary stakeholders. While this could be seen as a symptom of speaking to stakeholders from areas where we hold a lot of older stock, it is the first time this has been the case and new supply did not dominate the conversations.

A concern that many stakeholders shared was the regional shortage in the skills needed for the sector to carry out this work at the scale required. There was also significant concern about whether the supply chain was there to support our modernisation programme.

Finally, the quality of homes, specifically damp and mould, is understandably high on our stakeholders’ agenda.



OUR CORE

VALUES

The way we do business at Midland Heart is underpinned by our three core values; which remain unchanged:

- We're people focused
- We're inclusive
- We're professional

CORPORATE PLAN

PILLARS

HOMES

THAT ENABLE MODERN LIVING



Homes that enable modern living

Improving the quality of existing homes is the cornerstone of this new corporate plan, the most important priority for our tenants. We know the quality and responsiveness of our day-to-day repairs service goes to the heart of tenant satisfaction. At the most basic level, this is about providing decent, safe and affordable homes. We will be doing much to tackle our ageing stock, bringing together our plans for component replacements, retrofits and meeting tenant expectations to enable modern living.

What will we do:

- We will make record investment in our existing homes, of c£300m (components, building safety, retrofit and further modernisation), to 2030. We will seek to upgrade c6,000 homes to enable modern living.
- We will ensure 100% of homes hit EPC band C or above by 2030. We will aim to improve thermal comfort of tenants and deliver preventative action through 'smarter homes', planning and implementing remote monitoring sensors to detect issues. We will

understand tenant usability and experience and provide proactive support e.g. on energy use, environmental conditions (e.g. humidity) and what this means for the fabric of tenants' homes. This will invariably lead to better health and wellbeing outcomes.

- We want to deliver a faster repairs service and halve our target time for completions from 28 to 14 days. We aim to achieve this by providing a more responsive and robust in-house maintenance team and trusted supply chain, as well as maintain strong relationships with tier one contractors. In turn, this will help us deal with the root causes of some issues and minimise tenant disruption.
- We will seek to focus even more on prevention, being proactive and striking the right balance between replacement and reactive repairs, tackling the source of damp and mould and leaking roofs.
- We will deliver on Awaab's Law and understand the requirements from a future Decent Homes Standard, mobilising internally and through the supply chain to deliver.

- We will continue to deliver our strong track record of building safety compliance and maintaining 100% compliance. We will keep our tenants safe by staying ahead of the building safety curve and engaging with tenants and the new Building Safety Regulator.
- We will finish simplifying our portfolio via strategic disposals, making sure that we have homes that are fit for purpose and deliver value for money.
- We will use the data on our systems to continue to better understand our homes. This activity will be underpinned by a programme of delivering five-year stock condition surveys for our overall property portfolio.

QUALITY

SERVICES AND LOCAL IMPACT



Quality services and local impact

We will continue to focus on providing high quality, tenant-centric services while strengthening our approach to local neighbourhood management by having a greater frontline presence and impact within the local areas where we operate. This includes working with tenants, partners and statutory agencies to invest in local areas and work collaboratively to tackle tenants' priorities.

In order to deliver tenant-centred services, we must also take the time to understand how we can support tenants and tailor our services according to their needs. At the same time, we must also deal with tenants professionally, which involves treating them fairly and with respect.

We need to take tenants' views into account and use them to influence our decisions on how our landlord services are delivered. We must also make sure we communicate to tenants about how their views are being considered and how they have influenced and shaped our decisions. And we must make sure we fully understand our tenants' needs, to deliver fair and equitable services and outcomes.

We want to ensure accessing our services is easy and tenants can contact us conveniently.

We will be clear about what we can do, setting expectations so we can reliably deliver what we promise. When things go wrong, we want to provide an easy complaints process to put things right and deal with issues with the priority and attention they deserve.

What will we do:

- We will develop our approach to locality working, making sure we are visible and understand tenants' priorities. Local neighbourhood management is essential for supporting balanced and sustainable communities. So too is understanding the challenges facing our localities and joining up service delivery with the investment we are making into our homes and schemes. Our aim is to improve tenant perception scores with a greater focus on neighbourhood contributions, listening to views and being kept informed.
- We will deliver landlord services that respond to tenant need, are flexible and tenant-focused. We will seek to provide a greater frontline presence, simplify processes and continually challenge ourselves, learn from complaints and reduce those upheld.
- We will seek to enhance our tenant digital experience and establish digital as a trusted core tenant service offer that allows for ease of access, transparency and ability to transact on a 24-7 basis.
- We will execute a much more localised tenant communications plan that really means something to tenants and makes a positive impact on their day-to-day lives and their local neighbourhoods.
- We will seek to provide positive on-the-ground assurance by visiting each home through HomeChecker within 18 months - any properties not visited then will be seen within a further 6 months. We will use these visits to proactively detect any concerns that may impact the safety and wellbeing of our tenants.
- We really want to get to know our tenants and will use any data we receive from tenants to support our strategic decision-making and day-to-day delivery. We will record all of the tenant data consistently in one place.

FINANCIAL

RESILIENCE AND SUSTAINABLE GROWTH



Financial resilience and sustainable growth

Growth and Partnerships:

We are acutely aware of the national shortage of new homes. We want to continue to improve the overall quality of our homes through the provision of new social, affordable and shared ownership units.

What will we do:

- We will seek to deliver 2,250 homes between now and 2030 and will remain agile to the prevailing economic and political circumstances. Achieving this would mean we would have built 6,000 new homes in a decade.
- Following the success of Project 80, (our new build eco homes, the first to meet the Futures Homes Standard 2025), we will extend the concept to deliver Project 100, a net zero affordable housing community scheme of scale in the Midlands.
- We will complete the delivery of the Strategic Partnership new homes with Homes England grant for the Affordable Homes Programme 2021-26 and prepare for the new grant programme post-2026.
- We will deliver new homes in line with the Future Homes Standard post-2025.
- We will continue to build a partnership with the WMCA for regional development programmes.
- We will continue to explore further opportunities for stock swaps, consolidating our portfolio in the Midlands.
- We will be the best partner and best choice for consolidation in the Midlands.
- We will lead the voice of our tenants and housing associations in the Midlands, influencing perceptions and policy to help make a real difference on the ground for tenants and the neighbourhoods we operate in.

Financial Resilience and Value for Money (VFM)

To deliver the levels of investment that is needed, we must make sure our plan is costed and that we have the financial capacity to meet our golden rules and provide sufficient headroom.

What will we do:

- We will maintain our set of financial golden rules, underpinning the overall investment required to 2030 and providing sufficient headroom:
 - Gearing (tightest lender definitions)
 - Interest cover (tightest lender definition)
 - Liquidity (Treasury policy)
- We will deliver on our VFM plans create a new financial framework to maintain headroom.
- We will maintain a strong investment grade credit rating relative to the market, underpinning the creditworthiness of the business.
- We will deliver long-term future capital markets financing to support the investment required for this corporate plan.



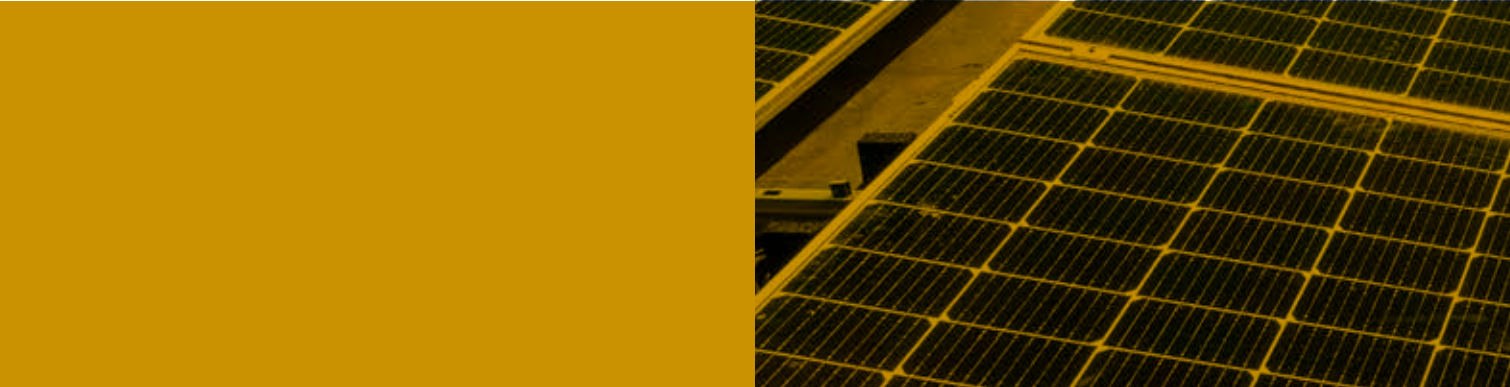
Financial Resilience and Sustainable Growth (continued)

Operating Sustainably

We remain committed to our pathway to net zero by 2050, evidenced through our SHIFT gold award. We are committed to reducing our operational CO2 from ‘the way we work’ in alignment with Paris Agreement goals to reduce the increase in the global average temperature to well below 2°C (WB2C) above pre-industrial levels.

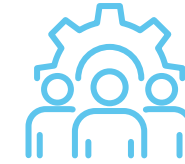
What we will do:

- We will aim to reduce our direct operational (Scopes 1 & 2) CO2 emissions between 2025-30 by a science-aligned cumulative reduction of 1,250 tonnes.
- We will identify and track opportunities to reduce the metered use of energy in communal and tenanted spaces through delivering energy efficiency measures.
- We will deliver value for money in our direct operations by directly targeting efficiencies that reduce the use of energy and fuel.
- We will make positive neighbourhood contributions and reduce localised pollution levels by incorporating electric vehicles (EV) into our fleet.



ONE TEAM

WORKING TOGETHER FOR OUR TENANTS



One team working together for our tenants

To deliver this corporate plan we will embed a tenant-centric culture with empathy, honesty, reliability and professional curiosity being key to delivering the best homes and services for tenants.

We will balance our tenants' expectations and satisfaction, and empower colleagues with the freedom to get things done within clear frameworks. Our colleagues will be adept at treating tenants with fairness and respect, working effectively across teams to deliver positive outcomes for tenants.

This way of working will be second nature to our colleagues and delivery partners.

We will safeguard our business by making sure we have the skills and knowledge to stay ahead of change within our operating environment. We want all of our colleagues to be ambitious, develop their careers with us and fundamentally provide a great place to work where people thrive irrespective of background.

What will we do:

- We will make sure the tenant experience is central to how we attract, select and develop our people.
- We will simplify how we operate, reduce off-system working and devolve decision-making to the closest point of impact.
- To address the skills shortage, we will work with partners to develop a Regional Skills Academy, to position housing as a career for the brightest talent across our geography.
- We will make sure our total reward strategy promotes a tenant-centric approach, enabling us to attract and retain the best talent and provide the best pension provision for current and future colleagues.
- Inclusive remains one of our values and our commitment to EDI will be demonstrated in three ways:
 - Investing further in developing female and black leaders.
 - Using our early careers programme to provide opportunities for talented young people from the most deprived wards across our geography.
 - Commencing disability pay reporting.
- We will define what it means to be a manager and leader in our business through our leadership qualities.
- We will review our business-critical roles to strengthen our succession plans, so that we have continuity to 2030 and beyond.
- We will make sure new people coming into our business have the best chance of success by providing a consistent and high quality induction that makes sure they fully understand what we do and how we do it, before starting into their new roles.
- We will set an expectation that our delivery partners attending tenants' homes understand what we do and how we do it, reflecting the same in their practice.

#MHMINDSET

Our tenants come first, second and third. We come to work to do the best we can for our tenants and each other. We are honest, empathetic, we ask questions, you can rely on us and we put our tenants at the centre of every decision we make.

We are one team working together for our tenants.



www.midlandheart.org.uk



20 Bath Row, Birmingham, B15 1LZ
0345 60 20 540

