



## **STRATEGIC BUSINESS PLAN 2018 - 2023**

**Improving opportunities for people**

## Contents:

<b>Section</b>	<b>Page</b>
1. Foreword	3
2. External factors affecting emh group	6
3. SWOC analysis	9
4. Strategic Business Goals	
One emh – Business Transformation	10
4.1 Growth and Business Development	12
4.2 People and Organisational Development	14
4.3 Housing and Neighbourhood Services	15
4.4 Care and Support	16
4.5 Business and Financial Resilience	17
5. Financial Projections	18

## Appendices:

	<b>Page</b>
1. emh group Overview	19
2. Group Structure from September 2018	20
3. Geographical spread of emh stock profile	22
4. Strategic Risk Map Summary	23
5. Business Plan – Vision Metrics	25
6. Years One and Two Progress Statement	26

*At the time of writing this Business Plan update, a Global pandemic has seen the way we work, how we care for our customers, how we provide our services, and how we interact with our colleagues, friends and families change dramatically. We recognise the challenges our colleagues have faced, particularly those working on the front line in care and support, customer services, our in-house maintenance service and neighbourhood teams. Their devotion to supporting our most vulnerable residents and service users and responding to the changes we have had to make has been remarkable. Our residents and service users have been supportive and patient in adapting to the changes. We extend the thanks of our Board and Executive for this. We also want to take the time to remember and pay tribute to the members of the emh family who have sadly passed away from the Coronavirus.*

*June 2021*

## 1. Foreword

Hello, and welcome to emh group.

We are living in a time of housing and care crisis. Research published in early 2021 suggests that a total of 340,000 homes each year until 2031 will not meet current housing needs. 145,000 of these new homes must be affordable homes, compared to previous estimates of the annual affordable housing need of around 78,000.<sup>1</sup> The needs of our customers are changing and in many cases increasing, we have an ageing population with a fragile care system, and we have new challenges facing both the housing and care sectors. We want to remove the stigma attached to the social housing and care sectors and to bring about a change in perceptions so our customers, colleagues and others across the sectors can be proud about social housing and care. We have a lot to achieve, but emh group is already very proud to provide housing and care services to residents and service users in over 21,000 properties with a turnover of £125million and over 1,100 employees.

In shaping this business plan, our Boards have actively engaged with our customers and colleagues to understand their perspectives on where our priorities should be. These views are captured within this plan and our strategic objectives. By the end of this five-year plan emh group will have increased the number of homes and commercial properties managed to at least 21,500 and will be providing sustainable person-centered care and support services to over 1000 people through emh care and support. We will work smarter and harder to create and support thriving communities.

We will have transformed our business and customer offer through our ambitious plans to work in different and more agile ways; making better use of digital working solutions; reducing our carbon footprint; and, strengthening our wide range of services. We are ambitious and motivated to achieve our aims and objectives; and to invest in the partnerships, staff and services to ensure we succeed. At emh group, our **Mission** is to:

***“provide housing and care to improve opportunities for people”***

We are a leading housing and care business. We have a strong reputation, built on years of good, sustained performance. However, this does not mean we will rest on our laurels. Our Board and Executive Team are committed to reaching our **vision** by 2023:

***“to be the best social housing and care business in the country”***

---

<sup>1</sup> <https://commonslibrary.parliament.uk/research-briefings/cbp-7671/#:~:text=Estimates%20have%20put%20the%20number,increased%20by%20around%2024%2C000%20homes.>

We have strong **values** that underpin everything we do:

<b>Integrity</b>	We work to the highest ethical standards
<b>Diversity</b>	We respect others for who they are
<b>Openness</b>	We are honest and straightforward
<b>Accountability</b>	We are accountable to and influenced by our customers
<b>Clarity</b>	We are clear about what we are here to do and why
<b>Excellence</b>	We strive to be the best in everything we do

These values are fundamental to achieving our **objectives**:

To deliver ambitious plans to **develop new homes to own and rent**, meeting a range of housing needs.

To **develop our people offer**, and at emh we are taking steps to ensure there are opportunities for personal growth, talent management and succession in order to increase the impact of individuals and teams across the group. Our Diversity value has become even more important over the last twelve months. The 'Black Lives Matter' campaign has seen a highlight on race inclusivity and fairness across the sector and at emh we have taken steps to ensure that diversity becomes an integral part of our DNA.

To **invest in the housing and neighbourhood service** where it is needed most, making services fit for the future, managing our existing homes and investing in and engaging with the diverse communities that live there, increasing our feedback options and putting customers right at the heart of what we do.

To **deliver our vision and strategy** for our Care and Support arm, striving to provide 'outstanding' services to the people we support.

To **remain a resilient and financially robust business** by continuing to demonstrate value for money; efficiency and effectiveness and by providing the financial and other resources needed to deliver our services and continue to grow.

Our objectives remain relevant even when facing unprecedented changes to our operating context - changes that have and continue to present us with both challenges and opportunities, and we embrace both. The tragic Grenfell fire has led to three impactful and sector changing documents that we welcome. 'The charter for social housing residents: social housing white paper', a defining document that sets out the actions required to ensure that residents in social housing are safe, are listened to, live in good quality homes, and have access to redress when things go wrong. The new Building Safety Bill is anticipated to have major financial and practical consequences for the Residential Housing Sector. And of course, the long-term impact of dealing with the Coronavirus pandemic will see emh group continue to take all measures required by Government to safeguard our customers and staff. The newly published National Housing Federation Code of Governance 2020, places a fresh emphasis on the central role board leadership plays in ensuring an organisation's culture and behaviours are aligned with its mission and values, placing a fresh emphasis on the key themes of accountability to stakeholders, including residents and other customers; equality, diversity and inclusion in governance; and environmental sustainability.

We fully reviewed our business plan in 2018, realigning it with our mission and vision and identifying new projects, plans and ongoing improvements to services. This review, along with our strong reputation, the

trust our customers and stakeholders have in us and our highly committed and values driven workforce will help to make our vision a reality.

We recognise, however, that the sectors we operate in do not stand still and so we have reviewed our Business Plan this year (2021) to ensure that it remains relevant and so that we can provide clarity on our progress towards achieving our objectives and the metrics we link to them. Progress updates covering the last three years and our new '*emh working principles*' are included within the Strategic Business Goals sections and we have also provided an update on our Vision Metrics.

Being awarded Homes England Strategic Partner status as one of the first eight registered providers, and indeed the only East Midlands based association to achieve this status, was an extremely proud moment for emh. We now await the outcome of the 2021 - 2026 bidding round. We have delivered 1224 new homes over the first three years of our Business Plan – slightly lower than our target, but the impact of Coronavirus on our new build programme can and will be recovered during this Business Plan term.

The implementation of our HR Strategy has continued throughout this difficult year. We are proud to have been accredited as an Investors in People Gold organisation, showing true testament to our colleagues. We are now in year two of our Business Transformation Project and have a team of cultural transformation Practitioners trained within the Group; and have established our new Apprenticeship Strategy and an Aspiring Manager's programme with a strong focus on growing our own talent across our business. A move to permanent home and flexible working for many of our staff has been supported by a "leading remotely" course for all line managers across the group, all of whom are trained in coaching techniques.

One of our key objectives for the life of this Business Plan was to make a real impact on homelessness. We are pleased to have grown this vitally important work by partnering with another local authority, bringing the total to six local authority homelessness partnerships across the East Midlands. These will provide real solutions, increase homelessness temporary provision and also move on accommodation with support to ensure tenancies have every chance of success. This includes our support for several applications for funding to pilot Housing First schemes across 6 local authority districts.

emh care and support has been successful in expanding its operations into Northampton with the provision of care and support services at two extra care schemes in the borough. Having opened Wrights Court, a specialist extra care scheme for a cross section of younger and older people with support and care; and, our partnership for 14 units with support provision for homeless single people and couples in Leicester City, sees our care and support business go from strength to strength. In September of this year (2021) we will open our flagship extra care scheme in Ashby de la Zouch providing shared ownership and rented homes for those with care and support needs.

emh group continues to be a leading housing and care business across the East Midlands region. The Coronavirus Pandemic presented several challenges for the whole social housing and care sectors, including reduced lettings as a result of social distancing requirements and fewer new home development completions. It also brought significant changes to the way we work, mobilising our teams to work from home and in a more agile manner- something that was always our intention as part of the transformation programme. Our costs to deliver care and support services increased for agency staffing and shift costs. The financial strength of the Group, although impacted by the COVID 19 crisis, did not face viability concerns – we remain strong and in January 2021 had our A+ stable rating confirmed by Standard & Poors. Our surpluses exceeded predictions and we remain well ahead of our covenants. Our future ambitions are well on track.

David Russell  
Chair emh group

Chan Kataria  
Group Chief Executive

## 2. External factors affecting emh group

The sectors in which emh group operates have changed dramatically over the past few years. The political, economical, social and environmental climates have given us challenges and opportunities. We are not expecting these to lessen over the coming years.

What we will do is prepare our business to respond to the changes, opportunities and uncertainties presented by the operating environment. Even in this environment emh group has thrived, successfully delivering improvements and many achievements. Each year we review the risks we face, and these are detailed in our risk map (Appendix 4). Key environmental factors affecting emh group are outlined below.

### Welfare Reform and Income:

The return to a rent formula of CPI + 1% is not expected to cause problems for most working families on lower quartile incomes according to the National Housing Federation's 2017 research. However, we understand that impacts will vary widely across the country.- We are conscious that we need to ensure our rents and services remain affordable as the changes to Universal Credit continue. The £20 a week increase in Universal Credit payments announced in the March Budget will be in place until September 2021. The Coronavirus Job Retention Scheme ends on 31 October 2021 and the Job Support Scheme starts on 1 November for 6 months. These will support a significant number of our residents over the coming months. Our income team has managed the challenges well, achieving a low current rent arrears level of 3.02% as of 31 March 2021. However, our business plan includes provisions for increased levels of debt should the full impact of Universal Credit and COVID make sustaining such low-level arrears more challenging going forward.

### Homelessness:

According to the latest Government figures, collected in the autumn of 2020 and published in February 2021, 2688 people are estimated to be sleeping rough on a single night<sup>2</sup>. This was during the height of the Pandemic and just 12 months earlier the figures were as high as 4266. In England, 288,470 households where councils were required to prevent or relieve homelessness in 2019-20. Although the figures change, this is still too many people who are without a safe permanent home.<sup>3</sup>

We launched our 'Tackling Homelessness Together' Strategy in 2020 and this sets out the approach we will take to work together with partners to ensure that the requirements of the Homelessness Reduction Act can be met.

### Care and Support:

Our care and support arm joined emh group in 2013 and has added to our portfolio of successful services and improved its financial position too. We are therefore better able to respond to the adult social care crisis. We currently provide care and support to vulnerable client groups. We want to increase this provision, but we acknowledge that with changes to the supported housing funding and local authority partners making substantial cuts to public funding, this is difficult. The social care white paper released in February 2021 - 'Integration and Innovation: Working together to improve health and social care for all', provides us with some clarity around the future of this sector and the support for clients of care services to help them to live longer and better lives. We will review and where necessary revise our service to deliver the increased care and support our vulnerable client groups really need. The Care Quality Commission rated all but one of our services as 'Good', but we are striving for 'Outstanding' ratings for our services from our service users and the Care Quality Commission.

<sup>2</sup> <https://www.homeless.org.uk/sites/default/files/site-attachments/Analysis%20of%20rough%20sleeping%20statistics%20for%20England%202020.pdf>

<sup>3</sup> <https://www.bigissue.com/latest/social-activism/how-many-people-are-homeless-in-the-uk-and-what-can-you-do-about-it/>

Households aged 65 and over are expected to increase by 58% to 903,000 by 2035. This presents an opportunity to bring our housing and care offer together for the benefit of our customers and the public purse.

The recruitment, retention and development of our staff is vital to our success. This is a significant challenge facing the care sector as a whole.

### Regulatory Framework:

We are a housing and care Group. We are therefore bound by the requirements of both the Regulator of Social Housing and the Care Quality Commission. We are able to effectively manage our risks and respond to any regulatory changes required of us.

The publication of the 2021 Social Housing White Paper 'The charter for social housing residents'<sup>4</sup>, presents both challenges and opportunities – as early adopters of the 'Together with Tenants Charter' and having adopted the 2020 National Housing Federation's Code of Governance we are already reacting to the requirements and putting in place new ways of working and interacting with our customers. The White Paper will of course require legislating. This will take time, but we will continue to work within the context it provides.

### Financial Viability and Value for Money:

A key part of delivering our services as efficiently as possible is understanding the costs and main drivers, setting targets for key financial measures and understanding how our costs compare to our peers. We use the Housemark benchmarking tool and the Sector Scorecard approach. We delivered strong performance against the key measures in the Sector Scorecard during 2019/20 and our highlights include:

- ✓ Maintaining our top quartile performance for social housing cost per unit
- ✓ Delivery of 400 new homes – 2.2% growth
- ✓ Achieving a 4.5% return on investment
- ✓ 99.87% rent collection

---

<sup>4</sup> <https://www.gov.uk/government/publications/the-charter-for-social-housing-residents-social-housing-white-paper>

In 2020/2021 we are on target to continue with this level of performance.

We want to ensure that our services are efficient and that our customers believe they are receiving value from their rent and charges. We welcome the approach to value for money from the regulator. In addition to the sector wide financial metrics we will update our value for money strategy to measure the delivery of wider value for money measures. We believe one of the ways we can offer greater Value for Money is through the use of mobile technology. We spent more time out in our communities through the use of mobile working technology in recent years and during 2020 we significantly increased this with the move to agile working and home working for many of our staff. This was driven not only by Coronavirus impacting on all businesses, but also through the ongoing delivery of our 'one emh' transformation project.

### Technology:

We continue to embrace the digital transformation agenda and are keen to explore options that support our organisational improvement objectives. Our approach is to work towards providing digitally based customer services combined with personalised services for those who are digitally excluded or have specific requirements. We are offering our services in digital ways including improving assistive technology use in our sheltered and care services; virtual offices through our agile working and digital access to our services.

### Equality, Diversity & Inclusion:

In light of the 'Black Lives Matter' campaign, we have championed diversity activity and undertaken a fundamental review of our equality, diversity and inclusion practices.

Our group Board has taken a lead in the publication of our first ethnicity pay gap report for the 2019/2020 year, this can be found on our website [www.emhgroup.org.uk](http://www.emhgroup.org.uk). We have adopted the 'Rooney Rule' and agreed this will be applied to positions that sit within the

Leaders' Forum including our executive team appointments; and we are undertaking a review of recruitment practices to look at how we can improve processes such as advert targeting and blind shortlisting. Partnering with the East Midlands Chamber on a joint campaign to promote awareness during Black History Month, we are looking at how we can expand this partnership to other wider diversity matters. More information on our diversity activities throughout the year can be found in our Progress Statement at appendix 6.

## Net Zero Carbon

The significant focus on the 'Net Zero Carbon' requirements and the Government's 'Climate Change Bill' in December 2020, the 'COP26 Unclimate Change Conference' taking place in Glasgow in November 2021; and the consultation on building standards in new homes all lead our sector to have a renewed and somewhat vigorous attitude towards the energy efficiency of our existing homes and future homes. We are committed to this whole agenda and have around 1,500 energy saving homes already within our portfolio and we are undertaking a fundamental review of both our Asset Management Strategy and Development Strategy this year. The links to creating more energy saving homes and a zero net carbon strategy will help us to provide financially affordable options for our customers as a time when there are fresh challenges to welfare reform budgets.

### 3. SWOC analysis

As part of our business planning process, we undertake a review of the organisational and sector strengths and weaknesses and the opportunities and challenges that we face. An outline of these is given below.

We consider that the 'Weaknesses' have the potential to be viewed as opportunities and challenges and they identify areas of focus for us for the coming year.

#### 3.1 Strengths

- Strong Governance
- Strong values and reputation
- Strong executive leadership and staff commitment and skills
- Robust financial viability
- Political and sector influence
- Strong stakeholder relations
- Proven track record for growth through successful partnerships
- Strong Consumer Regulation
- Group Structure ring fencing activities
- Efficiency/Value for Money
- Expertise and specialisms across care and support, housing and rural issues

#### 3.2 Opportunities

- Developing links into the Plan for Growth strategy including funding
- Green economy
- Increased profile of the housing sector
- Digitalisation
- Mergers and consolidation in both housing and care sectors
- Selling our services i.e. development partner agency, care and support
- Housing, Health and Care integration
- HS2
- Increasing demand for services for older and vulnerable persons
- Youth opportunities for employment, training and engagement
- Social Housing White paper
- Renewed focus on customer insight and empathy
- Housing & higher education partnerships
- Cultural insight, transformation & leadership
- New normal – learning from Covid-19
- Fresh focus on shared wellbeing
- Levelling up agenda
- Removal of Coronavirus restrictions

#### 3.3 Weaknesses

- Underutilisation of customer profile information
- HR metrics require expansion
- Geographically restricted to the traditional East Midlands region
- Digital offer requires review
- Open market sales not exploited
- Ageing stock profile
- Over reliance on care and support commissioning income
- Limited number of care and support partners
- Processes need refinement
- Digital integration of systems
- Performance reporting lacks sophistication

#### 3.4 Challenges

- Skills shortages in competitive jobs market
- Land supply and competition
- Increasing vulnerability of customers and community cohesion
- Funding for sheltered and supported housing, including personalised budgets
- Falling real wages
- Welfare reform
- Longer term impact of Coronavirus
- Climate change and zero carbon
- Poverty and reduced social mobility
- Stock condition (We might want to move stock condition to either a strength or weakness section depending on what the stock condition survey/strategy indicates (last minute change will be required))

## 4. Strategic Business Goals

### One emh – Business Transformation

Since the last update of the Business Plan, work has continued on the delivery of the ‘One emh Transformation Programme’ – which cuts across all parts of the business and its activity.

The One emh Transformation Programme’s aim is *‘to make changes to processes, systems and culture to enable the Group to achieve its vision’*.

The Business Plan has Key Strategic Goals which the Transformation Programme is aligned to and will support the delivery of these both directly and indirectly.

The Programme has a focus on meeting customers’ expectations and improving their experiences when dealing with us. In line with the Together with Tenants Charter, the vehicle for delivering change across emh has a large emphasis on active consultation and direct involvement with our customers. For successful change to happen, it is imperative to proactively use their feedback and relay to others what’s been done and why.

The One emh Transformation Programme evolved from identifying a need to further build on our ambition, objectives and purpose. The programme was designed to support these by:

- Meeting customer expectations
- Introducing smarter working practices
- Meeting employee expectations
- Streamlining processes
- Creating collaboration across teams
- Turning data into insights
- Exploiting technological advancements

In November 2019, the appointment of a Director of Transformation marked a turning point for emh – showing a strong commitment to co-ordinated, consistent and sustainable change. Progress so far has been well received, and traction is being made across all three strands – Systems, Process and Culture.

Within our Strategic Operational Plan our 2020/21 objectives include:

- Implementing our “one emh” programme to harmonise branding across the Group and promote culture change to reduce silo working
- Undertaking a comprehensive review of processes to minimise waste and inefficiencies
- Benchmarking central services in order to gain greater insight into whether they represent value for money

Our transformation journey has also led us to create new working principles for emh, these are:

- A people-based culture that facilitates empowering outcome-based leadership, underpinned by equality, diversity and inclusion for all, and where the values of the organisation and employees are aligned
- Digitally based customer services combined with personalised services for those who are digitally excluded or have specific requirements
- Agile and flexible working arrangements for staff where appropriate, supported by the right equipment and technology to enable them to work remotely without fixed workstation and fixed hours
- Rationalised office space for people to work from, rather than be based in, with appropriate engagement space and creative hubs to encourage collaborative and innovative practices
- Efficient and effective processes and working practices across the organisation that are customer focussed and encourage cross-functional collaboration

- Data systems that collate, process and present data about people and assets in a safe and secure way to provide one version of the truth
- Effective use of digital technology to communicate with internal and external stakeholders supplemented by a personalised approach where appropriate
- Investment in innovative, secure and cost-effective ICT and digital solutions to facilitate integrated nosiness systems and processes
- Contribute to net zero emissions target through reducing energy and carbon consumption, careful management of water and waste, sustainable procurement and ecological sustainability

## 4.1 Growth and Business Development

emh group is one of the largest housing associations in the East Midlands region. We have exciting plans to further diversify activities through market sale and private rent, whilst retaining and strengthening our market share in our core affordable products – after all, this is why we exist. We will expand to other locations where there is a demonstrable need for affordable housing, and where housing market conditions can support an active development programme and where our housing, care and support services are needed. Appendix 3 shows our current areas of operation.

In our last plan (2017 – 2022) we committed to building 2,150 units by 2022. Working in partnership with Homes England, Local Authorities and Developers we are pleased to say that despite the impact of the Coronavirus Pandemic on our new build programme, we will meet our overall commitment. We have plans to grow our programme to over 550 quality homes a year, building 2,750 homes between 2018 and 2023.

We are working on our first pure modular development which is due for completion at the end of 2022. This development provides 42 new homes, with 24 for affordable rent and 18 for shared ownership in the heart of Beeston, Nottingham. Modular construction completely changes the way homes are built and is an important part of our development strategy as we work towards zero carbon homes. The modules are fully constructed in storey-heights in a factory before being transported to site where they are erected.

emh group believes in improving opportunities for people and therefore, to help people who aspire to own their own home, we have our own sales team agency and re-sales service, operating under the commercial brand of Hello Homes. They have a successful track record in selling properties, with all homes built in 2020/2021 being either fully sold or reserved. Home ownership remains a focus for the business as we continue to build a significant number of shared ownership and rent to buy homes.

emh group will explore opportunities for growth through strategic partnerships and acquisitions and has adopted the National Housing Federation's Merger Code and developed a Merger Strategy.

We consider the provision of rural housing to be valuable in helping to keep people in local communities. Through our unique operating business, Midlands Rural Housing, we will continue to provide a wide range of skills and expertise in the assessment of rural housing needs across the East and West Midlands, the development and management of homes, strategy formulation and lobbying for rural housing provision. We also intend to continue to build in rural communities and plan 50 new homes per year.

<https://www.midlandsrural.org.uk/media/2887/mrh-business-plan-2017.pdf>

emh group will look for opportunities to develop effective influencing links with key business and other forums to contribute to the delivery of the Plan for Growth strategy, to influence investment in regional infrastructure and workplace skills and to promote links between housing, health and social care in order to widen our offer to potential partners and service users.

It is our intention to grow the care and support business during the life of this plan.

## **Key Strategic Goals – Growth and Business Development:**

- We will actively seek out opportunities for expansion through acquisition and partnering, including merger opportunities that align with our values and requirements.
- We will contribute to the Government's ambitions to deliver 300,000 homes by achieving our own development target of 2,750 new homes through a range of products and methods including modular construction.
- During the term of this plan we will work in collaboration with Homes England and other development partners. This includes as lead partner for the Quantum development consortium, partnering with builders and with local authorities to achieve increased housing provision.
- We will explore further opportunities to provide our services to others beginning with our development agency and sales services
- Actively pursue new growth and funding opportunities emerging from East Midlands regional economic activity such as HS2; the East Midlands Airport Freeport; the Government's Levelling Up agenda and Plan for Growth Strategy.

## 4.2 People and Organisational Development

Employing over 1,000 people places a great responsibility on us to ensure we are an employer of choice, offering career pathways and developing a well-trained and highly motivated workforce. Our aim is to ensure we have high levels of colleague engagement and a productive, motivated and included workforce.

In 2016 we developed our HR vision, followed by our HR Strategy in 2017. These provide the framework and define our approach to investing in our staff, managing talent and how this links into our overall mission to **‘to provide housing and care to improve opportunities for people’** – this includes our workforce.

We have a highly successful apprenticeship and traineeship programme provided through ‘emh Academy’ and our vision for the next five years is to build on this, developing more opportunities for a wider pool of talent, leadership development and coaching.

We recognise we work in sectors (Housing and Care) where skills shortages exist and see it as one of our key drivers to ‘grow our own’ and provide greater opportunities for staff to move around within the business to find their niche.

We work closely with staff consultative bodies and recognised Trade Unions, and value the contributions they make to us remaining an employer of choice and successful social business.

We firmly believe in ensuring the health, safety and wellbeing of our employees and any other persons who are affected by our working practices. In March 2017, we refreshed our Health and Safety responsibility structure and will continue to build on this during the next five years.

Addressing inequalities and promoting diversity is embedded within our social purpose - and that of all housing associations.

The tragic death of George Floyd in the United States and the reports of the disproportionate impact of Covid-19 on BME

communities are just a couple of examples of the inequalities that continue to exist.

We are committed to working with our colleagues, communities and partners in taking a harder look at what more we can do towards creating a safer, fairer and inclusive society.

### Key Strategic Goals – People and Organisational Development:

- Review and refresh our HR Strategy.
- Initiate an Organisational Development programme to develop an organisational culture that celebrates diversity, empowers staff, embraces change, and manages and values talent.
- Review our rewards and recognition frameworks to ensure we attract and retain staff.
- Refine and continue to roll out our Learning and Development Strategy, including our leadership development and coaching for performance programmes.
- Further develop our approach to talent management and succession planning.
- Expand the emh Academy, making full use of the Apprenticeship Levy, offering a range of options for people wishing to pursue work-based qualifications, traineeships and apprenticeships.
- Actively promote the health and wellbeing of our colleagues and continue to refine our approach in response to colleague feedback.
- Refresh the skills and diversity of the Board to align to the current and future operating environment.
- Explore initiatives to overcome barriers to employment, especially for younger people and people with disabilities.
- Further develop our inclusive working practices focusing on promoting psychological safety at work.

### 4.3 Housing and Neighbourhood Services

emh homes is the main body for the delivery of housing services within the Group, whilst Midlands Rural Housing provides much needed housing and development services to rural communities.

emh homes is committed to growing and developing its Property Services function, with a vision that the internal maintenance service, including emh Sharpes our gardening and landscaping service, becomes a successful, market leading business, with a reputation for excellent customer focus, service quality and value for money. We recognise that excellent repairs services are a key driver of satisfaction for our customers.

Over the last three years emh homes has undergone a full review and restructure of the way in which services are delivered and has moved to more agile working, including digital, mobile, and customer service hub methods.

Our commitment to delivering great customer housing and neighbourhood services starts with ensuring our tenants are at the centre of shaping those services. emh group's consumer regulation arrangements have been developed in partnership with active residents and provide opportunities for residents to influence service delivery and the strategic direction of the group, and to hold decision makers to account.

Our resident scrutiny arrangements are independent from Board and staff. Our dedicated Scrutiny Panel has been trained to examine landlord performance across all areas and make recommendations directly to Board.

### Key Strategic Goals – Housing and Neighbourhood Services:

- Establish high performing and highly effective estate services and community development services.
- Maximise our impact in alleviating homelessness through the implementation of our homelessness strategy, including the roll out of our 'Housing First' pilot in Leicester City.
- Increase resident engagement, customer insight and feedback opportunities, bringing the views and comments made by our customers together into meaningful learning that influences service development.
- Develop a strategy for the future of the older persons' housing stock, neighbourhood and support services, including more collaborative working between emh homes and emh care and support to provide holistic support solutions.
- Ensure the highest standards of safe working practices, ensuring our homes and communities are safe places to live and work.
- Increase the use of customer information to target and improve services in order to achieve top quartile satisfaction levels.
- Increase efficiency outputs by providing more digitally accessible customer services.
- Continue to develop our in-house maintenance service to be an effective, productive and viable business unit.
- Undertake a review of our Stock Investment Strategy including zero carbon solutions.
- Develop a place shaping/community development strategy targeting areas of high antisocial behaviour/low satisfaction.
- Review service delivery structures and accountabilities in response to the Social Housing White Paper.

## 4.4 Care and Support

emh care and support's core client groups are services for people with learning disabilities, older people, and specialist services which includes services to support people with physical disabilities, people requiring mental health support, homeless people including mothers/fathers and babies, and people at risk of or experiencing domestic abuse or violence. We work closely with emh homes to provide some of these services and we intend to enhance this joint working going forward.

Underpinning our commitment to providing effective care and support services is our strong tradition of service user and carer involvement helping to shape our service delivery. We want this service delivery to be outstanding, judged by our service users and our regulator.

A 2018 review of the demand for supportive housing revealed an annual shortfall of 46,771 supported housing units, if current trends continue, by 2024/25 across Great Britain. We know we need to respond, and our growth strategy will identify ways we can do this, such as increasing our extra care provision. This year we will see our third new build extra care scheme at Springfields in Ashby de la Zouch. This flagship development offers both rented and shared ownership homes and a range of community facilities.

We have a good reputation, particularly in the Derbyshire area. We need to expand this geography where it makes sense to do so through the development of a cohesive housing and care offer, working with emh homes.

emh care and support is redefining itself and so is in a period of self review and appraisal to determine its future strategy.

## Key Strategic Goals – Care and Support:

- Review and expand our care and support services including:
  - Appraising existing services to determine which we are best placed to support going forward
  - Expanding the range and geography of the services we provide, where this would compliment our business and growth aspirations
  - Working with emh homes to integrate our housing and care services to provide a holistic support solution for customers
- Deliver outstanding care and support services as judged by our regulator and customers.
- Actively seek opportunities to diversify our income streams across a range of care and support services.
- Actively promote career opportunities in social care to realise a fully recruited team of dedicated staff to reduce agency use.

## 4.5 Business and Financial Resilience

emh group is committed to being an effective and efficient social business, achieving strong governance and financial viability across all our activities. In early 2018, following an In-Depth Assessment (IDA) by the Social Housing Regulator, we retained their highest ratings for viability and governance.

We have developed streamlined, flexible and effective skills-based Boards, adopting the National Housing Federation's (NHF) Code of Governance 2020. The emh Group Board takes a lead on setting the values and strategic direction, providing a delegated authority framework for operating Boards to deliver the highest standards of customer services and improve performance on a continuous basis. Investing in and developing our Board members is key to our success.

We aim to achieve our social and business objectives in the most cost-effective way possible. We have a wide range of activities to ensure the delivery of financially viable services:

- ✓ The Group Board has responsibility for setting strategic priorities for Value for Money;
- ✓ Customers are involved in shaping services and scrutinising how their rent is spent;
- ✓ Teams manage performance and benchmark;
- ✓ There is effective financial management including accurate and relevant financial information; clear efficiency targets reflected in budgets; and effective procurement across the Group.
- ✓ Social return on investment is measured to assess the wider social impact of services.

We continue to be a strong and viable provider with an A+ rating from credit rating agency Standards and Poor's.

We are committed to ensuring that our business systems are flexible and scalable in order to anticipate and respond to change. This includes the prioritization and delivery of our ICT strategy and digital vision, ensuring

that they meet the current and future needs of the business.

ICT and digital technologies are supporting the group to transform its business.

### Key Strategic Goals – Business and Financial Resilience:

- Provide sufficient liquidity and funding to meet growth objectives whilst maintaining our financial strength with sufficient financial headroom.
- Retain our A+ rating from Standard & Poor's
- Introduce new unit cost targets for Value for Money ensuring the growth in unit costs are below the anticipated level of inflation.
- Manage and maintain our housing assets to maximise their performance and minimise their carbon emissions.
- Fully embed our renewed approach to Risk Management and Assurance systems including our audit processes, risk map and control systems.
- Invest in digital solutions that enable us to effectively manage, shape and improve performance in key services.
- Undertake a performance information review across the business, ensuring we have appropriate systems and tools to produce highly effective reporting and performance management information to support delivery of business objectives.
- Undertake a governance structure review in response to the Social Housing White Paper and to strengthen compliance with the NHF Code of Governance 2020 and our *Together with Tenants* commitments.

## 5. Financial Projections

Our plan for 2022-2026 is included in our 30 year financial projection and has been stress tested. This summary was updated in 2021 to reflect our current position. It shows that we will maintain our strong financial position whilst providing more homes, care and support services.

<b>EMH Group Consolidated Financial Plan – 2022 - 2026</b>					
<b>Statement of Comprehensive Income</b>					
	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
	£000's	£000's	£000's	£000's	£000's
<b>INCOME</b>					
Rents & Service Charge Income	90,701	95,584	102,090	107,082	111,956
Deferred Government Grants	2,619	2,786	2,950	3,142	3,332
Recharge Income	1,401	1,431	1,468	1,508	1,548
Other Income	17,669	17,935	18,275	18,641	19,014
First Tranche Sales Income	13,189	15,316	17,596	8,749	8,165
Outright Sales Income	0	1,100	3,070	7,720	0
<b>TOTAL INCOME</b>	<b>125,580</b>	<b>134,152</b>	<b>145,449</b>	<b>146,842</b>	<b>144,015</b>
<b>OPERATING COSTS</b>					
Overheads (inc. contingencies & efficiencies)	24,214	25,154	25,639	25,943	26,557
DLO (surplus)/deficit	(480)	(478)	(478)	(478)	(477)
Lifeline (surplus)/deficit	(7)	(6)	(5)	(4)	(3)
<b>Estate Costs:</b>					
Rent Losses	2,406	2,687	2,851	2,986	3,119
Routine Maintenance	13,287	13,788	14,327	14,849	15,414
Planned Maintenance	4,425	4,625	4,812	5,004	5,215
Running Costs	22,254	22,676	23,192	23,741	23,837
	42,372	43,777	45,181	46,580	47,585
Lease Rentals	17	17	17	18	18
Property Depreciation	17,304	18,869	19,967	21,547	23,170
<b>Cost of Sales:</b>					
First Tranche Sales	12,399	14,388	16,554	7,994	7,499
Outright Sales	0	974	2,830	6,986	0
	12,399	15,362	19,384	14,980	7,499
<b>TOTAL OPERATING COSTS</b>	<b>95,818</b>	<b>102,694</b>	<b>109,705</b>	<b>108,586</b>	<b>104,348</b>
<b>OPERATING SURPLUS</b>	<b>29,762</b>	<b>31,457</b>	<b>35,744</b>	<b>38,256</b>	<b>39,666</b>
Operating Margin	24%	23%	25%	26%	28%
Surplus on Sales Programme	1,047	1,081	1,096	1,136	1,178
Interest Receivable	125	72	72	72	72
Interest Payable	(21,721)	(21,892)	(23,152)	(23,730)	(26,013)
<b>SURPLUS</b>	<b>9,213</b>	<b>10,718</b>	<b>13,760</b>	<b>15,734</b>	<b>14,902</b>
Net Margin	7%	8%	9%	11%	10%

## Appendix 1 – emh group Overview

emh group is a social housing and care provider operating across the East Midlands since we were established in 1946. The Group describes itself as “profit for purpose”, signifying our commitment to demonstrating an increasingly commercial mindset, with a focus on efficiency, value for money and sweating assets in order to deliver our social purpose.

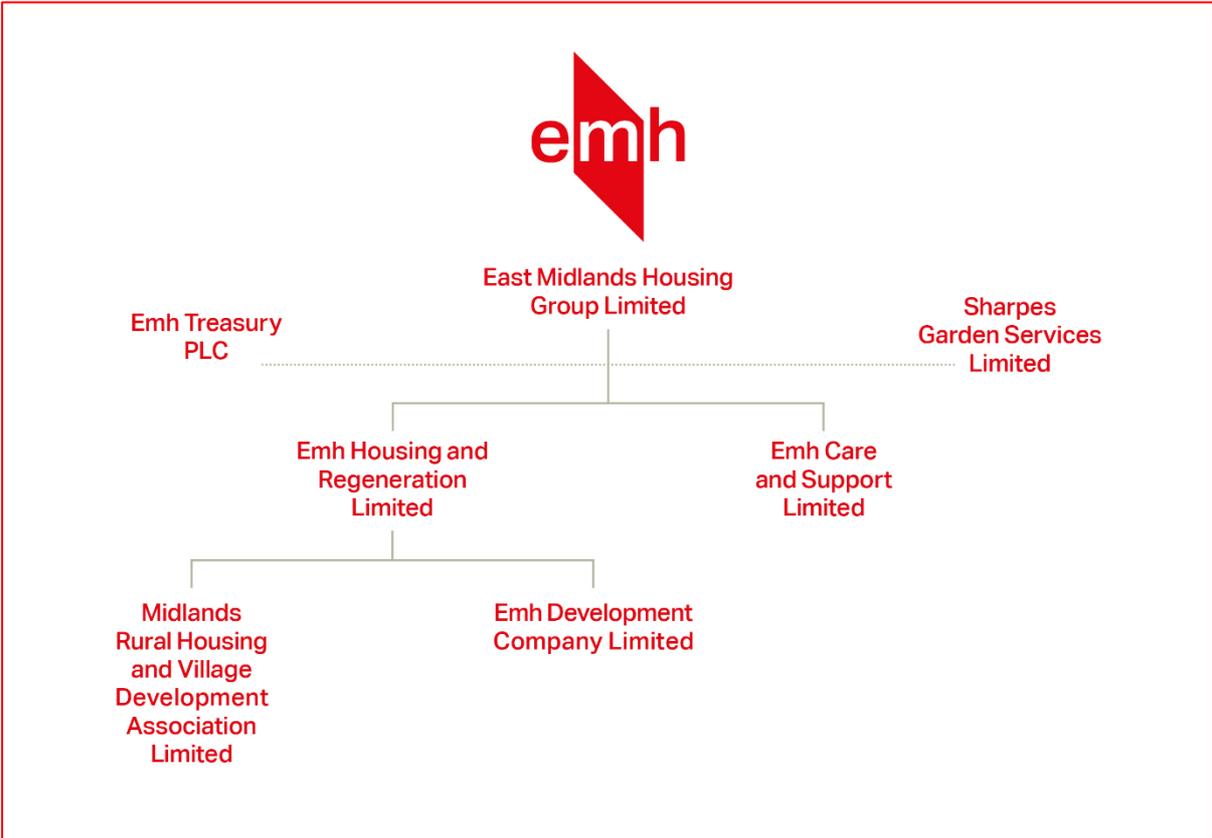
Our group structure comprises of:

- emh group – a registered Provider under the Co-operative and Community Benefit Society Act 2014 – non-charitable;
- emh homes – a registered provider under the Co-operative and Community Benefit Societies Act 2014;
- emh care and support – a company limited by guarantee and registered with the Charities Commission.

The Group also includes four three specialist legal entities:

- EMH Treasury PLC, a special purpose vehicle established primarily to raise funds through the Debt Capital Markets;
- Midlands Rural Housing provides management and development services to four rural housing associations, managing around 1,500 homes around the East and West Midlands. It also provides specialist rural consultancy services and campaigns for more investment in rural affordable housing, brings rural development opportunities to the Group and is a non registered provider under the Co-operative and Community Benefit Societies Act 2014;
- emh Sharpes is our in-house landscape maintenance company.
- emh Development Company Limited, provides Design and Build services across emh group.

**Appendix 2 – Group Structure from September 2018**



**East Midlands Housing Group Limited  
(trading as emh group)**

*Group Parent*

*Registered Provider under the Co-operative and  
Community Benefit Society Act 2014 - Non-charitable  
Registered Provider 30476R*

*Registered Provider L4530*

Sets the strategic direction for the Group and provides a range of support and development services to subsidiary companies.

---

**emh Care & Support Limited**

*Subsidiary of EMH Group*

*Company Limited by Guarantee – company number  
02488821*

*under the Charities Commission – charity number  
1001704*

Provides landlord and day care services to adults with learning disabilities. Delivers circa 10,000 hours of care and support each week within a supported living, registered care and nursing home environment.

---

**East Midlands Housing and Regeneration Limited  
(trading as emh homes)**

*Subsidiary of emh group*

*Registered Provider under Co-operative and  
Community Benefit Society Act 2014 – Charitable  
Registered Provider 32198R*

*Registered Provider 4775*

Formed in 2013 as the result of the amalgamation of four independent housing associations. Provides landlord services to circa 19,000 mixed tenure properties across the region. Also leads the Quantum Development Consortium which is an investment partner with the Homes and Communities Agency.

---

**Sharpes Garden Services Limited**

*Subsidiary of emh group*

*Limited by Guarantee (non-charitable)*

*Company no. 03653423*

Provides garden maintenance and landscaping services within the Group.

---

**Emh Treasury PLC**

*Public Limited Company of emh group*

A special purpose vehicle set up primarily to raise funds through the Debt Capital Markets.

---

**Emh Development Company Limited**

*Subsidiary of emh homes*

Provides Design and Build Services to the Group

---

**Midlands Rural Housing and Village Development  
Association Limited (trading as Midlands Rural Housing)**

*Subsidiary of emh homes*

*Not registered with HCA*

*Non-registered Provider under the Co-operative and  
Community Benefit Society Act 2014 - Non-charitable  
Registered Provider 24278R*

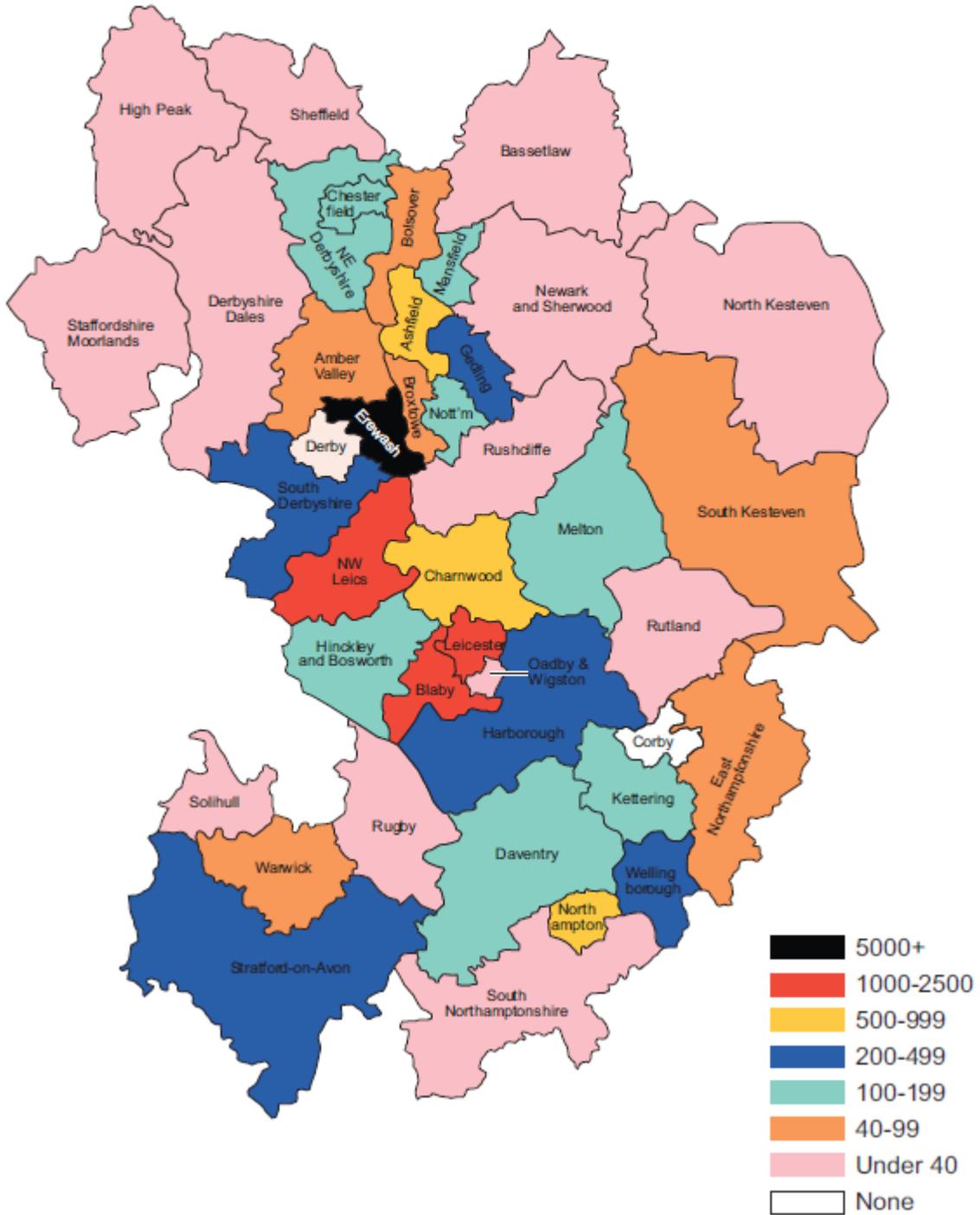
Provides specialist management services to four independent rural housing associations.

---

Appendix 3 – Geographical Spread of emh Stock Profile



**emh group**  
Homes owned and homes where management services are provided.



© BUSINESS MAPS LTD - WWW.BUSINESSMAPS.COM

## Appendix 4 – Strategic Risk Map Summary 2021/22

	Risk	Cause and effect
<b>Growth and Business Development</b>		
1.1	Unable to deliver development programme	Lack of affordable land, increasing building costs and a market downturn ultimately reduces our ability to meet development programme objectives. Lack of Homes England grant funding.
<b>People and Organisational Development</b>		
2.1	Ineffective governance	Weaknesses in the skills or diversity of the board leading to failure to appropriately drive the organisation's social purpose, mission, values and ambitions or to embed resident focus in its decision making, and safeguard the reputation and long term financial viability.
2.2	Unable to achieve the organisation's strategic objectives through our people	Failure to recruit, develop and retain a skilled, competent and diverse workforce, and to develop the leadership skills required to meet the organisation's changing needs, whilst maintaining a positive values-driven culture where people are engaged and committed.
<b>Housing &amp; Neighbourhood Services</b>		
3.1	Competing demands on funding resulting in inability to adequately invest in existing homes to meet customer/investor expectations and zero carbon targets. Deterioration in Housing Assets	Lack of robust Asset management Strategy and delivery of maintenance programmes leading to deterioration of stock and lowering of customer satisfaction
3.2	Dissatisfaction amongst customer and partner agents with the quality of our services and partnership working	Poor customer satisfaction levels that lead to reputational damage and higher turnover of properties
<b>Care &amp; Support</b>		
4.1	Inability to provide effective, compliant and viable care and support services that meet our customers needs	Significant breach of Regulation with CQC leading to reputational damage Reduction in commissioning income leading to loss of viability Retrospective payments relating to sleep-in provisions, potential review of bed rates and change in contracts
<b>Business &amp; Financial Resilience</b>		
5.1	Threats to liquidity and financial viability	Weak economic conditions with high inflation and interest rates causing increases in operating costs leading to breach of covenants.
5.2	Non-compliance with health and safety requirements	Failure of leaders to identify risks and adequately prioritise and embed robust health and safety policies, procedures, systems and reporting into the everyday culture and activities of the organisation. Failure also of those who operate on our behalf, putting the health and safety of employees, customers, and the wider public at risk of harm.
5.3	Impact of Pandemic on organisation, staff, residents and service users.	Impact on business-critical functions resulting in ability to deliver internal and external services. Pandemic claims against the organisation and lack of insurance cover against claims.
5.4	Loss of ICT systems, Cyber Security and data governance.	Loss of data or disruption to ICT service as a result cyber-attacks. Erroneous data leading to data integrity issues.

## COVID19 Implications

The impact of the COVID19 pandemic on our finances has been minimal for the year to March 2021. This has shown the resilience of emh and the benefits of our proactive approach to rent collection and cost control. The government's 'Roadmap' out of restrictions in 2021 will return us to more business as usual practices. We will continue to monitor and offer support to our vulnerable residents and service users, who may be affected by the scheduled ending of furlough and other residual consequences of the pandemic.

We have been able to maintain good performance during the year to March 2021, maintaining low rent arrears levels and deploying our financial and people resources effectively to enable us to respond to the needs of our residents and service users. We will monitor, as part of our Risk Management Framework, the mitigating actions we need to take to lessen any impact that may result from the pandemic.

The effects on key business areas are:

- ✓ Rental income – Our proactive approach to rent collection resulted in an excellent arrears level (3% of turnover) at the end of the financial year. This approach will continue into the future.
- ✓ Voids – Along with the rest of the sector, all but essential lettings were placed on hold. This impacted on our void turnaround times and therefore increased void losses. However, towards the end of 2020/21 we had recovered the position well and go into 2021/22 in a positive light.
- ✓ New development – Building work was impacted and we finished the year delivering 356 new homes, equating to 1224 total homes against a cumulative target for 2020/21 of 1500. We will recover this position and achieve our overall target to deliver in excess of 2,500 new homes by 2023.

- ✓ Shared ownership sales - Our first tranche sales programme was unaffected during the pandemic. We achieved new ways of working including off plan reservations and virtual viewings. We exceeded our Business Plan target of 449 sales by year end. We have now achieved 698 cumulative sales against this year three target and our year five target of 1000 sales.
- ✓ Care & Support– achieved an excellent surplus for the year to March 2020 in difficult circumstances. They are expected to achieve a 5% return in 2021/22 in what is expected to be another challenging year for our Local Authority partners.

The business and financial resilience of the Group will continue to be monitored and reported to the Board through our Risk Management Framework. The impact of the pandemic on our critical business functions was not as severe as anticipated for the year to March 2021 and our controls will ensure that the services to our residents and service users will not be adversely affected.

## Appendix 5 – Vision Metrics

### Business Plan 2018-2023 VISION METRICS

In order to deliver our vision to be the best housing and care organisation in the country, it is our aim that by 2023 we will:

- Establish 6 Local Authority homelessness partnerships
- Have Good or Outstanding Care Quality Commission ratings on all our service
- Deliver care and support services to 1000+ service users across 4 Counties
- Develop at least 2,500 new homes
- Help 1000 households into home ownership
- Develop 3 new extra care schemes
- Have 90% staff engagement rates
- Deliver 250 traineeships and apprenticeships
- Have 100% of our leaders trained as coaches
- Have 90%+ customer satisfaction
- Have 90%+ satisfaction with the condition of our homes, and with their neighbourhoods
- Have doubled the number of actively involved tenants, to a minimum of 100 (note this is in addition to other feedback received from tenants such as surveys and comments)
- Have top quartile performance on rent arrears and void management
- Have commenced 2 comprehensive regeneration schemes
- Retained our A+ Standard and Poors' rating
- 65% of tenants having signed up to our on-line portal
- Have achieved Investors in People Gold across the Group
- Have achieved BS ISO 45001:2018 Occupational Health and Safety Management Systems
- Have workforce and board membership demographics that reflect the communities we serve

## Appendix 6 – Years One to Three Progress Statement:

### Growth and Business Development:

- Selected as one of the first Homes England Strategic Partners; this demonstrates our long-term delivery achievements, quality standards and strong partnership working success. We have secured an allocation of £30.5 million to deliver 748 new homes over four years.
- We have provided an additional 1224 homes during the first three years of our Business Plan and remain on target overall to achieve 2,750 new homes by 2023.
- We exceeded our home sales target of 449 – achieving 652 sales in the first three years of the Business Plan.
- emh care and support has been successful in expanding its geography into Northamptonshire to provide care and support services to an additional 45 service users.

### People and Organisational Development:

- We have achieved the Investors in People Gold accreditation across emh group, emh homes and Midlands Rural Housing. emh care and support have been reaccredited during 2020 with Silver, showing positive direction of travel in all criteria.
- Our leaders and managers continue their leadership development journey. At the end of year two, we have trained all but 14 as coaches. This is due to our face to face training being suspended due to Coronavirus. Other delivery methods are being explored.
- We have commenced our business transformation project, with eight of our colleagues becoming Barrett Cultural Transformation practitioners. We have brought forward our agile working plans in response to the Coronavirus working from home requirements and strengthened our digital connectivity.
- We have begun rolling out our new learning management software to support our plans for the future investment in the development of our workforce.
- We exceeded our apprenticeship target of 100, by achieving 108 apprenticeships across the business.
- We have reviewed our Equality, Diversity and Inclusion Strategy and have made commitments through this to develop and promote employment opportunities for people with disabilities. We have begun exploring our people data and have signed up to the Disability Confident Employer status as first steps.
- Developed our approach to Diversity further by taking actions to address Black Lives Matter, introducing the 'Rooney Rule' and publishing our Ethnicity Pay Gap. Establishment of a BLM partnership with one of our key local authorities (Blaby District Council) to share good practice and exchange ideas. We have partnered with the Housing Diversity Network to provide BME mentors to those working in the housing sector. Our colleagues provided self-portrayal narratives in our staff ezine. These have provided insight into diversity themes and the barriers faced by some of our colleagues around issues such as LGBT, Disability and BAME. We have developed mandatory EDI training for all staff and Unconscious Bias training for new recruiting managers.

As part of our work on engagement with staff, 'Listening Teams' have begun – these are run by members of staff who volunteered to support our work around further and better engagement and these teams seek to better understand the employee journey and concerns including those around EDI issues.

## **Housing and Neighbourhood Services:**

- Following our review of our consumer regulation framework, we have increased our resident engagement opportunities, offering a wide range of digital methods. This along with our 'Together with Tenants work as an early adopter has seen the number of residents who engage with us on a regular basis increased to 737 over the first two years of this plan, and during the third year this increased to over 1,500 residents becoming actively involved in providing feedback and in our resident engagement activities; largely as a result to a move to online engagement.
- We have launched a new service improvement group with a communication and engagement remit.
- We have increased online methods of consultation and engagement with increased social media activity and the development of our proof reading and survey panels.
- We have reviewed our customer satisfactions measurements to include transactional survey data from Property Services, Housing and Neighbourhood Services, Customer Services, Development and New Build Services and our STAR Survey. Our overall satisfaction level is 90.9%.
- We have developed our Ageing Well Strategy and action plan that will shape our future offer for older persons' housing with strong links to the care and support services we can offer.
- We are working with four of our local authority partners to improve the accommodation and support provision for homeless people, both for temporary provision, but also and importantly for move on accommodation to ensure that tenancies have every chance of success.
- Colleagues have gone the extra mile to support communities during COVID, undertaking 60,000 wellbeing calls to customers and delivering food parcels.

## **Care and Support:**

- We have opened a new specialist housing scheme in Northamptonshire, providing 45 apartments with on site 24 hour care and support services for older people, and people with learning disabilities and mental health conditions.
- Having been accepted onto the framework in Northamptonshire for the provision of supported living and Community Services we have been successful in our bid to provide the care and support services at two extra care locations in Northampton.
- All ~~seven~~ of our CQC registered schemes have achieved a 'Good' rating.
- We have been reaccredited as Silver Investors in People within emh care and support.
- We have started onsite with the development of 65 apartments of extra care housing for rent and home ownership in Ashby De La Zouch, Leicestershire.
- Working with Leicester City Council we have secured a contract for 14 units of temporary accommodation in Leicester providing housing and support for single and childless couples.

## Business and Financial Resilience:

- We continue to retain our A+ rating from Standards & Poors alongside our V1 and G1 ratings from the Regulator of Social Housing.
- We secured additional funding of £37.5m, in March 2019, through the sector borrowing vehicle MOR Homes and a further £100m in July 2019 through a direct investment from PIC. We are in the process of increasing the Revolving Credit Facilities which, once complete, will provide a further £125m of funding. These facilities will be sufficient to deliver the bulk of our reinvestment and development programme over the next five years.
- We launched our review of our ICT and digital solutions across the business including the opportunities for digital engagement with customers and the launch of our new 'myhomeonline' customer portal. We developed our forward plan and began our consultation with staff and customers about this. In response to the Coronavirus, we revised the roll out of actions in this plan to facilitate home working for the majority of our office-based colleagues.
- We also carried out a review of our performance reporting, consulting all areas of the business and our Boards on their requirements. We are now looking at upgrading our digital information management system and are linking this with our ICT review.
- We developed a new approach to Risk Management and Assurance that was approved by our Audit Committee and Boards in late 2018. Strengthening our approach to strategic risk and assurance, we have migrated to new mapping documents and reporting. Work has commenced on Corporate Risk Map migration. Policy and Risk Appetite documents reviewed for approval June 2021 Board.
- Effectively mobilised our move to remote and agile working.
- Developed an Environmental Strategy approach focusing on the five key themes of:
  - Waste Management
  - Water Management
  - Ecological Sustainability
  - Sustainable Procurement
  - Energy and Carbon Consumption