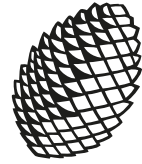


ESG Sustainability

Report 2025



mhs
homes



For the year ended 31 March 2025



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About us

mhs homes is a charitable housing association. We've been providing affordable homes and support for thousands of people across north Kent and Medway for more than 30 years.

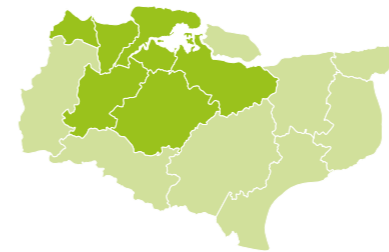
We build and manage homes for people who need them most. Every year, more than 30% of our lettings go to homeless households.

We also provide housing and support for older people and run specialist projects for young people at risk of homelessness.

Our mission statement

Our ultimate ambition is to help end the housing crisis in north Kent by providing safe and sustainable homes.

mhs homes at a glance



We own and manage **10,000** homes on the south side of the Thames Estuary in north Kent – a vibrant area of opportunity and growth



Over **26,000** people live in our homes



350 staff



99% homes meet Decent Homes Standard



77% of our customers live in low cost rental homes



Every year, **30%** of our lettings go to homeless households



We have an annual turnover of **£82 million**



79% existing homes EPC and above

Structure of the report

This report reflects our commitment to being a sustainable housing association. It has been structured in line with the Sustainability Reporting Standards, following the 12 themes of the Environmental, Social and Governance pillars.

Environmental

Theme 1

Climate change

Prevents and mitigates the risk of climate change

Theme 2

Ecology

Promotes ecological sustainability

Theme 3

Resource management

Sustainable management of natural resource

Social

Theme 4

Affordability and security

Provides affordable and secure housing

Theme 5

Building safety and quality

Tenant safety and building quality are well managed

Theme 6

Tenant voice

Listens to tenants' voice

Theme 7

Tenant support

Supports tenants, and the local community

Theme 8

Placemaking

Supports tenants and the wider local community through placemaking

Governance

Theme 9

Structure and governance

Legal structure of the organisation and its approach to Governance

Theme 10

Board and Trustees

High quality board of trustees

Theme 11

Staff wellbeing

Supports employees

Theme 12

Supply chain management

Procures responsibly

We're laying strong

foundations for the future



This Environmental, Social and Governance (ESG) report measures how we are meeting our responsibilities towards the environment, our people and the communities we serve.

Over the past year, the cost of living crisis has continued to affect many of our customers, with rising food prices and energy bills placing additional pressures on household budgets. At mhs homes, we remain committed to supporting our customers through these challenges, working closely with partners to meet the needs of local people and places.

By staying focused on our ESG goals, we can build a more sustainable future – investing in high-quality homes and services and making responsible choices that reflect our values as a social landlord.

Progressing our goals

We've made important progress on our environmental goals: we've recruited our first Sustainability Team,

we're developing our first strategy and we've joined the Sustainability Reporting Standard community. And we're proud to have achieved the SHIFT Silver award in our first year of reporting, a strong endorsement of our commitment to embedding sustainability across our operations.

Securing funding through the Social Housing Decarbonisation Fund (SHDF) and preparing to improve energy efficiency in 330 more homes under the Warm Homes: Social Housing Fund are key milestones on our journey to becoming a net zero carbon and climate-resilient organisation.

We know meaningful change takes time, but we're laying strong foundations for the future.

Marie-Claire Delbrouque, Chief Executive

Environmental

We want everyone to have a warm, safe, and comfortable home they can be proud of. That's why we're investing in our customers' homes to make them more energy-efficient and affordable to run.

After securing £393,000 through the Social Housing Decarbonisation Fund Wave 2.2, we have delivered a range of energy efficiency improvements to 74 homes, with 18 more due for completion. These include loft and cavity wall insulation, and improved ventilation.

In March 2025, we secured a further £2.9 million from the Warm Homes: Social Housing Fund to support improvements across 330 more homes over the next three years.

We're also using funding from the ECO4 scheme and the Great British Insulation Scheme to help ensure all our homes reach at least an EPC C rating by 2030.

As part of our three-year strategic plan, we're investing £62 million in new homes – all designed to meet at least an EPC B rating to ensure they're energy-efficient, comfortable and built for a greener future.

But we understand that sustainability goes beyond our buildings. Our customers value well-maintained outdoor spaces and our Grounds Team are working hard to enhance them by planting wildflowers and trees to create more welcoming, biodiverse environments.



“All new homes are designed to meet at least an EPC B rating”

We're also making strides in resource management. By increasing our recycling output and processing green waste into compact chippings, we're reducing landfill and promoting better practices.

Fleet sustainability is another key focus. Currently, 23% of our vans are fully electric and we expect this figure to gradually increase to over 40% under our new fleet procurement plans, supporting our transition to low-carbon operations.



Growing the team

In 2024, we recruited our Sustainability Team and began developing our long-term strategy. From the outset, collaboration was key. Colleagues from across the organisation contributed to shaping the strategy's KPIs, ensuring it reflects shared priorities.

This inclusive approach has fostered strong buy-in, with each business area taking ownership of its targets, supported by the Sustainability Team. We plan to launch our strategy in Q4 2025, aligning it with the Sustainability Reporting Standard (SRS) and the UN Sustainable Development Goals.

2025 is our first year of reporting against the SRS. This report sets a baseline for our environmental, social and governance performance, helping us shape meaningful KPIs and identify priority areas for future action.

We also understand the value of cross-sector engagement and collaboration. Our Sustainability Team actively contributes to several national working groups including the CIH Net Zero Group, Sustainable Housing Strategy Group, EV Working Group and the Biodiversity Lead Network. These networks enable us to share learning and best practice across a wide range of environmental sustainability topics.



Theme 1

Climate change

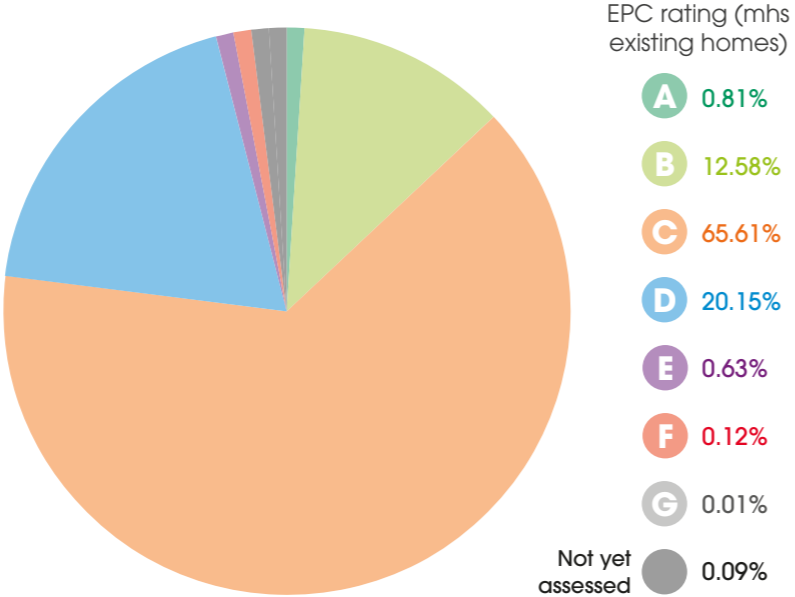
We remain focused on making sure all our homes achieve at least an EPC Band C rating by 2030. We're using a range of funding mechanisms to scale up our delivery and keep us on track to meet this target.

To provide insight into the overall energy efficiency of our current homes, we are disclosing the distribution of our Energy Performance Certificate (EPC) rating across our existing portfolio.

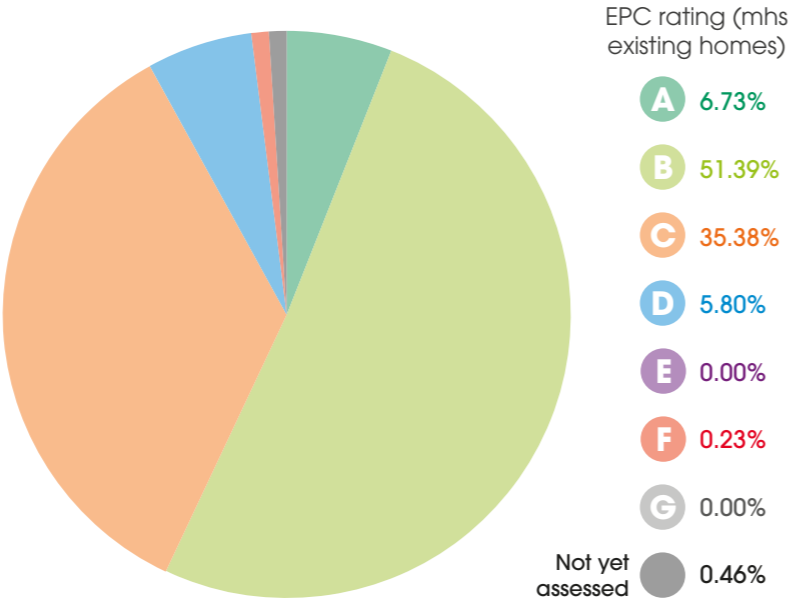
The EPC distribution is provided across both mhs homes group and Heart of Medway.



EPC distribution mhs homes group



EPC distribution Heart of Medway



EPC rating of new homes

As part of our Strategic Plan, we're committed to building all new homes to a minimum EPC band B. This ensures we're delivering energy-efficient homes that exceed the 2030 Minimum Energy Efficiency Standards (MEES), helping our customers reduce energy costs and environmental impact.

During 2024/25, we delivered a total of 75 homes with 100% achieving an EPC rating of B.



100% of new homes were EPC band B

As part of our efforts to drive sustainability within our construction sites, we have trialled low carbon heating at our new development in Seagull Road. In addition to individual air source heat pumps, the scheme has solar panels and a green roof system.

Achieving net zero

mhs homes is committed to achieving net zero carbon emissions by 2050, in line with the UK government's national targets. Our Sustainability Strategy to 2030 will include a KPI that seeks to define our approach to achieving net zero, aligning it with sector standards and best practice.

Improving energy efficiency

Funding from the Social Housing Decarbonisation Fund Wave 2.2 has allowed us to accelerate our energy efficiency programme, delivering vital upgrades to our homes and supporting our journey towards net zero.

- Through our planned programme we also delivered a range of individual measures to improve energy efficiency. In 2024-25:
- 309 homes received new double-glazed uPVC windows
 - 253 homes had external composite doors installed
 - 514 boiler upgrades were completed
 - 4 homes received external wall insulation (EWI) as part of a pilot scheme
 - Solar PV systems were installed on two residential blocks.
- These measures have helped to reduce energy consumption and made customers' homes more comfortable and efficient.

The £2.9 million in funding we've secured under the Warm Homes: Social Housing Fund is helping us achieve EPC Band C and improving energy efficiency for our customers.

In 2026, our primary focus will be on developing and delivering detailed retrofit designs in preparation for the installation phase.

Alongside this, we'll continue to deliver standalone energy efficiency measures through our planned maintenance programme. In the next financial year, we expect to complete 209 window replacements, 217 door installations, 140 new roofs and 422 boiler upgrades.

We'll deliver cavity wall insulation under the Great British Insulation Scheme. Initial modelling suggests that 336 homes are suitable. Survey work is already underway to confirm eligibility and begin installations.

The learnings taken from past and upcoming retrofit projects, combined with our cross-sector collaboration, will enable us to continue shaping and defining our approach to achieving our net zero.

Funding received

SHDF Wave 2.2 **£393,000** Warm Homes: Social Housing Fund **£2.9 million**



Greenhouse gas emissions

The Streamlined Energy & Carbon Report (SECR) framework mandates that large UK companies disclose their annual energy consumption and associated Scope 1, 2 and 3 greenhouse gas emissions. SECR aims to improve transparency, drive energy efficiency, and help businesses contribute to the UK's net zero goals.



We're proud to have achieved the SHIFT silver environmental standard

Scope 1, 2, and 3 emissions

Scope 1, 2, and 3 emissions are categories used to measure greenhouse gas (GHG) emissions. Scope 1 are direct emissions from owned or controlled sources, such as company owned facilities and vehicles. Scope 2 are indirect emissions from purchased energy, like electricity. Scope 3 emissions encompass all other indirect emissions that occur in a company's value chain, including the homes we manage and our supply chain.

Methodology

We follow the Streamlined Energy and Carbon Reporting Guidance (HM Government, 2019) and use the Streamlined Energy and Carbon Reporting Standard to ensure consistency and transparency in our emissions reporting.

For the reporting period 1 April 2024 to 31 March 2025, we have used the Government Emissions Factor Database 2024 (version 1.1). This includes the published kWh gross Calorific Value (CV) and kgCO₂e emissions factors relevant to the reporting year.

To address data gaps:

- Estimations were made for missing billing periods for properties directly invoiced to mhs homes. These were calculated on a kWh/day pro-rata basis at the meter level.
- For meters with no available data, we applied the median consumption from properties with similar operational characteristics, calculated at the meter level.

Scope	FY2025
Scope 1 & 2 GHG emissions	1,434.03
Scope 3 GHG emissions	17.98
Total GHG emissions (tCO ₂ e)	1,452.01
Intensity per employee	4.28



Climate change risks

As part of our upcoming Sustainability Strategy, we've introduced KPIs focused on flood and overheating risk. While we've made progress in identifying key environmental risks, we have not yet fully mapped the impacts of climate change across our homes and business operations.

To address this, we plan to carry out a climate risk assessment by 2030. This will help us understand the medium and long term impacts of climate change, identify opportunities for adaptation and mitigation, and evaluate the associated costs to the business.



"We currently care for 12,000 trees across our sites."

Theme 2

Ecology

Enhancing green space

Enhancing green space and promoting biodiversity will be a key focus in our upcoming Sustainability Strategy. In the meantime, our Grounds Team are actively improving green spaces in our communities - planting wildflowers and trees to create more welcoming, biodiverse environments.

We don't use pesticides on any of our green spaces and we don't remove trees unless they are unhealthy or pose a safety risk. We currently care for 12,000 trees across our sites. Our wooded areas are left to rewild, supporting natural ecosystems and encouraging biodiversity.

Alongside this, we are also working closely with our procurement colleagues to embed biodiversity into our approach to social value. This includes ringfencing budgets, goods and services to help our Estates Team improve green spaces in our communities.

The Brook project

We're transforming The Brook, a patch of land in the centre of Chatham into a nature-rich space full of colour and diversity.

We're working with schools to explore how children can help design the space. This will help raise awareness and give young people a deeper understanding of why biodiversity matters and how they can help protect it.



Reducing pollutants

We're actively reducing our environmental impact by switching to more sustainable cleaning products and improving how we recycle plastics across our operations.

By swapping liquid chemicals for ECO-One sustainable sachets, our Caretaking Team have achieved a 97.3% carbon reduction, saved 2326kg of carbon and 547kg of plastic (in a single quarter).

It's a small but meaningful change that's part of our broader commitment to greener, more responsible ways of working.

In the longer term, we will be making clear commitments in our Sustainability Strategy to formalise our approach to climate resilience, biodiversity, and carbon reduction.

Theme 3

Resource management

Sustainability and reducing our impact on the environment is important to us, and it's important to our customers. We're always looking for effective ways to reduce waste and manage resources more sustainably. Following a review of our waste practices, we've made several positive changes to cut waste and fossil fuel use.

We're working with Countrystyle, our new waste management provider to review our waste streams, optimise space, and reduce collection frequency. At our depot, we now manage a wide range of waste streams, including: general, wood, metal, plasterboard, glass, tyres, mattresses, green waste, hardcore, cardboard, food, DMR, batteries, aerosols, lamps, paint, hazardous waste and electrical equipment.

Our operatives receive regular training to help them support our sustainability goals. As part of their social value commitment, Countrystyle continues to support our community projects - providing resources and on-site guidance to help educate and engage our customers.



Reducing wast

Our Grounds Team have also made changes to reduce waste and emissions. A key improvement has been the introduction of a woodchipper, which processes large volumes of green waste into compact chippings.

This has reduced the need for daily collections to just 1-2 per month. The chippings are reused in gardening projects across our estates, supporting circular resource use.



**“By 2030, over
40% of our
van fleet will
be electric.”**

Electric efficiency

Our Estates team are exploring new ways to improve efficiency and reduce our environmental impact. One recent step has been the introduction of electric ride-on mowers across our estates which are helping to lower emissions, reduce fuel use, and support our wider carbon reduction goals.

Our commercial fleet currently consists of 132 vans of various makes, model and sizes. We have been actively involved in transitioning to electric vehicles (EV) for the past three years.

Currently, 23% of our fleet is electric and we're expecting this to gradually increase to over 40% under our new fleet procurement.

We're also reviewing and upgrading our charging infrastructure to support future needs.



Water management

Water efficiency will be a key component of our upcoming Sustainability Strategy. We have taken proactive steps to reduce water usage in our offices, including the installation of tap aerators on all taps and reduced flush cisterns.

For our customers, we promote water conservation by signposting to the Green Doctors - a free service which provides tailored in-home energy and water advice, along with free installation of energy and water-saving devices.

To help reduce flood risk and support climate resilience, we're incorporating Sustainable Urban Drainage Systems (SUDS). These systems help manage stormwater runoff and create healthier, more biodiverse ecosystems.

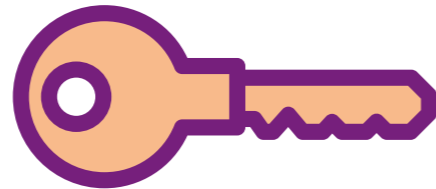
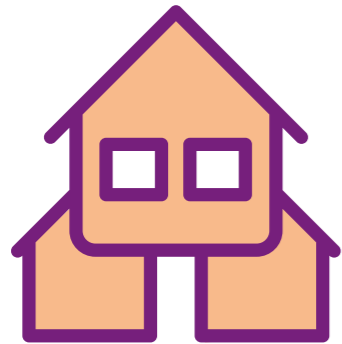
Social

The areas we operate in are facing a deepening housing crisis marked by rising homelessness, affordability pressures and a shortfall in new homes.

At mhs homes, we're committed to tackling this crisis head-on. We're investing in the development of high-quality, affordable homes that meet the needs of our communities – now and in the future. Our Strategic Plan includes a £62 million investment in new homes, all designed to meet at least EPC Band B standards for energy efficiency.

We're also working closely with local authorities and partners to support people at risk of homelessness, providing safe, secure housing and tailored support services. By focusing on long-term, sustainable solutions, we aim to improve outcomes for individuals and families across north Kent.

We're driven by our social purpose and the responsibilities that come with it. These are difficult times and we provide a range of services to help customers who need our support, and we work closely with charities and local organisations to help build stronger, more connected communities.



Our teams provide financial guidance, helping customers manage rent payments or access benefits. They also help people to access support for mental health, addiction or domestic violence, reducing risk factors for individuals and communities.

We promote positive relationships with our tenants through community initiatives and events, helping to build positive and trusting relationships. And we work in partnership with local authorities and the police to tackle anti-social behavior and build safer communities where people are proud to live.

We recognise that a secure place to call home is about more than just bricks and mortar – it's the foundation for a better life. When people have a safe, stable, affordable home, they can put down roots and build meaningful connections in their community.



“We work closely with charities and local organisations to help build stronger, more connected communities.”



Theme 4

Affordability and security

To support households unable to afford market-rate housing, the provision of affordable homes remains a core mission of regulated housing providers.

We measure our rental affordability in the context of the Local Housing Allowance and/or the Private Rented Sector median as displayed below.



Rent compared to Private Rented Sector (PRS):

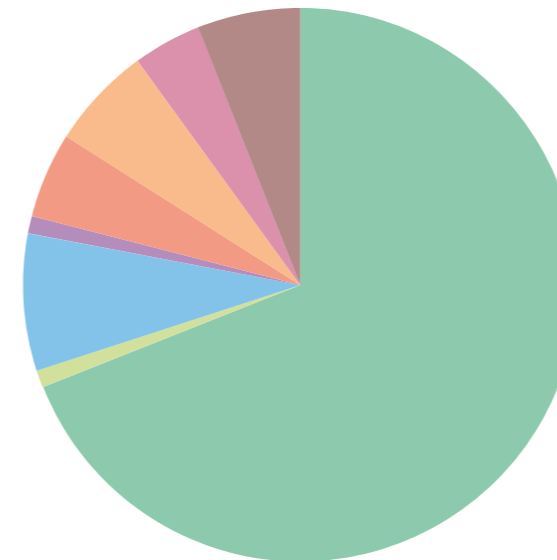
Unit size	Private market rent £	Company's Ave. rent £	% Rent compared to PRS
One bedroom	197.54	129.99	65.80
Two bedrooms	255.40	156.54	61.29
Three bedrooms	295.91	164.70	55.66
Four bedrooms	416.67	202.38	48.57
All categories	291.38	163.40	57.83

Rent compared to Local Housing Allowance (LHA):

Unit size	Local Housing Allowance £	Company's Ave. rent £	% Rent compared to PRS
One bedroom	156.51	129.99	83.06
Two bedrooms	201.76	156.54	77.59
Three bedrooms	219.06	164.70	75.18
Four bedrooms	312.99	202.38	64.66
All categories	222.58	163.40	75.12

Our existing homes

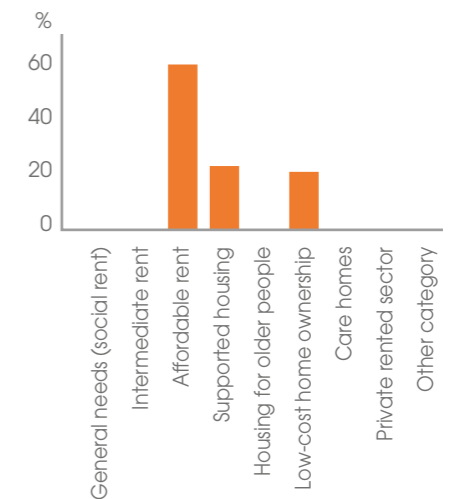
As of 31 March 2025, mhs homes owns and manages 10,069 properties, 77.6% of which are social and affordable rentals. To better understand the scale and composition of housing tenure types, we've provided a breakdown to illustrate the extent of our accommodation provision.



- 63.94% General needs (social rent)
- 0.25% Intermediate rent
- 13.77% Affordable rent
- 0.68% Supported housing
- 5.10% Housing for older people
- 6.49% Low-cost home ownership
- 0.00% Care homes
- 3.90% Private rented sector
- 5.88% Other category

New homes

mhs homes group delivered 134 homes this year, with a further 113 in development.



Working to end homelessness

We boosted our support for young people experiencing homelessness, with the opening of our new Sunrise Foyer. The supported housing scheme provides accommodation for 18-24 year olds and has the space to support 30 young people. Together with our two existing Foyers, the scheme is helping to change the lives of hundreds of young people in Medway.

People like Connor whose first experience of mhs homes was as a homeless 19-year-old moving into one of our Foyers. After being given the stability he needed, Connor took advantage of the support that's available, including help with finding work.

When a post came up in our grounds maintenance team, Connor applied for the role and was offered the job.

Four years on, he's made the most of every opportunity, qualifying in new areas including strimming and pesticide training.





Tackling fuel poverty

We're committed to tackling fuel poverty and supporting our communities through practical, person-centred solutions.

Our teams work closely with customers, signposting to specialist partners including Green Doctors which provides free energy advice. The service offers tailored energy efficiency visits, support to maximise income and helps customers make sure they are on the right energy tariffs.

Our Customer Support Fund provides grants to those in need including to help cover fuel bills. In 2024/25, we awarded £4,250 in small grants to customers facing financial hardship.



We awarded **£69,428** in grants through our Customer Support Fund.



In 2024/25, **38%** of our lettings went to homeless households

Helping people maintain their tenancies

As a social housing provider, it's our mission to tackle homelessness in our communities.

We know the best way to do this is to prevent people from losing their homes in the first place, so we provide support and advice to help people maintain their tenancies.

We want people to put down roots and build local connections. That's why we offer long-term tenancies wherever possible, helping to create stronger, more sustainable communities where people can thrive.

Theme 5

Building safety and quality



We're proud to be among the first organisations awarded Building a Safer Futures (BSF) Champion status – a government-led initiative that promotes a strong safety culture across the building industry.

We work closely with partners like Kent Fire and Rescue to review and enhance the fire safety measures already in place – making sure we're doing everything possible to prevent, control, and minimise the impact of fires.



£1.7m invested in fire safety

We're working hard to achieve full compliance across the Big Six areas of building safety with robust checks, timely maintenance, and clear communication with residents.

	mhs homes	Heart of Medway
Percentage of homes for which all required gas safety checks have been carried out	100%	100%
Percentage of homes for which all required fire risk assessments have been carried out	100%	100%
Percentage of homes for which all required electrical safety checks have been carried out	99.57% (MHS)	98.89% (HoM)

Meeting housing standards

The Decent Homes Standard (DHS) is a government-agreed technical definition on the statutory minimum requirement for a home to be classed as 'decent'. This is a standard national criterion that provides insight into the condition of a housing provider's stock.

We report monthly on any assets that fail to meet the Decent Homes Standard and maintain an organisational target of 100% compliance. An ongoing stock condition survey ensures that we keep our asset data as current as possible. We also have an asset referral process in place to identify and include properties in planned improvement programmes.



99% of homes meet the national housing quality standard

Managing the risk of damp and mould

At mhs homes, our biggest priority is providing our customers with safe and warm homes to live in. We take a zero-tolerance approach to damp and mould and we've created a dedicated team to tackle the issue.

To strengthen our response, we've developed a dedicated case management solution that enables us to monitor reported damp and mould cases more effectively.

As part of this system, we've introduced a mobile working application, allowing surveyors to complete inspection forms and raise remedial works remotely – streamlining the process and improving response times.

We've mobilised a dedicated contractor for damp, mould and disrepair, and onboarded Plentific contract management to further enhance team efficiency. These combined efforts are helping us take a faster, more coordinated approach to tackling damp and mould across our properties.



114 cases of damp and mould resolved in 2024/25



Theme 6

Resident voice

In our most recent tenant satisfaction survey, 1,059 customers rated our performance on repairs, building safety, customer engagement, complaint handling and neighbourhood management.

What we're doing

We've listened to what our customers have told us, and we're making changes in areas where our performance has fallen below the standards they deserve.

Communication

Customers told us it was hard to get through to us, so at the end of 2024 we invested in our contact centre. Since then, we've seen big improvements in call wait times and how quickly we respond to emails.

Repairs

We know repairs haven't been as quick as they should be. To help speed things up, we've expanded our in-house repairs and home improvements team, and we're bringing in more subcontractors.

We're reviewing how we work, including ways to reduce missed appointments. And we've added more caretakers and grounds staff to keep our estates clean and well looked after.

Overall satisfaction with the service we provide - 78%

Complaints

Over the past year, we've seen an increase in complaints, and while we've managed to resolve around 70% within the expected timeframes, we know that's not good enough. We're listening, and we're working hard to do better.

We've brought in more people to help sort complaints first time. We've restructured the team and introduced new systems. And we're working to speed up any compensation payments so customers get the support they need, faster.

Anti-social behaviour

Anti-social behaviour (ASB) is an important issue, and our customers have told us we need to do more to tackle it.

We're bringing in more people to manage tenancy and neighbourhood services to improve the way we handle ASB and hate crime. Our improvement plan also includes a 'triage' process to prioritise the most serious ASB incidents, helping us target resources more quickly and effectively.

What our customers told us





As part of our work to improve the experience of homeowners, we held a conference to understand what matters most to them and what needs to change. Key themes included service charges, estates and grounds maintenance, communication and waiting times for communal repairs.

These insights have helped us shape a clear action plan, designed to address the concerns raised and deliver meaningful improvements across our services

Listening to our customers

We want our customers to help shape the way we do things and there are lots of ways to get involved. From our new Repairs and Asset Management Panel (RAMP) that helps shape how we manage repairs and properties, to our Customer Experience Group which uses focus groups, surveys and reviews to help us better understand our customers' needs.

The Customer Scrutiny Panel (CSP) carries out in-depth reviews of our services and makes recommendations for improvements directly to our Board of Trustees.

Our Customer Communications Group is helping to improve our communication channels including our website and newsletters, and our Estate Champions are working with us and our partners on local improvements.

The scrutiny panel have looked at gas servicing, customer journey and aids and adaptations



Managing complaints

In the last 12 months, seven complaints have been identified as maladministration by the Housing Ombudsman. We take these findings very seriously and are committed to learning from them to improve our services and strengthen trust with our residents.

The learning from these cases has contributed to us making some important changes including making improvements to our compensation policy. We've clarified what's available and how compensation is offered, ensuring greater transparency and consistency in how we put things right.

We've appointed a new pest contractor to provide a more responsive and reliable service for our customers experiencing infestations.

And we've restructured our internal teams to better manage anti-social behaviour (ASB) cases and improved our reporting systems to make it easier for residents to raise concerns and for us to respond effectively.

Theme 7

Resident support



Our housing teams are trained to support customers with financial difficulties, safeguarding, health issues, or other urgent situations such as anti-social behaviour and domestic abuse.

As housing providers, we're in a unique position to spot the signs of domestic abuse early. By offering practical help and support, we can play a vital role in helping survivors reach safety and rebuild their lives.

We actively support emergency moves through a Kent-wide reciprocal agreement which enables survivors to relocate quickly and securely. We're proud to manage this scheme which ensures that help is available when it's needed most.

And we're working towards DAHA (Domestic Abuse Housing Alliance) accreditation, which will strengthen our ability to support more survivors and ensure our services are safe, responsive, and trauma-informed.



Supporting people with their mental health

We support customers who are living with mental health conditions, working alongside other partners and agencies in the community to help people feel safe, supported and empowered.

We helped a customer who had been living in temporary accommodation for over a year. We'd found them a permanent home but because of their mental health diagnosis, moving felt overwhelming and they almost handed back their keys.

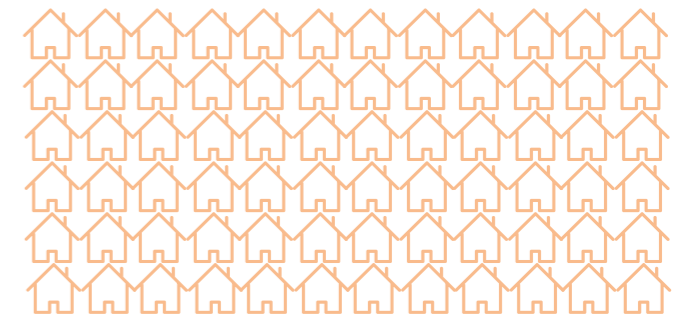
That's where our Tenancy Sustainment Officer (TSO) stepped in. They met the customer at the property on moving day to offer reassurance and practical support – helping with utilities, benefits, and applying for our Customer Support Fund to get essential household items. They also guided the customer in re-engaging with their GP to access ongoing mental health support.

Our support didn't stop there. The TSO continued checking in until the customer felt settled and comfortable in their new home.

Aids & adaptations

We want to support our customers to stay independent and safe in their homes. During the year, we completed **208 minor adaptations** – such as ramps, handrails, grab rails, showers and higher toilets – and **47 major adaptations**, including wet rooms and access ramps, to help make our customers' homes safer and more accessible.





Theme 8

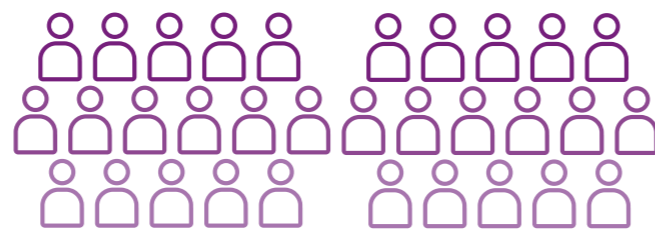
Placemaking

As a social landlord, we're committed to building communities where people feel supported and empowered. Through strong local networks and partnerships, we're helping to create places where people thrive together.

As a member of the Medway Champions network, we're working with local businesses, charities, volunteers, creatives and residents to build a more connected Medway.

A key part of this is creating safer places for people to live and work. We've partnered with Kent Police, Medway Council and other partner agencies on a national initiative aimed at improving the lives of people affected by crime and anti-social behaviour.

The tactic known as 'Clear, Hold, Build' aims to target and remove those responsible for causing problems in a particular area and ensure a safer, more peaceful environment for everyone else.



Connecting with the community

Sponsoring local events like Medway Pride is our opportunity to celebrate diversity, promote inclusion and stand in solidarity with the LGBTQ+ community.

But it also reflects our values as an organisation and allows us to connect with residents and the local community in a meaningful way.

We go the extra mile to deliver social value in our contracts, looking at how the services we select and procure can enhance the economic, social and environmental wellbeing of our community.

We partnered with our building contractors, Niblock, to install a new defibrillator at a local community hub in Chatham - a vital addition that could help save lives.

The community hub, originally developed from an mhs homes online initiative for young people and expanded through the Medway Youth Service, now provides a welcoming space for local groups and individuals, specialist training sessions and local community support services.

It's important that we continue working towards enhancing the lives of people in our local community. Each year, we raise funds for our Charity of the Year, chosen by our colleagues to reflect causes close to our hearts and communities.

In 2024, our fundraising efforts helped bring in more than £21,000 for Swale Community Care Project (SCCP), a charity which supports people living in poverty by providing food, clothing and signposting to other local community services.



Governance

Being a well-governed organisation is about being financially responsible, open, inclusive, accountable to our customers and investors and maintaining high professional and ethical standards.

After surpassing the 1,000-home threshold in 2024, Heart of Medway became eligible for its first assessment by the Regulator of Social Housing. We were proud to be awarded G1 for governance, V1 for financial viability, and C1 for consumer standards. This reflects the hard work and commitment of our entire team and is a clear sign that we're delivering on our promise to provide safe homes and services our customers can rely on.

As we work towards the commitments set out by the regulator and in our wider three-year strategy, we'll be guided by our values – Pride, Respect, Inclusion, Driven and Empathy. They are there to support our everyday actions and behaviours and help us do the right thing for our customers, our homes and our communities.

Creating a more diverse and inclusive environment for both our customers and colleagues is a key part of who we are. That's why we're proud to have achieved Housing Diversity Network (HDN) accreditation.



It's an important milestone that reflects our ongoing commitment to putting equality, diversity and inclusion (EDI) at the heart of everything we do – from the way we work to the way we serve our communities.

We're also proud to have been awarded the RACE Equality Code quality mark, recognising the progress we're making in advancing race equality.

The RACE Code – which stands for Reporting, Action, Composition, and Education – focuses on increasing diversity in senior leadership and creating more opportunities for underrepresented groups. Achieving this award is a significant step in our journey and shows our firm commitment to building a fairer, more inclusive workplace.



Theme 9

Structure and governance

Heart of Medway is registered with the Regulator of Social Housing (RSH) in England. The mhs homes group is registered with the Charity Commission.

Our Code of Governance is based on clear requirements and commitments. This framework enables our Board to demonstrate best-practice compliance in line with expectations for the housing sector.

mhs homes group is a registered not-for-profit organisation. This means any surplus income is reinvested into our customers' homes and services.

Identifying ESG risks

Our operating environment and horizon risk map includes key themes across both environmental and societal/sector areas.

We've identified several strategic risk themes, including investment in homes and sustainability, regulatory standing, customer satisfaction and wider perception of us as a landlord.

Under each theme, we identify specific strategic and operational risks to help us stay ahead of emerging challenges while continuing to deliver safe, sustainable, and customer-focused services.



Regulatory findings

In May 2024, mhs homes were fined £528,000 by the Health & Safety Executive for a breach of health and safety regulations. This related to an incident in January 2023 when two members of our team were installing a fence post and inadvertently hit an electric cable.

Fortunately, no one was seriously hurt. We cooperated fully with the Health & Safety Executive investigation and took swift action to make sure that no one could be exposed to such a risk again.

We've since had an independent assessment of our occupational health and safety practices by the British Safety Council and they awarded us a 'Five Star' rating.



Theme 10

Board and Trustees

Customer voice

Listening to our residents is at the heart of everything we do. Their voices don't just shape the services we deliver - they influence decisions at the highest level of our organisation. When customers share their experiences, ideas and concerns, it helps us to grow, improve and deliver homes and services that truly reflect their needs.

By making sure that feedback is fed directly to our leadership teams, we're making sure that every voice counts and every insight drives meaningful change.

Our Customer Scrutiny Panel are a group of residents who work to improve mhs homes' services. They do independent checks on the standards of service, through feedback, scrutiny and partnership working and report their findings directly to the Board. They help us change the things that need changing and challenge us to do better.

We have also recently set up our Resident Asset Management Panel to help with shaping services for all things related to property and associated services.

We have two Tenant Board members on our Board. They are elected by other tenants and have exactly the same legal responsibilities as all of our Board members. They bring a customer's perspective and help us to focus improvements where they're needed most.

Increasing diversity in leadership

As part of our EDI action plan, we're working towards increasing diversity across our workforce and making sure it's reflected at all levels of the organisation including on our board and in leadership positions.

We've worked with a specialist agency on recruitment for Board appointments, successfully increasing our diversity on our Boards and Committees.

Demographics of our Boards

	mhs homes group	Heart of Medway
What % of the board are women?	33.33%	50%
What % of the board are BAME?	11.11%	33.33%
What % of the board are residents?	22.22%	16.67%
What % of the board have a disability?	No data	No data
Average age of the board	58	56.8
Average tenure of the board	3.28	3.33

33% of mhs group Board are women

22% of mhs group Board are residents

Leadership changes

During the year, we saw some turnover in the mhs group and Heart of Medway Boards but no changes in our senior management team.

	mhs homes group	Heart of Medway
Board members that have turned over in the last two years	22.85%	31.15%
Senior management team that have turned over in the last two years	0%	Not applicable as all staff employed by mhs homes

Board oversight

Our non-executive directors bring an independent and impartial view to governance and management decisions. They oversee our financial integrity, provide independent scrutiny and risk management. All three members of our Audit Committee have recent and relevant financial experience.

Our audit partner - BDO - has been responsible for auditing our accounts for the last 12 years. The contract is due to be retendered following the 25/26 audit.



88.89% of our Board members are non-executive directors for mhs homes, and 100% for Heart of Medway.

Succession planning

We are committed to ensuring strong leadership through clear succession planning and robust governance practices. Over the past 12 months, a succession plan has been presented to the Board with ongoing oversight delegated to the Nominations and Remuneration Committee.

We have taken appropriate steps to prepare for future changes in the senior management team including annual review of term dates at the AGM, and committee-led assessment of recruitment needs.

Independent review

An independent review of the Board and Board governance arrangements was undertaken last January 2024. As recommended by the NHF Code of Governance best practice, the Board undertakes externally-facilitated board-effectiveness reviews every three years.

Conflicts of interest

We have a clear policy in place to manage conflicts of interest, and all declarations are published on our website. Each Board and Committee member's interests are reviewed and presented at the relevant meetings to ensure transparency and accountability.

If a declaration arises, the relevant board member withdraws from the meeting for the duration of the item debate/decision.





Theme 11
Staff wellbeing



“We create opportunities for learning, connection and shared pride.”



We believe that staff wellbeing starts with fair pay and respect for the vital work our teams do.

As a Real Living Wage employer, we’re committed to ensuring all staff are paid fairly, creating a foundation for financial security, motivation and a positive working environment.

And we’re proud to report continued progress in closing the gender pay gap.

In 2024, our mean gender pay gap narrowed to just 0.4% in favour of men, down from 3.1% in 2023 and 8% in 2022.

This is a significant improvement and well below the 7% national average for organisations of a similar size. Our median gender pay gap also improved, reducing from 3.8% to 2.3% in favour of men.



0.4% mean gender pay gap

2.3% median gender pay gap

We recently welcomed our first female CEO, reflecting our commitment to inclusive leadership, and we have a high number of women in senior roles, helping to shape the future of our organisation at the highest levels.

With a workforce of over 300 employees, these figures reflect our ongoing efforts to create a more equitable workplace for everyone.

Ethnicity pay gap

In 2024, colleagues from an ethnic minority background were, on average, paid 2.2% more than their white colleagues.

CEO-worker pay ratio

The CEO-worker pay ratio demonstrates the pay dispersion between the CEO and the organisation’s median earner. As at 31 March 2025, our CEO-worker pay ratio is 5.5:1.

Equality, diversity and inclusion

We’re committed to acting, and creating a space where differences are celebrated, and voices are heard.

On their first day of employment, all colleagues receive an induction from our Inclusion Champions which introduces our equality, diversity, and inclusion (EDI) principles. This ensures that every new team member understands our commitment to creating a respectful, inclusive and supportive workplace from the very start.

All staff are required to complete mandatory training on unconscious bias and sexual harassment, with more EDI learning modules to follow. And our All Stars customer experience training is helping staff to adapt and respond to people’s individual needs.

All managers have received training on developing Equality Impact Assessments to make sure that our policies and procedures are assessed for their impact on different groups. This helps us to identify and remove barriers, promote fairness and support inclusion.

We raise awareness of EDI issues through Lunch & Learn sessions for staff on topics including neurodiversity, the menopause, unpaid carers, loneliness, dyslexia, young people’s mental health and diabetes.

We actively celebrate a wide range of cultural and inclusion events throughout the year – such as Pride, Chinese New Year, Black History Month and International Women’s Day – to recognise and honour the diverse backgrounds, identities, and experiences of our colleagues. These celebrations help foster a sense of belonging and create opportunities for learning, connection and shared pride across our organisation.

We are proud members of Women in Social Housing (WISH), a network that supports gender equality and empowers women across the housing sector.

We’re currently working to improve the quality of our diversity data so we can identify areas of under-representation or inequalities in our services and our workplace and focus our efforts where they’re needed most.

We’ll hold ourselves accountable through our EDI Taskforce, putting inclusion at the heart of everything we do and striving to be better, and do more.



Supporting the physical and mental health of our staff

We are proud to be a Disability Confident employer, demonstrating our commitment to creating an inclusive and supportive workplace for people with disabilities.

We have achieved silver accreditation for Investors in Wellbeing and the bronze award within the Medway Workplace Wellbeing framework which recognises our ongoing efforts to support the health and wellbeing of our colleagues.

We're fostering a supportive and open culture around mental health. Our support includes access to a confidential Employee Assistance Programme and a trained network of Mental Health Champions as well as workshops and awareness campaigns to promote a culture where mental health is openly discussed.

Our staff have access to occupational health services and the Headspace app, and we provide financial support towards osteopath treatments, glasses and free eye tests and we offer free health and blood pressure checks.

We have two holiday homes that staff can book at a reduced rate, offering an affordable way to relax and recharge. And we support people's health through our Cycle to Work scheme, and Lunch and Learn sessions on nutrition, healthy living, exercise, desk yoga, menopause and more.

We believe in a supportive, people-first culture so we offer flexible working hours to support work-life balance and reasonable adjustments to the working environment where needed. We also offer enhanced annual leave above the statutory entitlement.



Supporting staff development

It's a strategic priority that every mhs colleague has access to at least five days of learning and development activities each year.

Employees are encouraged to shadow other teams to gain knowledge in a different business area. We pay for professional subscriptions to help colleagues stay connected to their industries and up to date with best practices. And we have a programme for relevant staff to undertake professional qualifications, including those from the Chartered Institute of Housing (CIH) and other relevant bodies.

Our managers have benefited from a tailored development programme designed to strengthen leadership skills and support career progression. In addition, some staff members are supported by mentors who provide guidance, encouragement, and professional insight.



In the past year, **71** people have either been promoted, seconded or moved into a different role



Theme 12

Supply chain management

We're committed to delivering social value in our contracts. For any contract over a set amount, we look beyond just the financial cost. We consider how the services we select and procure can enhance the economic, social, and environmental wellbeing of our community.

We have traditionally used a credit-based system to measure and monitor social value commitments. During the tender stage, suppliers are provided with a basket of deliverables and commit to specific outcomes, each assigned a credit value.

These commitments are evaluated and scored, influencing the tender outcome. Once contracts are awarded, delivery against these commitments is monitored through monthly and quarterly contract management meetings. Because social value is embedded in our contracts, suppliers are contractually obliged to deliver on their promises.

In the year 2024/25,
suppliers delivered a total
of 1,247 credits.

Our new procurement policy requires that all open quotations and tenders over £100,000 will allocate at least 10% of the evaluation score to social value, reinforcing our commitment to meaningful, measurable community impact.

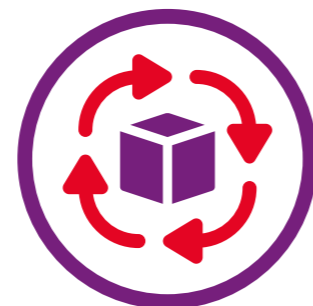
Environmental responsibility in procurement

We are committed to ensuring that we consider our environmental impact through our procurement policies and processes.

At the tender stage, we may include a scored environmental and sustainability question – tailored to the nature of the procurement – to assess each supplier's environmental impact. Suppliers offering enhanced approaches and methodologies are scored higher, directly influencing the tender outcome.

We also incorporate questions from the Common Assessment Standard at selection questionnaire stage, including questions about ISO 14001 accreditation and carbon reduction plans.

Post-tender, all suppliers added to our systems must complete an environmental and sustainability questionnaire which capture details such as management system accreditations and annual environmental reports. These forms are updated every three years and stored in the mhs system for ongoing monitoring.





mhs
homes