



**Non-Executive Director**  
Information for candidates  
January 2021



## **Non-Executive Director** Information for candidates January 2021

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# Welcome message

## John Edwards CBE, Chair of Midland Heart

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**Our journey began in 1925 with the single determination to improve the quality of life for some of the most disadvantaged communities in the Midlands through the provision of good quality affordable homes.**

Over 95 years on, we are one of the largest housing associations in the Midlands and set to become one of the country's largest developers of truly affordable homes.

We are in this strong position because we have consistently understood our external environment, stayed ahead of the curve and adapted well to change. A copy of our financial statements can be found at [www.midlandheartgroup.org.uk](http://www.midlandheartgroup.org.uk)

The Midlands is an exciting place to be, with vibrant, diverse and growing cities at its Heart. Midland Heart's future is intrinsically linked to our region and our development ambitions will play a crucial role in the way it grows, lives and develops.

Our operating environment and workplace are markedly different to what they were only a couple of years ago. Our region, customers and way of working have all been affected by the Coronavirus pandemic. We have always responded well to external challenges by reacting quickly and focusing on our customers' needs.

As a result of the action we have taken over the last year and the strength of our corporate plan, Making What Matters Brilliant, we have maintained an industry leading level of services for our customers. In Spring 2020 we were one of the first housing associations to establish Covid-secure ways to deliver our services protecting both our customers and our workforce. This meant we could continue to make the improvements needed to our customers' homes, maintain 100% safety compliance and successfully address issues such as anti-social behaviour during the disruption of lockdowns.

I am also very proud of the fact that we managed to adapt our working patterns to ensure that none of our colleagues faced the concerns of furlough

and that we maintained our industry leading levels of colleagues engagement. Over the course of the next year we will implement new smarter ways of working, ensuring our colleagues can deliver their work in the most effective ways possible.

We also remain in a strong position to help our region recover from the pandemic through our continued commitment to developing truly affordable homes. Over the next five years we will increase our development ambitions to deliver 4,000 new homes by 2025. This year we have also created a new green strategy to realise our ambitions of becoming carbon neutral by 2050.

As well as providing a first class customer service, being a leading employer and keeping our customers and colleagues safe, Making What Matters Brilliant also focuses on building balanced and sustainable communities where people not only want to live but can thrive. Over the course of the next three years these vitally important issues will be the focus of our organisation.

Our other great strength at Midland Heart is our focus on governance and financial strength. Our last In-Depth Assessment confirmed our Governance and Viability ratings as G1 and V1 with glowing feedback from the Regulator of Social Housing regulatory team. We also have an A1 (stable) credit rating from Moody's, which helped us to secure our best value bond ever earlier this year.

As we continue to play our pivotal role in the region and deliver the improvements set out in Making What Matters Brilliant a skilled Board will be critical to our success, providing leadership and stewardship of our business.

If you are an experienced leader, ideally with an understanding of risk management and audit experience, together with property and asset management in a large consumer facing business, we'd very much like to hear from you.

**John Edwards CBE**  
**Chair of Midland Heart**

# Our Operations

## **Our mission:**

**To deliver homes and services across the Midlands that enable people to live independently.**

## **About us:**

We own and manage 33,000 homes and deliver great customer service to over 70,000 customers.

We have a strong legacy and culture of adapting to change. We continue to remain focused on our charitable aims which we fulfil by:

- being a top-class landlord;
- developing primarily affordable and social rented properties. An increasingly important differentiator in the sector; and
- being a great place to work and develop your career.

## **Core Landlord Services**

We offer a wide variety of services to enable our customers to live independently.

This support can range from carrying out maintenance and repairs to giving money advice that helps customers manage their home. We have also invested significantly in our customer digital offer, through the development of both a customer app, currently used by over 16,000 customers, and a new lettings portal.

## **Safe and Strong**

We continue to be sector leading in the delivery of building safety, delivering consistently high levels of compliance. In the last year we launched our Property Digital Record, a key requirement from the Hackitt review (Grenfell enquiry).

## **Developing New Homes**

Due to the increased financial certainty provided by the government's decision to return our rent formula to CPI +1% we are now on an even surer footing to build more homes. We are confident that we will deliver 4,000 new homes by 2025. Our focus is to continue building as much affordable rented housing as possible in our key local authority areas across the West and East Midlands.



## Our Operations *Continued...*

### **Retirement living**

We have a significant number of retirement housing services across the Midlands. Our retirement housing enables our customers to maintain their independence whilst in a safe and positive environment. Most of our retirement schemes provide a mix of one and two bedroom apartments. We also have sites with bungalows and maisonettes, which are available to either rent or buy.

We work with partner organisations who deliver care services from our buildings. Our aim is to ensure that we provide the best possible buildings, deliver catering services and support lifestyle activities. We believe that an active, independent lifestyle plays a major part in enabling older people to lead happier and healthier lives. We promote this through running daily activity programmes as well as a range of lively trips and outings.

### **Supported living**

Across the Midlands we deliver specialist supported housing to help vulnerable people live independently.

We work closely with statutory, private and voluntary sector partners to ensure customers are able to gain the skills they need to move on to independent living. Safe and secure accommodation is often the first step on that journey.

Our move-on plans support homeless customers on their journey towards independence from day one and include:

- managing move-on through effective joint working with partner agencies
- arranging appropriate support packages
- sourcing suitable accommodation options from a range of choices, including our own affordable housing



## Our Performance

In 2019-20 we completed the first year of our corporate plan, Making What Matters Brilliant, and have delivered an exceptional set of financial and operational results. Our financial strength has meant that we have been able to make substantial levels of investment in both new and existing homes, investment in services provided to our customers and investment in our colleagues' development.

Our priority remains providing a first-class service to our customers that fits their lives and enables them to live independently. We will also build as many new affordable homes as we can and strive to be a place where people want to work and grow their careers.

The key highlights of the first year include:

- Our overall customer satisfaction reached 90% for the first time ever.
- Our repairs satisfaction has been consistently above 90% for each of the last three years.
- We developed 570 new homes; the highest number of properties handed over for five years with a gross investment of £87m. With two new partnerships secured, we are well on our way to delivering on our development target of 4,000 by the end of 2025.
- We have significant levels of liquidity of cash and undrawn facilities and retained our leading A1 stable rating from Moody's.
- We invested £19m in our properties including windows, roofs, bathrooms and kitchens and are ahead of schedule on all our key volume targets.



## Our Performance *Continued...*

- We maintained our strong track record in building safety, including inspections and services.
- We are finishing the year with our arrears at their lowest level of 4.46%
- We remain sector-leading against our peers in regards to re-let days at 20.1 days
- We hit 80% on our colleague engagement score, the highest for seven years, and achieving our lowest ever year-end sickness absence rate. Our colleague engagement score for 2020/2021 also reached 80%.
- We were ranked 24th most inclusive employer in the UK top 50 inclusive employer list.

During the first year, we fundamentally transformed and simplified our business through completing operational changes in both our retirement and supported living services, the most significant operational change since our merger in 2006. We reshaped our retirement living

services through divestment of all care contracts to more specialist care providers, turning our attention to other areas of the customer experience, focusing on our accommodation, catering and lifestyle activities. We also forged new partnerships with local authorities and housing associations to deliver bespoke supported living services to meet commissioner requirements.

Many in the sector are struggling to meet their new homes, building safety and low carbon aspirations as strategic choices become challenging especially for those who have significant tower blocks. Operating margins are falling as headline costs per unit steadily rise. We are currently in a strong position allowing us to focus on all three fronts in the years ahead. Our overall performance remains excellent, customer satisfaction consistently at 90%, robust financials and a colleague engagement score of 80% in each of the last two years.





## Our People

We know that our work and the quality of the services we provide are wholly dependent upon our people. It is important to us that our colleagues are engaged, motivated and enjoy the work that they do.

We expect a lot from our people and in return, we invest in their development and careers, support their wellbeing and ensure we offer a competitive range of reward and benefits. We give our people a voice about the issues that matter most to them, listen to what they say and make changes where we can. We have invested in developing leadership and managerial capability, so that our leaders are the best in their field.

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

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- **We develop**

We're people focussed. Our motivation is making things better and we hold ourselves and others to the highest standards. We understand our environment and change to stay ahead of the curve.

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- **We smile**

We're inclusive. Our differences are our strength, when we listen to each other and pull together good things happen. Whoever you are, wherever you're from, your contribution matters.

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- **We get things done**

We're professional. We act with integrity and take ownership of our actions. We think about how our actions affect others and whether they will make improvements.

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## Role Profile – Non-Executive Board member

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### Overall purpose of the role

1. To play an active leadership and governance role as a member of the Board, within a framework of prudent and effective controls which enable risk to be assessed and managed.
2. As a member of the Board, to set the strategic aims of the business ensuring that the necessary resources are in place for us to meet our objectives. To include measuring progress against the delivery of the strategy and to review financial and operational performance against agreed key performance indicators.
3. As a member of the Board, to set the company's mission, values and standards and ensures that its obligations to its customers, regulators and stakeholders are both understood and met.

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### Responsibilities

1. To prepare for and attend meetings of the Board (normally 10 meetings per annum plus two strategy days), playing a full role in the discussions and business transacted at such meetings.
2. To receive, and promptly respond to ad-hoc communications received from other Board members, and executives within Midland Heart relating to the work of the Board, on an as required basis.
3. Bring constructive challenge and independent judgement to bear on matters of strategy, performance, resources and standards of conduct.
4. Satisfying yourself, along with other Board members, on the integrity of the financial information produced and that we have in place internal (including financial) controls and systems of risk management, which are robust and effective and sufficient to safeguard the funds and assets of the business.
5. Sharing responsibility with the other Board members for ensuring that both the parent group and its subsidiaries do not exceed its powers and functions and also for the superintendence of the executive management.
6. Discharging the other duties and responsibilities of a Board member of a Registered Provider of Social Housing with care and skill.
7. In carrying out your duties as a Board member you will act in accordance with the seven principles of public life.

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### Person Specification

1. Operating at Board level in a commercial corporate environment.
2. Specialist knowledge of, and contemporary experience in, property and asset management.
3. Experienced in reviewing financial and operational performance, identifying areas for discussion and challenge.
4. Business acumen with the ability to contribute to the full corporate agenda to aid the business in its decision-making.
5. Clear and effective influencing and communication skills, including an ability to operate effectively at Board level, challenging an Executive effectively.
6. An open mind with the courage to think independently and strategically.
7. Team working and collaboration skills, including an ability to work together with other executives and non-executives to solve collective problems.
8. Personal gravitas and authenticity, able to bring a fresh view to influence decision making.
9. Awareness and understanding of the geographies across which we operate.

## General

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**An annual fee is payable for this role (currently £10k per annum). In addition:**

1. Travel and other expenses can be claimed in line with our expenses policy.
2. The appointment is likely to be for an initial period of three years. The maximum term of appointment is normally six years.
3. Meetings of the Board are generally held in normal working hours at our offices in Bath Row, Birmingham or virtually and are generally around 4/5 hours duration.
4. The Board is also committed to ensuring that its recruitment will deliver a diverse board, reflecting the geographies across which we operate.
5. The Board will, so far as possible, also look to achieve a balance between Board members in work or self - employment and those with Non- Executive or Voluntary appointments. This helps to ensure a contemporary knowledge of the workplace and of the needs of colleagues, customers and stakeholders.



## Timetable & Assessment Process

<b>Event</b>	<b>Date</b>
<b>Closing date for applications</b>	<b>5pm on 22 February 2021</b>
<b>Self-assessment against Board skills matrix &amp; preliminary interviews with Gatenby Sanderson</b>	<b>1, 2, 3 or 5 March 2021</b>
<b>Final interviews</b>	<b>24 March 2021</b>



# Board and Committee Structure

## Finance and New Business Committee

- Review adequacy of financial plan
- Review Management Accounts and Financial KPIs and report to Board
- Act as Treasury Advisory Panel to Board, including approving loans up to £20m
- Scrutinise new business opportunities (Capital and Revenue)
- Oversee growth strategy (incl development plans)

## Remuneration and Executive Selection Committee

- Determine pay for CE and Exec Team
- Oversee recruitment of CE
- Oversee performance of CE/Exec Team
- Scrutinise Exec succession plans
- Approve Group Pensions strategy
- Determine Group Remuneration Strategy for approval by Board

## Midland Heart Board

- Sets Group Strategy and Delivery Plans
- Ensure Compliance with Values and Mission
- Ensure that risks are well understood and managed
- Monitor financial/operational performance
- Ensure organisation is well governed
- Ensure long-term financial viability of business and that financial plan is stress tested
- Oversight of Governance delivery
- Other ad hoc governance

## Operations Committee

- Oversee approaches to customer engagement and scrutiny
- Ensure customers' views are captured and used in service and strategic planning
- Identify key customer service related risks and ensure management action is taken and Board is informed
- Oversee delivery of quality services to customers
- Provide assurance to Board that QA arrangements are effective
- Comment on and influence customer policies
- Provide assurance to Board on Operational parts of Corporate Plan
- Review effectiveness of Safeguarding arrangements

## Audit and Risk Committee

- Oversee integrity of financial reporting and ensure effective external audit
- Approve Annual Internal Audit Programme and consider outputs from this
- Check effectiveness of Internal Control and Risk Management systems
- Ensure good system of compliance & controls
- Compliance work eg, RSH Standards; NHF Code

## Nominations Committee

- Appoint Committee Members
- Carry out Board Recruitment and recommend persons for appointment to the Board
- Board and Committee Succession Planning
- Ensure Chair, Board and Committee Appraisal is carried out
- Oversee Board Diversity Work





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**Web: [www.midlandheartgroup.org.uk](http://www.midlandheartgroup.org.uk)**