



Environment, social and
governance report 2024

Better business



*“Social housing
begins with social
justice.”*

Chan Kataria OBE
Group Chief Executive, emh

Contents

Change and social justice	3
Values-based business	4
Emh at a glance	8
Environment	9
Social	15
Governance	25
Get in touch	32



“We are a values based business with an ambition to make positive change for good.”

Professor David Russell
Chair, emh



Change and social justice



The world has witnessed dramatic and accelerating change since we published our first environment, social and governance (ESG) report in 2021. The current global background of wars, economic disruption, pandemic recovery and the growing impact of climate change and technology have sharpened our resolve to promote social justice through our business.

We're clear and confident that a positive approach to the environmental, social and governance aspects of what we do is good for business. The strategies, projects and performance detailed in this report evidence how this works. The group's commitment to ESG action and reporting provides a strong framework around our core purpose of providing homes and care to improve opportunities for people.

A child whose family becomes homeless or who lives in temporary accommodation is far more likely to miss school, have less social interaction and achieve poorer educational outcomes than one with a secure, permanent home¹.

It's this kind of injustice that we're determined to prevent and address.

¹A view from the classroom, The impact of homelessness and bad housing on children's education, Shelter, 2018.

A values-based business

Better housing and care is our strategy and business plan to deliver high-quality homes and services over the three years up to March 2026. In it, we commit to 'doing the basics brilliantly', in line with our values as an organisation.



Working with customers, we identified ten things that people want and value most from emh. These are a mix of practical outcomes and things to make them happen. We pledge to make these ten basics our top priorities, while also preparing for whatever the future brings:

1. Ensure effective governance and smooth succession to Board
2. Deliver new homes under the Strategic Partnership
3. Deliver repairs and customer services that are fit for purpose
4. Strengthen customer voice with a new Resident Influence Committee (RIC)
5. Collate comprehensive stock information to inform asset management decisions
6. Ensure provision of reliable and secure data on homes, customers and people
7. Develop robust processes to ensure compliance with Health & Safety requirements
8. Review care assets and services to deliver effectiveness and viability
9. Develop staff culture to support Equality, Diversity and Inclusion, wellbeing and psychological safety
10. Review financial plan to meet liquidity requirements, deliver Value for Money and ensure sufficient headroom in our covenants



Beyond the basics, the plan sets out our objectives across five, interlinked themes of *homes, care, people, growth and resilience*, each with clear performance measures and targets.



These are all underpinned by our values:

- ▶ **Integrity** – working to the highest ethical standards
- ▶ **Diversity** – respecting everyone for who they are
- ▶ **Openness** – being honest and straightforward
- ▶ **Accountability** – being accountable to and influenced by our customers
- ▶ **Clarity** – being clear about what we do, why and how
- ▶ **Excellence** – striving to be the best in everything we do.

A values-based business



As a PlaceShapers housing provider, we're very conscious of the wider impact of our work and the opportunities it creates.

This report shows how environmental, social and governance objectives align with our values and plan. It focuses on storytelling – real life examples and evidence of impact, supported by meaningful targets and performance information.



We want our approach to ESG to help us make the best choices, do the right things and show what difference this makes. Our strategies to deliver and report on ESG comply with current and anticipated industry, national and international standards, including the relevant United Nations Sustainable Development Goals².

The housing and care we provide presents strong opportunities for financial institutions to make long-term, ethical and pro-social investments and we endorse the lead that lenders are taking in offering better deals to organisations that deliver against ESG targets. We hope our clarity and performance on ESG marks us out as a preferred and trusted destination for sustainable finance.

² UN Goals not currently covered are 2 'Zero Hunger'; 6 'Clean Water and Sanitation'; 9 'Industry, Innovation and Infrastructure'; 13 'Climate Action'; 14 'Life Below Water'; 15 'Life on Land'; and 16 'Peace, Justice and Strong Institutions'.

The cost-of-living increase has impacted on us as an organisation and our residents alike. We have extended our services to support residents struggling to make ends meet by increasing capacity within emh's Money Matters Team and Midlands Rural Housing's housing management team. The Money Matters team now has access to a new Resident Support Fund, allowing them to assist residents with money towards equipment or services to support employment, training or basic living needs.

Despite higher energy, materials, and labour costs, we have continued to press ahead with improvements to homes and increasing energy efficiency measures, with the aim of reducing costs for residents living in these homes.



We recognise the importance of continuing to push ahead with our ESG ambitions, valuing the long-term savings and benefits to us, our residents and the wider community of doing so.

Emh at a glance

Key facts about our business and role in the East Midlands region², and changes since our last ESG report.



19,636 homes

Owned and/or managed
(2022/23: 19,294)



402 new homes

Built or acquired in 2023/24
(2022/23: 490)



316 care service users

(2022/23: 351)



10 registered care homes

Including extra care, and supported living services

All but two rated 'Good' by the Care Quality Commission (3 yet to be rated)

(2022/23: 8 out of 10 registered homes rated 'Good')



1,136 employees

(995.3 full-time equivalents)
(2022/23: 1139)



Key partner

Key partner leading on research into diversity in business



Homes England

Strategic partner

Building new homes across 9 local authority areas
(2022/23: 15 local authority areas)

Environment

We've made award-winning progress in decarbonising customers' existing homes, while improving the energy efficiency of new homes and the group's working practices.

Green strategy

Our green strategy focuses on:

- ▶ Avoiding emissions, pollution and waste as much as possible
- ▶ Reducing our use of harmful materials and substances
- ▶ Switching to environmentally friendly materials and practices
- ▶ Maximising reuse and recycling



New homes

All the new homes we build will meet current Building Regulations standards and will achieve minimum EPC B rating.

We are looking to pilot Future Homes Standards to inform our sustainability strategy. This will take into consideration how we can support our customers to maximise the benefits of the energy efficiency measures installed.

Our aim is to create sustainable places to live, which includes bringing back into use brownfield and infill sites, and

identifying sites which are in sustainable locations with easy access to local amenities, facilities and public transport. We aim to provide electric vehicle charging points, and cycle routes and storage for all suitable new homes to encourage low carbon transport. Within the wider development site, we consider how we can support biodiversity and natural habitats, through measures including planting local tree species to encourage wildlife and support wellbeing.



Existing homes

Housing accounts for around a third of UK carbon emissions, and we began our decarbonisation project with more than a third of our existing homes with an Energy Performance Certificate (EPC) below C. To turn this around we take a 'fabric first and worst first' approach, to prioritise properties where it's possible to make the biggest gains in energy efficiency, at reasonable cost.

We're on target to inspect the condition and amenities of all our homes and assets on a 5 year cycle. This will enable us to collate insight to base future decisions about investment or divestment or disinvest. Where it's not viable to bring a home up to EPC level C and provide a comfortable and sustainable home, we will consider the options which are set out in the asset management strategy.



Gold for greener homes

In September 2023, emh won the Gold National Energy Efficiency Award for Best Housing Association Landlord. The prize recognised our exceptional success in securing and using money from the Government's Social Housing Decarbonisation Fund as part of the Midlands Net Zero Hub consortium.

In 2022/23, we committed all £1.9 million of funding allocated to us to insulate and improve 93 homes in Blaby. We were then invited to spend a further £400,000 from programmes not completed by other bidders. We now have 'second wave' grants to upgrade a further 320 homes by 2025, as part of our commitment to making sure that all properties have an Energy Performance Certificate rating of at least C by 2030.

"My house looks lovely and I can 100% tell the difference inside the property. I couldn't be happier."

Emh resident

Materials and waste

We have a strategic alliance with [Travis Perkins Group](#) for the supply of building materials. In 2023/24, 583.1 tonnes of waste were recycled and diverted from landfill. This equates to 97.85% of our building waste being recycled.

Through our partnership with Travis Perkins, we have access to a Social Value Fund consisting of 1% of our yearly spend. Using this fund, we have invested in communities and local projects. One way this fund has been used has been to makeover an unused outside space for the Kirk Hallam Community Centre. Kirk Hallam Community Centre is a stand-alone charity working to benefit residents and improve health, wellbeing and opportunity in the local area. Colleagues from emh Property Services and Grounds Maintenance teams



worked over a number of days to clear the space and install a gazebo, barefoot walking path and seating. The space is now in welcome use by members of the community attending stay and play sessions, the outdoor playgroup, community story telling sessions, a gardening group and the outdoor café space. Local Cubs, Brownies, Scouts and Rainbows can also make use of it.



Offices and services

The investment we made to make our head office at Memorial House in Coalville, Leicestershire fit for more flexible and hybrid working has begun to pay back.

Almost three quarters (72%) of emh customers are now registered to use the myhomeonline portal for digital services and self-serve help.

Performance against business plan targets and United Nations goals



UN goal 7. Affordable and clean energy

Themes: Homes / Care / Growth

Action	2022/23	2023/24
Homes meeting the Decent Homes Standard (2025/26 target: 100%)	95.75%	99.29%
Energy efficiency of existing homes (2025/26 target: 95%)	57.65% EPC level C or higher	67.35%
Energy efficiency of new homes (2025/26 target: 100%)	100% EPC level B or higher	100% EPC level B or higher
Solar panels and feed-in tariffs for homes and offices	85 domestic sites and 15 commercial installations generating over 494.55kWh of electricity in 2022/23	84 domestic sites and 14 commercial installations generating over 481.73kWh of electricity in 2023/24
Renewable energy (2025/26 target: 100%)	100% of office and landlord electricity supplies remain green sourced	100% of office and landlord electricity supplies remain green sourced
Air source heat pumps	33 domestic air source heat pumps installed	40 domestic air source heat pumps installed
Installed External Wall Insulation and other measures to bring home up to EPC Band C	73 homes	161 homes

Procurement strategy and practice

We have procurement regulations (rules for the business to follow that bring in UK public procurement legislation) that are updated annually. We are shifting towards using suppliers with good environmental practices and social values.

In a recent procurement process, suppliers were asked to share information on their environmental practices, and how they positively contribute to social factors including supporting the local economy and employment, charitable causes and support networks for vulnerable people.



UN goal 12. Responsible consumption and production
 Themes: Homes / Care / People / Growth / Resilience

Action	2022/23	2023/24
Construction waste disposal and management partnership with Travis Perkins	97.85% of construction waste recycled, with only 2.15% to landfill	97.85% of construction waste recycled, with only 2.15% to landfill



Social

We're clear that achieving the positive social impact we desire is about much more than doing the basics. As a PlaceShaper housing association, we're committed to playing a wider role in promoting health, wellbeing, education, skills, employment and financial and digital inclusion. Safety, diversity, standards of service and extra help for those who need it are all central to our approach.



Homes people need



To maximise the number of new homes we provide, we've made the most of our strategic partnership with Homes England and strong working relationships with local councils, developers and contractors. We delivered 402 new homes across nine local authority areas during 23/24. Of these, 116 were for social rent (29%). The combined affordable and social rent represents 53.5% of the homes built, while Shared Ownership was 41.5%.

To help people avoid becoming homeless, we've been shaping our services to meet our Homes for Cathy commitments and to support the Government's strategy to end rough sleeping. We aim to ensure that we do everything possible to help tenants sustain their tenancies. Our policies and procedures in relation to issues such as rent arrears and ASB reflect our commitment to this. Enforcement action through the courts must be authorised by an Executive Director, and regular reports to the Board keep them apprised of the few cases where we have enforced possession orders.

In line with the Homes for Cathy commitment to contribute to the development of and execution of Local Authority homelessness strategies, we have engaged with a number of Local Authority partners across the region. We also contribute to ending migrant homelessness and participate in schemes such as the Afghan Relocations and Assistance Programme.



We're continuing to expand the provision of Extra Care housing across the region, with two more mixed-tenure schemes due to open by the end of 2027/28. These projects provide not just flexible homes and personal care for the residents who live there, but cafés, shops, healthcare, leisure and other amenities for the surrounding neighbourhoods.

To promote independent living we're developing a new model of self-contained supported housing, based on small blocks of up to 12 flats with shared spaces and provision for on-site staff. The staff accommodation can be converted to extra homes if people's needs or funding arrangements change. And to support the long-term future and viability of rural communities, via Midlands Rural Housing (MRH), we've developed 42 new homes in six villages and have a further 28 rural homes confirmed to start on site in 2024. MRH have also taken on the management of a further six new rural homes in one village in partnership with the village's Community Land Trust.

Safe and healthy places to live

To respond to increased awareness about the risks of damp, mould and condensation, and the Housing Ombudsman Service Spotlight report on this topic, we've set up a dedicated rapid response team to investigate all reports of damp and mould within 14 days. It also proactively contacts customers whose homes might be at risk of damp or condensation.

A Health and Safety Residents Group has been created. The group meets quarterly and reports to the Strategic Health and Safety Committee.

To support households affected by noise, we've introduced the free [Noise App](#) so that customers can record, report and monitor any problems.

To address concerns around Reinforced autoclaved aerated concrete (RAAC), we carried out a desktop exercise which highlighted 1025 properties that were built during the affected time period. Site inspections were conducted where necessary, and after review no concerns were raised in any properties.



Cost-of-living support

Customers are living through difficult times, with sharp increases in the price of food, energy and other essentials creating acute hardship for many people. To support families and households facing financial problems, we've introduced £20,000 Resident Support Fund. This was launched with a £10,000 grant from EEM Ltd, a national consortium supporting the public sector in achieving cost and efficiency savings in their procurement activities, we match funded this grant to support eligible residents with money towards equipment or services to support employment, training or basic living needs. In January 2024, an additional £10,000 was added to the Fund from the Travis Perkins Corporate Social Responsibility rebate as a result of our partnership.

From April 2023 to end of March 2024, we received 198 referrals. Approximately two thirds of the requests are for food vouchers, and a third for essential household items such as beds, washing machines, carpets etc.

At the end of March 2024 £33,720 worth of vouchers had been allocated.

Customers requesting help through the Resident Support Fund are encouraged to engage with our Money Matters service so that we can provide a thorough and holistic package of support to maximise income and reduce expenditure.



The Money Matters service helps to protect families and vulnerable people from negative implications of poverty such as poor physical and mental health, barriers to work, and social isolation. This is in addition to the primary function of providing the best chance of sustaining their tenancy and avoiding homelessness.

To make sure that help and advice are as accessible as possible, we have also redefined the role of our housing officers to be a more visible and accessible local presence, tasked with concentrating resources and coordinating with other agencies in neighbourhoods that need most support. This service works closely with the Money Matters team to provide specialist, individual help with budgeting, benefits and work opportunities. Despite the recent and ongoing cost-of-living pressures, we've been successful in helping people to avoid and manage rent arrears, which continue to be low and stable.

Further support and tenancy sustainment initiatives include:

- ▶ Expanding our Money Matters Team to enable us to better support our tenants during a cost-of-living crisis.
- ▶ Developing a Tenancy Sustainment Service in partnership with Erewash Borough Council which can offer support to existing tenants who are becoming at risk of losing their tenancy and to new tenants with additional vulnerabilities who need support to successfully settle into their new home.
- ▶ Midlands Rural added two extra people to their housing management team to be out-and-about in rural communities, providing welfare support and helping people to sustain their tenancies.
- ▶ Use of income analytics to allow us to manage arrears in a more focussed way. This is facilitating earlier intervention and support for residents experiencing problems so improving our ability to avoid any potential for home loss.

Steep increases in mortgage rates have presented particular difficulties for homebuyers and owners. To ease the impact, the Money Matters team is available to Shared Owners. The team can help Shared Owners to claim benefits, grants and make charity applications. The team can also access our in-house Resident Support Fund on behalf of Shared Owners, to help them access food vouchers and other essential items.

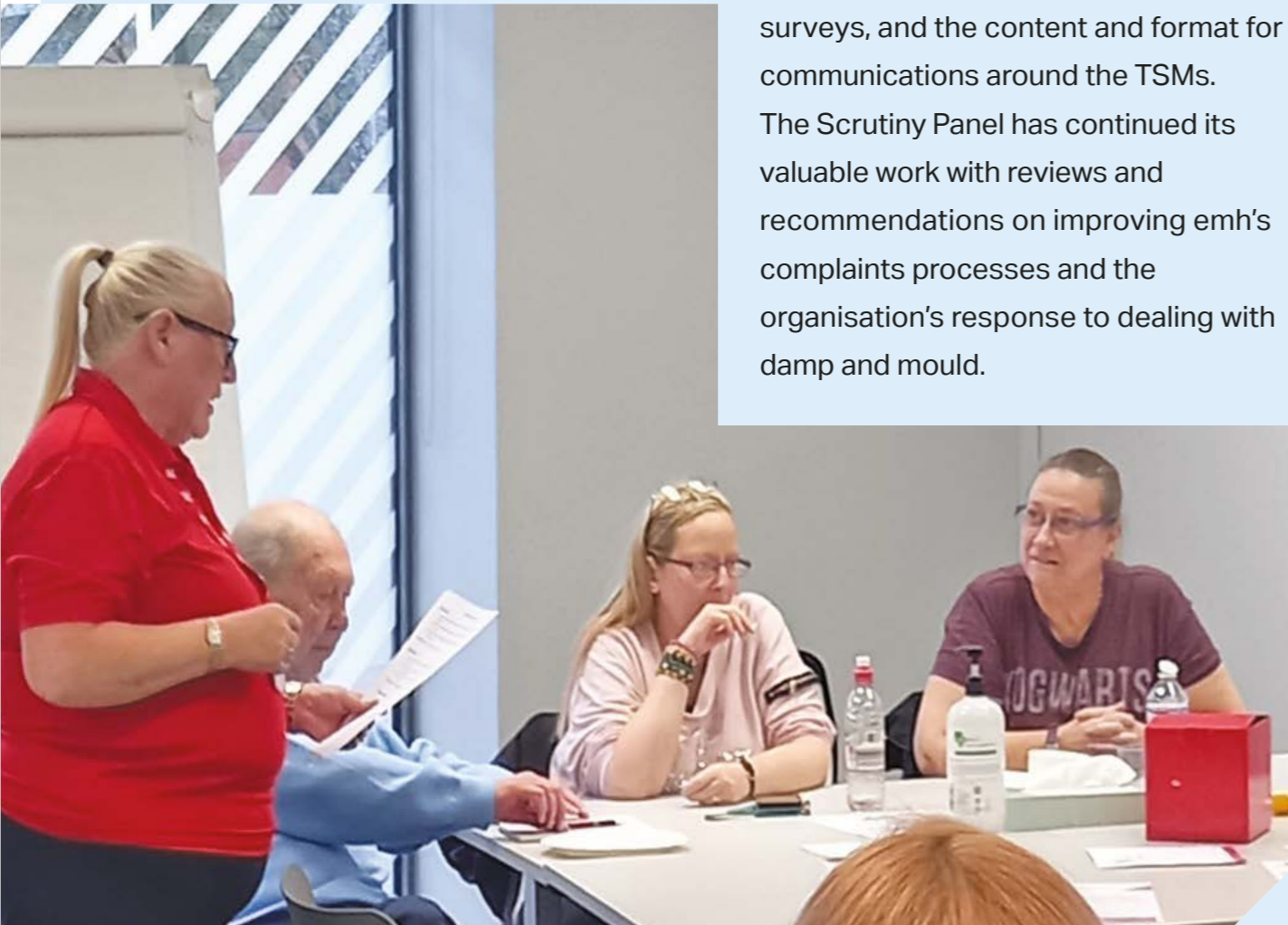


Real challenge and improvement

Since its first meeting in August 2023, the Residents Influence Committee (RIC) has considered reports demonstrating how the voice of the customer is heard, and how the customer has been able to influence design, delivery and decision-making. RIC members provide an assurance rating to the Board for each report with recommendations on how engagement with customers could be improved.

As part of the group's governance, the RIC makes sure that customers' perspectives and priorities play a key role in deciding the organisation's strategy at the highest level.

To drive improvement in homes and services, the Service Quality Evaluation Group (SQEG) has focused on reviewing performance data, consulting on resident policies, ongoing analysis of complaints data and trends, and has consulted on our approach for Tenant Satisfaction Measure (TSM) surveys. This has included looking at additional questions for the surveys, and the content and format for communications around the TSMs. The Scrutiny Panel has continued its valuable work with reviews and recommendations on improving emh's complaints processes and the organisation's response to dealing with damp and mould.



Shaping
our
Futures

"Emh officers have been very supportive in enabling us to carry out our purpose. We have forged good working relationships and am very confident that together, we will be able to affect further improvements to the services emh provides to its residents."

Rebecca, Resident Influence Committee Member



Performance against business plan targets and United Nations goals



UN goal 11. Sustainable cities and communities

Themes: Homes / Growth

Action	2022/23	2023/24
Building new homes to reduce housing need and homelessness (2025/26 target: 400-500)	466 new homes completed	402 new homes completed
Investing in existing homes	£15.4m invested in upgrading existing homes	£20.9m invested in upgrading existing homes
Overall customer satisfaction (2025/26 target: 89%)	87% overall satisfaction	73% overall satisfaction
Care Quality Commission ratings of registered care homes (2025/26 target: all 'Good' with at least half 'Outstanding')	7 'Good' and 2 'Requires Improvement'	5 'Good' and 2 'Requires Improvement' 3 yet to be rated
Customer satisfaction with responsive repairs	90.8% satisfaction with responsive repairs	87% satisfaction with responsive repairs
Sustainable rates of tenancy turnover	6.56% of tenancies changed	6.07% of tenancies changed



UN goal 1. Poverty

Themes: Homes / Care / People / Resilience

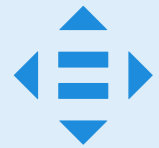
Action	2022/23	2023/24
Financial inclusion service and affordability assessments	1,356 residents helped to claim over £2.3m of extra income	2,045 residents helped to claim over £3.8m of extra income

Back to work partnerships

Working in partnership with partners such as Loughborough College and Loughborough University to organise a job fair attended by over 300 emh residents.



Performance against business plan targets and United Nations goals



UN goal 10. Reduced inequalities

Themes: Homes / Care / People

Action	2022/23	2023/24
Treating people with fairness and respect (2025/26 target: at least 4.5 out of 5)	Average rating of 4.5 by care service users	Average rating of 4.6 by care service users

Homes and support for people sleeping rough, refugees and black and ethnic minority communities

We provide over 40 properties for customers experiencing homelessness either directly managed or through managing agent arrangements. Altogether these provide more than 200 bedspaces of supported accommodation.

We have 12 units of accommodation throughout Leicestershire for which we provide a Homes First/My Home service. These properties are offered on a tenancy to applicants who have experienced entrenched homelessness and trauma. We have two dedicated

Officers to support these residents, and the properties are offered fully furnished, and with carpets, blinds / curtains, white goods and electrical items.

We contribute to ending migrant homelessness and participate in schemes which provide homes for people who are refugees or seeking asylum, such as the Afghan Relocations and Assistance Programme.



Governance

How we work is just as important to us as what we do. The group's financial stability and sound management of risk provide the foundation for all our activities, while our people, partnerships, data and systems make the right things happen.



Strong and sustainable

We've generated extra borrowing capacity by negotiating new financial covenants with lenders. This will support our continued growth, while also ensuring we can meet net-zero requirements, invest in existing homes, and maintain at least two years' supply of finance to cover operating costs. We constantly seek savings through better procurement; these savings create extra funds to invest in our work.

Like many registered housing providers, our regulatory rating for viability was changed to 'V2' in 2022 in response to national economic conditions. But we retain the highest 'G1' rating for compliance and an 'A' Standard & Poor's rating with a 'Stable Outlook' for long-term credit and liquidity.



An excellent employer



In an increasingly competitive jobs market, we've looked hard at the terms, conditions, experience and opportunities we offer to our people. This is especially important in securing the long-term viability of our care business, and in using the Apprenticeship Levy to support apprenticeships across the group. We have now almost reached our five-year target of creating 250 apprenticeships.

The corporate services, development, Midlands Rural Housing divisions, and grounds maintenance social enterprise have been accredited with the ISO 45001 standard for health and safety. We plan to extend this to the whole business during the life of our strategic plan.

Using the Barrett Values model, we continuously seek to strengthen the alignment of people's individual beliefs and motivations with those of the business. And we closely monitor pay gaps for both gender and ethnicity. These measures boost people's sense of self-worth, their commitment to our vision and performance as individuals and teams.



We're a Gold Investor in People, and remain a sector leader in promoting all aspects of diversity. Our Developing Diverse Leaders programme has challenged traditional attitudes and approaches so that we can avoid unconscious bias and secure conscious inclusion. With specialist advisors Deep Insight we've developed a comprehensive new strategy for equality, diversity and inclusion. This builds on the successful Black and Minority Ethnic (BAME) Leaders Group and regular Let's talk About sessions, covering issues such as the menopause, race, sexuality and gender identity.

For senior appointments, we apply the 'Rooney Rule', which guarantees that at least one applicant from an ethnic minority is shortlisted.

In February 2023, we were successfully accredited against the 2020 Race Equality Code until February 2025.



INVESTORS IN PEOPLE
We invest in people Gold

An excellent employer

Pay gap reporting

Our data shows that we have a mean gender pay-gap of 10.8% in favour of male colleagues (compared to 9.2% sector average – sample of 147 Housing Associations and Groups). This is an increase from 9.1% in 2022. This is the first increase since 2020, and is the highest pay gap for emh since the same period.

It is not currently a legal requirement for companies to publish ethnicity pay gap data. However, it is increasingly being recognised as good practice for companies to analyse this data. We first analysed our ethnicity pay gap report in 2020, but were only able to analyse data for those colleagues who had disclosed their ethnic origin to us. In 2023, these account for 90.5% of our pay gap sample. This is up from 83.5% in 2021.

Our annual ethnicity pay gap reporting in 2022/23 showed we had a mean -8.4% pay gap in favour of colleagues from ethnic minorities.

Sector and regional influence

We work to meet UN goal 17 'Partnerships for the Goals' through our active involvement in the Chartered Institute of Housing, National Housing Federation, PlaceShapers, East Midlands Chamber and CBI Midlands. The group continues to have a powerful voice in policy-making and regional priorities. Our Strategic partnership with the East Midlands Chamber has enabled us to engage with Chamber members across the region to influence positive change on EDI perception and practices. Details of our most recent joint research can be found [here](#).



First aid for mental health

As part of our work to meet UN goal 3 'Good Health and Wellbeing', we've trained 16 colleagues to become certified mental health first aiders. They now act as an initial point of contact for colleagues who are experiencing a mental health issue or emotional distress. The first aiders provide a mix of early intervention and crisis support so that people can get appropriate, expert help.

"I know how hard it is to cope with mental health issues and to lose someone you love to suicide. Being a mental health first aider is not just a skill, it's a responsibility."

Mental health first aider colleague

In addition to the Mental Health First Aider programme, we support colleagues' wellbeing by continuing to provide a comprehensive Employee Assistance Programme (EAP). The EAP provides confidential support and counselling services to colleagues and anyone in their household. Included in the support is free counselling of 6 sessions per 'event' per year, and advice on financial and legal issues.



Performance against business plan targets and United Nations goals



UN goal 4. Quality education

Themes: People / Growth / Resilience

Action	2022/23	2023/24
Employing and training apprentices	233 apprenticeships begun since 2018	250 apprenticeships since 2018



UN goal 5. Gender equality

Themes: People / Growth / Resilience

Action	2022/23	2023/24
Equal representation of men and women across our leaders and board	57% of leaders are women	63.5% of leaders are women
	43% of board members are women	50% of board members are women



UN goal 8. Decent work and economic growth

Themes: People / Growth / Resilience

Action	2022/23	2023/24
Value for money (2025/26 target: to increase by less than consumer price index inflation)	£3,596 average total cost per property	£4,173 average total cost per property
Minimum interest cover (2025/26 target: 125%)	147% vs minimum 125%	144% vs minimum 125%



UN goal 10. Reduced inequalities

Themes: People / Growth / Resilience

Action	2022/23	2023/24
Target for at least 11% of our workforce, and 14% of leaders to be from ethnic minorities	11.1% of colleagues and 11.3% of leaders from ethnic minorities	13.6% of colleagues and 11.6% of leaders from ethnic minorities
Board ethnicity (2025/26 target: 25% of board members from ethnic minorities)	22% of board members from ethnic minorities	19% of board members from ethnic minorities

Please get in touch if you'd like to know more about any of the stories and information contained in this report.

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