



NEWS RELEASE

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Great Places credit ratings remain unchanged following annual review

Credit ratings agencies Moody's and Fitch have confirmed that Manchester-based Great Places Housing Group's rating remains unchanged, despite the significant financial impact of last year's budget.

Their annual reviews include detailed scrutiny of Great Places' revised business plan that was developed in response to George Osborne's budget in July.

Fitch rates the award-winning housing association, which owns more than 18,000 homes in the north west and South Yorkshire, 'A+' while Moody's has confirmed an A2 issuer rating and both agencies have confirmed a stable outlook for the business.

The ratings review takes into account factors such as demand, operational efficiency, debt dynamics and management. It also incorporates public support factors, notably the strong predictability of housing associations cash flow through government funding and capital grants.

Last year there were various announcements affecting the housing sector, including publishing of the new Regulatory Framework by the Homes and Communities Agency, the offering for tenants of the right to buy (RTB) their home at the same discounts available for council tenants, and the reduction of the social housing rents by 1% a year for four years starting in April this year. This led to housing associations across the sector revising their business plans.

Great Places Housing Group's director of finance Phil Elvy said: "I'm really pleased that our measured but detailed response to the budget in July last year, most notably the four year rent reduction and further tightening of welfare benefits, plus the subsequent voluntary right to buy agreement, has been positively received by our credit rating agencies.

"The rent reduction will impact Great Places by over £10m per annum by 2020/21, so we have proposed sustainable cost efficiencies approaching £7m per annum over a similar timeframe. We also plan to continue to invest heavily in new IT systems and in a business transformation project that will help eliminate duplication and waste, modernise our services and processes, and make us a far more efficient organisation.

“Combined with a modest reduction in our development aspirations and the likely impact of right to buy sales and replacements, we now have a revised business plan that maintains Great Places financial strength through some very difficult times.”