



Quarterly Performance Update

For the period covering
31 December 2018

Great homes. Great communities. Great people.

great
places
HOUSING GROUP

This update covers performance for the period ending 31 December 2018.

Our Performance Updates are aimed at ensuring our investors and other stakeholders receive regular, timely information regarding the performance of the Group. We will publish these reports on a quarterly basis and will produce them within six weeks of the relevant quarter end.

The information included is based on unaudited management accounts and other internal performance measures, as well as the external audit process.

Contents

.....

- 1** Financial performance
-
- 2** Operational performance
-
- 3** Corporate news
-
- 4** Feedback
-

Financial performance

The management accounts of Great Places Housing Group (“the Group”) show year to date surplus before tax of £10.2m, £1.3m better than budget. Surplus on property sales was £0.9m higher and operating costs £0.6m lower than budget. Turnover was £69.0m and operating surplus £24.4m. We expect to exceed our budgeted full year surplus of £12.1m; Great Places had set aside a budget for sprinklers or other building regulation related remedial work in this financial year, none of which has been needed thus far. Great Places will make a similar provision in the budget for 2019/20. Our projection for full year surplus before tax is c.£13.1m.

Drawn debt as at 31 December 2018 was £535.9m (Q2: £541.6m), a decrease of £5.7m due to scheduled loan repayments.

Mark to Market exposure on the Group’s free standing derivatives was £41.9m, down from £43.6m at 31 March 2018 due mainly to the change in 15-25 year swap rates. There was £18.2m cash collateral posted to meet counterparties’ security requirements, down from £18.4m at 31 March 2018.

Liquidity is strong with closing cash balances of £57.5m. Undrawn facilities immediately available are £118.3m of which £114.0m is fully secured. This does not include our £70m retained bond. Our internal financial “Golden Rules” around interest cover, gearing, operating surplus and operating cash flows funding our investment works were all met at the end of quarter three.

Operational performance

Our performance management centres around our Critical Success Factors (CSFs) designed to focus us on the delivery of our new Corporate Plan, and particularly our vision of Great Homes, Great Communities and Great People.

Digital inbound customer contacts, as a percentage of total contacts, continued to grow: we reported 83.1% at quarter three, a steady rise since year end (77.5%). There is a corresponding decrease in the number of phone contacts logged and we now have c. 4,500 customers signed up to the resident portal in our website.

Our first time fix CSF is a broad measure of our repairs service-delivery model focused on the success of our distribution centre in ensuring that operatives have the right tools and materials to do their job and that they are sufficiently multi-skilled to carry out a broader range of jobs on their first visit. As at December 2018, our rate of first time fix continued to improve with 88.4% reported against a target of 86.5%. In addition, our customer satisfaction with the repairs service was at 93.4% and we have increased productivity, with our repairs operatives now completing on average five jobs a day.

For the remainder of our CSFs we have continued to show solid progress in achieving the challenging targets. A number of them were significantly out-performing their targets at the end of quarter three: average re-let times

were at 19 days, considerably better than the stretch target of 22 days; customer satisfaction, as measured using the Institute of Customer Services methodology, was at 7.79 against a target of 7.70; and Building Greatness (our approach to improving efficiency and effectiveness) is currently projected to achieve savings of £5.8 million in this financial year against a target of £4.9 million. The only CSF which is currently behind is around staff sickness, which is beginning to show signs of improvement as leaders focus on enhancing employee engagement across the business.



Corporate news

Moody's Rating

We are delighted that Moody's have re-affirmed our A3 credit rating with a stable outlook, demonstrating the on-going financial strength and resilience of the Group. The [credit profile](#) reflects our ample liquidity, stable financial performance and debt levels, in addition to increasing exposure to market sales.

Homes England Strategic Partnership

As announced in our quarter one performance update, Great Places was selected as a Strategic Partner by Homes England to build 750 additional affordable homes across the North. In quarter three we signed the Grant Agreement with Homes England and we started on site with our first scheme under this partnership, delivering 30 homes in Wigan.

Other Development News

In quarter three we took handover of the final new home on our Croftwood Gardens scheme in Salford. The site delivered 60 new family homes: 34 for affordable rent and 26 for shared ownership. All of the shared ownership homes were reserved within 1 month of handover.

We also started a further 52 new family homes on our Eaton Works scheme in Salford: 32 for shared ownership, 14 for affordable rent and 6 for social rent. Our 52 homes are part of a larger site of 302 homes being delivered by Countryside Properties and Sigma.

A Bed Every Night

As part of Greater Manchester Mayor Andy Burnham's [A Bed Every Night \(ABEN\)](#) provision, we were delighted to announce that we are providing a night shelter for rough sleepers in Trafford this winter. Working in close partnership with Trafford Council, Trafford Housing Trust and Housing Options Service, the accommodation offers ten beds, along with bathroom and basic kitchen facilities. Read more about it [here](#).



Feedback

We welcome feedback on our performance update.

**Please contact Kal Kay, Director of Finance on 0161 447 5029
or at kal.kay@greatplaces.org.uk.**

The information included within this report is for information purposes only. The Financial results quoted are unaudited. The report may contain forward looking statements and actual outcomes may differ materially. No statement in the report is intended to be a profit estimate or forecast. We do not undertake to revise such statements if our expectations change in response to events. This report does not constitute legal, tax, accounting or investment advice.