



# Performance Update

For the period covering  
1 April 2017 to 30 June 2017

Great homes. Great communities. Great people.

great  
places  
HOUSING GROUP

This update covers performance for the period from 1 April to 30 June 2017, the first quarter of the financial year ending 31 March 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.

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# Financial performance

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The Group has a budgeted surplus of £12m for the 2017/18 financial year which is a similar level to the surplus reported in the 2016/17 statutory accounts. This demonstrates our commitment to Value for Money, and our Building Greatness programme, as we enter the third year of the 1% rent cuts.

The management accounts for the first quarter show good performance, with a net surplus of £3,562k (16% of turnover). This is broadly in line with expectations; sales performance in the quarter was on target but overall disposals were slightly behind, being wholly due to slippage on one large disposal which has been reforecast to the end of quarter two.

Drawn debt as at 30 June 2017 was £538m, with the only movement being a small repayment of capital in the quarter.

Mark to Market exposure on the Group's free standing derivatives was £46.2m, down from £50.6m at 31 March 2017. There is £27.2m cash collateral posted to meet counterparties' security requirements, a favourable movement of £610k since 31 March 2017.

Liquidity is strong with closing cash balances of £49.3m. Undrawn facilities are £110m of which £65m is fully secured. Our internal financial "Golden Rules" were all met at the end of Q1. This quarter also saw Fitch reaffirm our credit rating as "A+".

Our statutory accounts have now been approved at Board (27th July 2017) and can be viewed on our website. There were no material changes to the information provided in last quarter's update.

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# Operational performance

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At the end of quarter one, good progress is being made across our critical success factors (CSFs). Our end of year projection is currently on target across nine out of the eleven CSFs, with ongoing focus across the two which are currently behind (sickness absence and improving energy efficiency of homes) where improvement plans are being put in place.

An encouraging start has been made across overall satisfaction where we are currently performing better than target and well above the public sector and housing association average. Linked to this, the improving trend across repairs satisfaction continues, with almost 95% of customers happy with the repairs service received. In addition to this, the average time taken to complete a repair from initial reporting through to full completion was down to just 8.6 days. This was running at an average of 24.3 days back in 2015.

Income collection remains positive with arrears performance better than this time last year. Our financial year end position of 2.6% was at an unprecedented low, and we aspire to get close to that level of arrears again this financial year.

The number of new homes built across our HCA contract remains ahead of budget, 25 completed in the first quarter against a target of 15. We remain on course to achieve the target of 252 new homes by March 2018.

We have had a strong start to the year in terms of helping and supporting 97 households into work, representing a 56% increase from this time last year.

# Corporate news

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## Fire Safety

The issue of health and safety has dominated the housing sector since the tragedy at Grenfell Tower.

It has led to all housing associations with high rise apartments to reassess fire safety. We've carried out safety checks on all buildings of six storeys or more. This has involved reviewing Fire Risk Assessments, and working closely with the fire service and our local authority partners to reassure customers with whom we have met regularly and kept fully informed throughout.

We have eight buildings that we own of six or more storeys and six that we manage on behalf of other landlords. The Department for Communities and Local Government (DCLG) requested cladding samples from all high rise tower blocks to be tested. We have had the results back from our tests and can confirm that the samples we submitted are not similar to those used at Grenfell Tower.

The "Stay Put" policy in high rise apartments came under scrutiny in the days following the tragedy. We reviewed ours and only one scheme, WestPoint View in Bolton, has been changed to an evacuate policy, with fire alarms now retrofitted.

## Development

Great Places has been successfully appointed to the Homes and Communities Agency (HCA)'s Delivery Partner Panel 3 (DPP3) list.

In order to streamline the costly process of public sector procurement, the HCA provides a pre-qualified list of 70 organisations split into five regions across the country.

The list is then free to use for government departments, NHS trusts, schools, universities, councils, housing organisations and other public bodies seeking partners for residential developments on their land.

Great Places submitted a strong successful bid to be included on the DPP3 list, which demonstrated our ability to develop homes effectively, sustainably and cost-efficiently. This is great news for the organisation, as it will give us access to a wide variety of land and development opportunities.

## Governance

As part of our efforts to plan for the future and strengthen the strategic leadership of the organisation, we are recruiting two new Board members for Great Places. We are looking for candidates who have skills and knowledge of business systems, digital communications and social media. We are also recruiting a Board member for Cube, our commercial subsidiary that undertakes non-charitable activities including development of new properties for market sale and rent. We want someone with knowledge of residential development, land markets and the planning system. The new members are expected to be appointed in September 2017.

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# Feedback

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We welcome feedback on this performance update.

Please contact Phil Elvy, Executive Director of Finance, on **0161 447 5028** or **phil.elvy@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.*