



Performance Update

For the period ending
30 September 2019

Great homes. Great communities. Great people.



This update covers performance for the period ending 30 September 2019.

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.

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Financial performance

QUARTER TWO FINANCIAL RESULTS

For quarter two the management accounts of the Group show year to date surplus of £8.7m, £1.9m better than budget. Property sales, including first tranche shared ownership properties and open market sales, and the sale of fixed assets such as staircasing shared ownership properties, exceeded budget by £1.2m. Net interest costs, repair costs and bad debt expense were all better than budget. Turnover year to date was £52.4m and operating surplus £24.9m.

Drawn debt (excluding bond premium and including finance leases) as at 30 September 2019 was £535.5m (March 2019: £535.7m).

Mark to Market exposure on the Group's free standing derivatives was £52.7m, up from £44.9m at 31 March 2019, due mainly to reductions in 15-25 year swap rates. There was £30.2m cash collateral posted to meet counterparties' security requirements, up from £19.3m at 31 March 2019.



We are fair, open and accountable

Liquidity is strong with closing cash balances (excluding cash held on behalf of leaseholders) of £42.9m. Undrawn facilities immediately available are £117.3m of which £112.6m is fully secured, with £79m being revolving credit facilities. This does not include our £70m retained bond, which we can sell at any time. 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 the quarter.

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Operational Performance

Our performance management centres around our Critical Success Factors ("CSFs") which are designed to focus us on the delivery of our Corporate Plan, and particularly our vision of "Great Homes, Great Communities, Great People". We have ten CSFs for 2019/20, as well as three-year targets and ten-year ambitions within our Corporate Plan. The CSFs give immediate oversight on progress against our vision and key objectives.

As the end of quarter two, we are on target or better with five of our ten CSFs. Three of the remainder are annual targets, which we aim to achieve by March 2020: Group Surplus, Development Completions and Stock Condition Data. For each of these, we are where we would expect to be at the mid-point in the year.

Sickness days per colleague has improved significantly over the past twelve consecutive months, reducing to 8.6 days, which is our lowest level since April 2017. We exceeded our stretch target on colleague engagement, which is one of our new CSFs, with our quarter two

engagement result being 84%, above our stretch target of 80%. Overall customer satisfaction has remained at a steady level during the last six months at 7.3/10, against a very ambitious target of 7.85/10, however it should be noted that performance remains above the housing association average of 7.04/10 using the Institute of Customer Service (ICS) benchmarking. Our % digital contacts CSF also remains steady around the 50% mark, but we have raised our target for 2019/20 and we will continue to focus our efforts on achieving this. We remain better than target for arrears, re-let times and helping households into work, training and volunteering.



We appreciate the effort of everyone who works with us

Corporate news

ANNUAL REPORT 2019

In our 10th anniversary year, we are celebrating another outstanding year for Great Places. We have come a long way since 2009 and key to our success has been our commitment to delivering our vision: maximising our investment in sustainable homes, building successful vibrant communities and providing outstanding customer service and support. It's our mantra: Great homes. Great communities. Great people. The Annual Report 2019 is now available to read on our website, **Corporate and investor information**.

LEGAL PARTNERSHIP WITH EQUITY HOUSING

Great Places Housing Group Limited has been selected by the board of management of Equity Housing Group Limited as its preferred partner to form a long term legal partnership. For more details please see the Great Places website, **Corporate and Investor Information**.

STRATEGIC PARTNERSHIP WITH HOMES ENGLAND UPDATE

Great Places Housing Group successfully secured extra funding through its strategic partnership with Homes England. Total funding of £20.5m will build an additional 534 homes in the North West over the next four years: £6.3m of that was awarded to Great Places to deliver 149 properties, with the remainder to be delivered by partners.. The funding is in addition to the £30m grant Great Places obtained as part of its Wave 1 Strategic Partnership contract with Homes England in July 2018. It means Great Places and its partners will be able to build 1,284 additional affordable homes including social rent, affordable rent, rent to buy and shared ownership over the next four years. More detail is on our website page **Latest News**.



We promote partnerships,
efficiency and value for money.

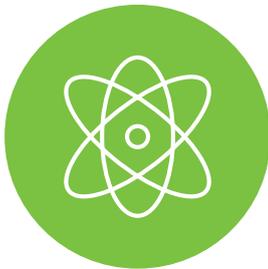


AWARDS AND RECOGNITION

Plumlife, the sales and marketing team in Great Places, were announced as Home Ownership Team of the Year at the National Housing Awards in September. The team demonstrated their hard work and commitment to delivering excellent customer service, achieving ambitious sales targets and showing innovation in delivering affordable home ownership. As well as selling homes for Great Places Housing Group, the team also sell on behalf of Local Authorities and other housing associations, sharing their expertise and experience with others to enable the successful delivery of shared ownership sales.

The Great Places customer contact centre, 'the Hub', was crowned Small Contact Centre of the Year at the Call North West Awards in October 2019. The team in the Hub were shortlisted for their outstanding work and results following the launch of the new service delivery model in October 2018. The Hub was born out of our Building Greatness programme, our values-led journey of change, and works to ensure that we are always providing excellent customer service and are efficient and effective in delivering our vision.

Great Places Development Team and Cube Homes are celebrating being shortlisted as finalists for the prestigious Inside Housing Development Awards.



We passionately embrace creativity, change and innovation.

GREAT PLACES CUSTOMER SERVICE WEEK 2019

In October we took part in the Institute of Customer Service (ICS) National Customer Service Week. It's important that we know, respect and care about our customers, it's one of our values and by doing that we can provide them with the best possible customer experience. One of the ways that we can ensure we're doing this, as well as continually improving our service, is to share the wealth of skills and knowledge within the Great Places workforce across the business. Activities included "Back to the floor" where senior leaders went out with frontline colleagues, and job shadowing opportunities. We also held an event for our customers to celebrate our successes from the past 10 year and consider our vision and values for the next 10 years.



We know, respect and care about our customers.

UNIVERSAL CREDIT IMPACT REPORT

Our customer scrutiny group 'Insight' have produced a positive report on the impact of Universal Credit on Great Places customers and the support provided through the transition period. Great Places will deliver on the recommendations made.



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.