

Quarterly performance update



Covering performance for the
quarter ending 30 June 2021

**Great Places is rated G1/V1 by the
Regulator of Social Housing (RSH)**



Contents

1. Financial performance:	
Quarter one results	3
2. Operational performance	4
3. Corporate news	5
Environmental	5
Social	6
Governance	7

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.

1. Financial performance:

Quarter one results

The management accounts of Great Places Housing Group (the Group) show year to date surplus of **£7.4m**, **£1.1m** better than budget. Turnover in the period (all income including property sales) was **£40.6m** and operating surplus **£13.8m**. Turnover, net interest costs and the surplus on property sales are all close to budget, with the current positive variance driven by operating costs being **£1.0m** better than budget. This is primarily due to Development Income, driven by the timing of development expenditure. Performance against covenants and golden rules are all comfortably better than target.

Drawn debt (excluding bond premium, fair value adjustments and loan fees and including finance leases) as at June 2021 was £660.6m (March 2021: £661.1m); the movement is due to scheduled loan repayments.

The Group's Mark to Market exposure at the end of quarter one was £41.7m (March 2021: £41.9m). There was £21.0m cash collateral posted to meet counterparties' security requirements (March 2021: £21.1m).

Cash balances (excluding cash held on behalf of leaseholders) were £137.8m at the end of quarter one, largely unchanged since March 2021 due to Homes England grant received (for Great Places and delivery partners) offset by the construction spend during quarter one. Undrawn bank and other capital facilities immediately available were £128.7m, of which £120.8m is fully secured. Our internal financial "Golden Rules" around interest cover, gearing and operating margin were all met at the end of the period.



We are fair, open
and accountable

2. 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 eleven CSFs for 2021/22, set in March 2021. Two of these are new additions – Higher Risk Building Safety, which replaces Trusted Stock Condition Surveys as a CSF, and a Data Completeness CSF, a composite measure looking at our data completeness over five key data areas (Customer, Tenancy, Property, Blocks & Colleagues), added to support our Data Action Plan.

We currently have 23 higher risk buildings which require an intrusive survey and possible consequential work to be completed. The target for this year is to complete 12 surveys, with one survey having been completed during quarter one. As at June 2021 we have a data completeness of 60%, in line with our phased monthly target. The year-end target is to have 93% data completeness.

These are both on track, alongside six other CSFs, with two of these currently achieving their year-end stretch targets: Colleague Engagement and Average re-let time.

Colleague Engagement has increased from 74% to 82% following our latest Pulse survey, above the stretch target of 80%. Our average re-let time was 19.2 days, better than our stretch target of 21.0 days.

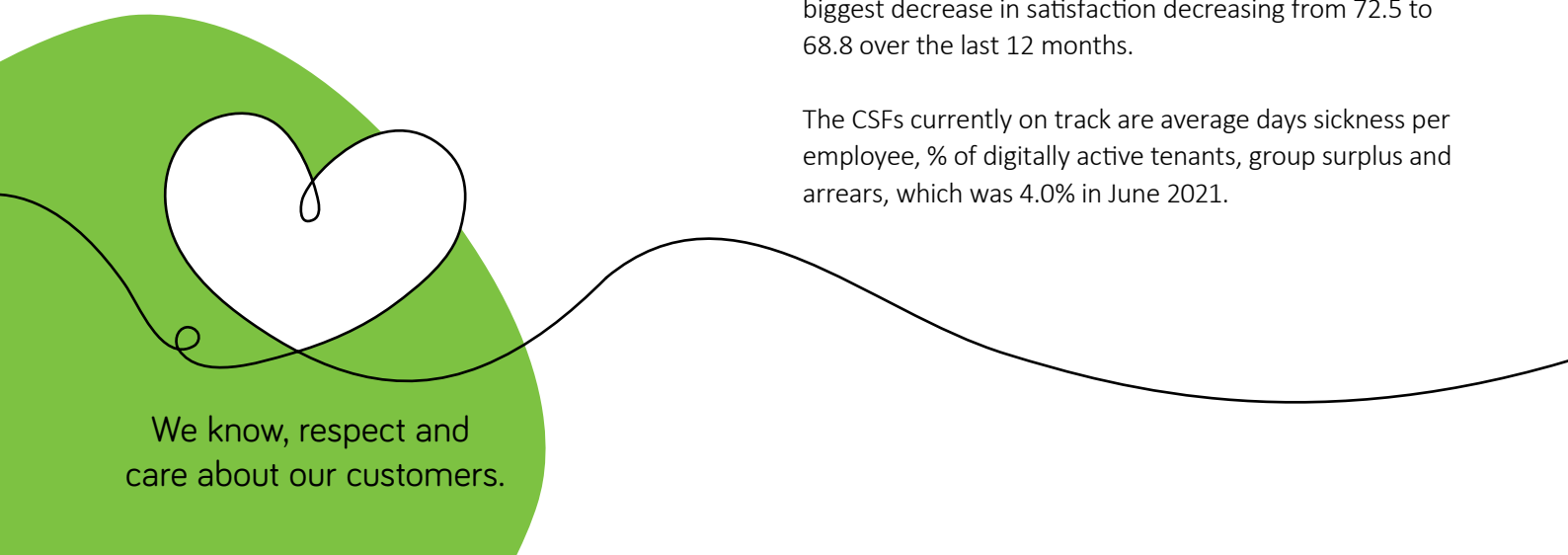
Whilst performance over quarter one has been largely positive, there are certain areas such as development completions, customer satisfaction and households into work, training & volunteering where there are some early warnings around performance against our targets.

There were 106 Development Completions during Quarter one, lower than the target of 188. Completions are running behind the original forecast, mostly as a result of quality issues on plots which we are working closely with contractors to put right and deliver high quality properties. As at the end of June we had 1,425 homes on-site.

At the end of quarter one we have helped 152 households into employment, training & volunteering, behind the phased target for this stage of the year. We expect to see engagement with Employment and Skills services increase over the next quarter following the easing of restrictions.

This year, our Customer Satisfaction CSF has changed from a year-to-date figure to a rolling 12 month figure, and remains a composite score based on all our customer groups. At the end of June we had a customer satisfaction of 7.06, a decrease from 7.25 at year-end and below the CSF target of 7.30. This decrease is consistent with the Institute of Customer Service's latest UK Satisfaction Index which showed a decrease in the Public Services Local sector with housing associations seeing the biggest decrease in satisfaction decreasing from 72.5 to 68.8 over the last 12 months.

The CSFs currently on track are average days sickness per employee, % of digitally active tenants, group surplus and arrears, which was 4.0% in June 2021.



We know, respect and care about our customers.

3. Corporate news

These stories illustrate some of our recent activities, particularly in terms of Environmental, Social and Governance.

Environmental

Great Places teams up with BRE Group on research to tackle carbon emissions

Great Places Housing Group has teamed with building research specialists BRE Group on a project to develop a strategy for its affordable development programme to be zero carbon ready by 2038. As part of the project, BRE, who provide research and advice to a range of bodies including the UK Government, will undertake a comprehensive analysis of Great Places' current operations and practices to understand what net zero carbon will mean for the team. The aim is to identify the changes needed and provide a range of practical recommendations that the housing group can implement to reduce the carbon footprint of its future affordable development programme. The move is also in line with Great Places' recently launched three-year Carbon Management Strategy, which outlines how the group will reduce its carbon emissions by 15% year on year, with the aim of being a net zero-carbon business by 2038.



Bowland House, Blackburn refurbishment

The refurbishment of Bowland House is one of the first major projects to commence on a tower block following the production of the draft Building Safety Bill. We are now six months in and works are progressing well. Our contractor Casey has worked collaboratively with both the local authority's building control department and Lancashire Fire and Rescue Service to identify the most appropriate approach to ensure we are compliant with the requirements detailed in this bill. You can read the full story on the Great Places website, Latest News [here](#).



Social

Great Places joins national initiative to provide homes for rough sleepers

Great Places Housing Group has joined other housing providers to offer homes as part of the Government backed UK-wide investment programme to create dedicated housing to help rough sleepers to rebuild their lives away from the streets. As part of the £212 million Rough Sleeping Accommodation Programme we have worked with Greater Manchester Combined Authority, Manchester City Council and Salford City Council to make nine homes available from its existing and newly acquired stock. The homes will enable people who sleep rough, or at risk of sleeping rough, to be rehoused in secure, long-term accommodation. Through the scheme, the rough sleepers will also be supported by specialist staff to access the help they need, such as support for mental health or drug and alcohol issues, so they can move towards training and work and finding a permanent home.



How we are working to make our Anchor Neighbourhoods great places to live

Over the last year we have been busy working with customers and partners on a variety of initiatives and we've now put together an update to share how we are working towards the vision of making our anchor neighbourhoods great places to live. We published updates to Neighbourhood Plans for each of the four Anchor Neighbourhoods, you can find them on our website [here](#).

New Integrated Housing and Mental Health Support for Vulnerable Tenants

Great Places has joined other leading housing providers to partner with Greater Manchester Mental Health NHS Foundation Trust (GMMH) to pilot a new project that will deliver vital mental health support to tenants in their homes. The integrated care partnership is a collaborative approach to address health inequalities and is piloting a focused model of individualised care to support tenants with escalating mental health concerns.



Governance

Regulator for Social Housing In Depth Assessment (IDA)

Following an In-Depth Assessment (IDA), Great Places Housing Group has received a top rating of **G1/V1** from the Regulator of Social Housing (RSH). The regulatory judgment can be found on the [GOV.UK website, Housing Regulation section](#). This is an upgrade from the G1/V2 interim judgment in April 2020 due to the merger.

The wide-ranging IDA process was carried out entirely virtually and during the assessment the IDA considered the excellent integration progress, alongside the ongoing provision of high-quality services for our customers, and the continuing delivery of our operating principles of financial strength and good governance.

Chief Executive Matthew Harrison said: “The hard work and dedication of our 800 colleagues, who have worked tirelessly in such challenging circumstances during the pandemic, has been instrumental in helping us to build upon our values, and achieve our vision of Great Homes, Great Communities, Great People.

Year end audit 2020/21

The year end audit of statutory accounts is drawing to a close with no material issues identified. Final approval is expected in August and adoption at the AGM in September 2021.

Board Member and Director update

Three new Board Members were successfully appointed following a recruitment exercise in summer 2021 in line with our Board Succession, Recruitment and Development Policy. Patrick Ricketts and Nahim Ruhi-Khan will also be members of the Audit and Assurance Committee and Sandra Palmer will be a member of the Remuneration and Appraisal Committee. Board profiles are available on our website: [Great Places Housing Group > About us > Board members](#). Their appointments were approved at the July Board meeting and will be ratified at the AGM in September 2021.

Additionally, we have appointed a new Director of Finance, Julie Lynch, who will join Great Places this autumn.

Great Places shortlisted for awards

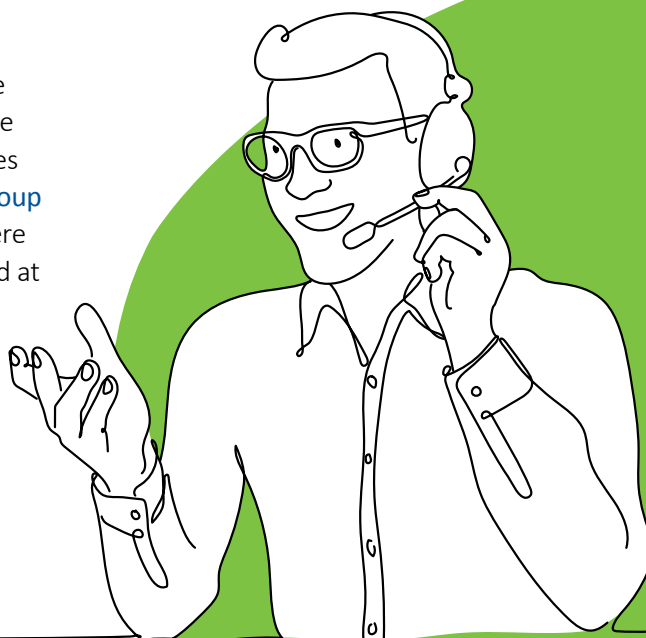
Inside Housing Development Awards, November 2021:

- The Affordable Development Team’s work with ENGIE, Rotherham Council, Sanctuary Homes and Wise Living on £28m redevelopment of a brownfield site at Whinney Hill and Chesterhill Avenue, in the Thrybergh area, has been shortlisted for a best partnership award.
- The Environmental Team’s partnership with Knauf Energy Solutions (KES) and Knauf Insulation Northern Europe (KINE) on the renovation of 28 of our homes in Trafford is shortlisted for the inaugural Climate Change Retrofit Project of the Year.

The winners of the Inside Housing awards will be announced at a ceremony on Wednesday 4 November.

Women in Housing awards, September 2021: Anila Khalid, Head of Neighbourhoods, has been shortlisted in the Woman of the year (tenant/customer focus) category.

Housing Hero awards, September 2021: the Greater Manchester Housing First pilot has been shortlisted in the Support and Care team of the year category for its incredible work across all ten boroughs in Greater Manchester.



Affordable homes plans submitted for landmark Ancoats Dispensary site

Great Places Housing Group has submitted plans to redevelop the iconic Ancoats Dispensary. In partnership with Manchester City Council and part funded by Homes England, plans are to redevelop what remains of the Grade 2 listed former hospital into a mixture of 39 one and two bed apartments which will be available for affordable rent. The plans also look to compliment Great Places' existing homes and its ongoing commitment to the development of Ancoats and New Islington area in Manchester.

Mayor of Stockport breaks ground on Great Places' £24million Heaton Mersey development

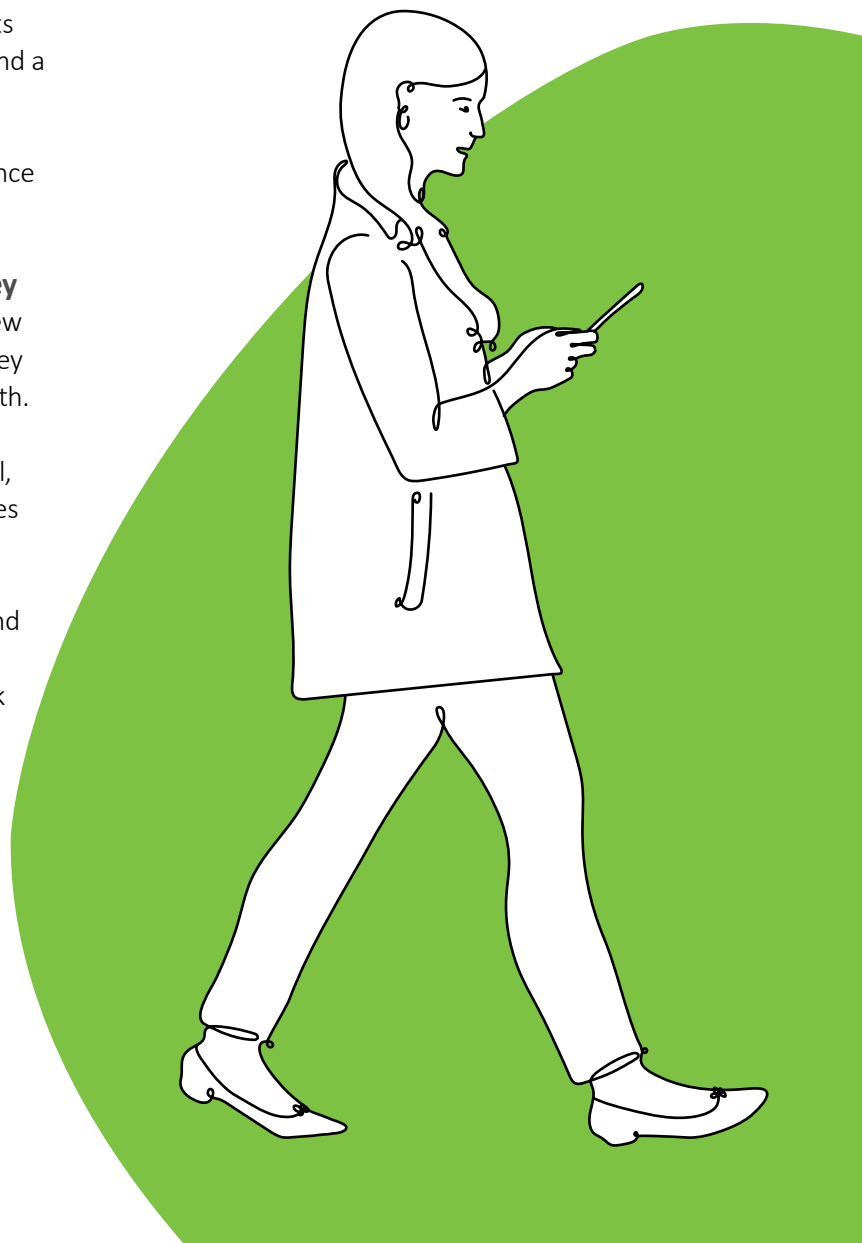
Mayor of Stockport, Councillor Adrian Nottingham, officially marked the start of construction work at Great Places £24m flagship housing development at the former Cranford Golf Centre in Heaton Mersey, Stockport, which has been vacant since 2014. The new development will provide 106 new homes, including a mixture of two, three, and four-bed affordable houses and apartments for social rent, shared ownership (through Plumlife) and a further five homes for market sale (through Cube Homes). We're delighted to bring this flagship development to Stockport, our first in the borough since our merger with Equity Housing Group last year.

New £4.5million development in Higher Blackley

Plans are progressing on a new development of 25 new affordable homes on Victoria Avenue in Higher Blackley following Great Places acquisition of the site this month. Great Places' Housing Group's £4.5m development, delivered in partnership with Manchester City Council, housing developer Mulbury and part funded by Homes England, looks to transform the site that has been derelict for the past three years into much needed affordable homes. The site will be a mixture of two and three-bedroom homes for social and affordable rent built to meet Manchester Space Standards which look to ensure the delivery of high quality residential development as part of successful and sustainable neighbourhoods across Manchester.

Forge New Homes breaks ground at its first site

Our Sheffield joint venture, Forge New Homes, and Caddick Construction have officially started on site of the new 98-home The Hedgerows development in Pilsley, North Derbyshire. The seven-acre scheme is situated near Clay Cross and Chesterfield and due for completion in summer 2023. The development will also offer 30 much needed affordable housing and shared ownership homes within a mix of two, three and four bedroom properties, including bungalows. The £12m project was made possible through the joint venture with Great Places and four other Sheffield housing providers - the Guinness Partnership, South Yorkshire Housing Association Together Housing, and Yorkshire Housing. Full story on our website [here](#).



Feedback

We welcome feedback on our performance update. Please contact Denise Campbell, Head of Treasury at **denise.campbell@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.