

Quarterly performance update



Covering performance for the
quarter ending 30 September 2021

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



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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 two results

The management accounts of Great Places Housing Group (the Group) show year to date surplus of **£11.1m**, **£0.4m** better than budget. Turnover in the period (including 1st tranche and outright property sales) was **£78.7m** and operating surplus was **£23.9m**. There was **£0.7m** less rental and other income; **£0.9m** more surplus on property sales (including fixed asset sales); and **£0.2m** less operating expenditure. Lower income is mainly due to the timing of development handovers, plus some temporary voids due to building safety works and sustainability reviews. Higher property sales mainly relates to staircasings, Right To Acquires and sales to other RPs. Operating expenditure was a mix of higher Repairs and Maintenance and Major Repairs spend, offset by better bad debt expenditure and lower overheads.

Drawn debt (excluding bond premium, fair value adjustments and loan fees and including finance leases) as at September 2021 was £660.1m (March 2021: £661.1m): the movement is due to scheduled loan repayments.

The Group's Mark to Market exposure at the end of quarter two was £38.4m (March 2021: £41.9m). There was £21.6m cash collateral posted to meet counterparties' security requirements (March 2021: £21.1m).

Cash balance (excluding cash held on behalf of leaseholders) was £129.1m at the end of quarter two, (March 2021: £135.4m). Undrawn bank 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.

CSFs on track or better than target: Higher Risk Building Safety, % Digitally Active Tenants; Average Re-Let Time; Households into Work, Training & Volunteering; Current Arrears; Colleague engagement; Group Surplus; and Data Completeness.

- Higher risk buildings: we identified buildings that require an intrusive survey and possible consequential work to be completed. The target for this year is to complete 12 surveys: four surveys were completed by quarter two, nine more have works in progress and we are in the planning stage for two more.
- 44.7% of customers were classed as being digitally active (current tenants where 50% or more of their contacts over the last 12 months were digital), with a target of 45.0% by year end.
- Average re-let time of just 18.2 days is better than (lower than) the stretch target of 21.0 days.
- Households into Work, Training & Volunteering: so far this year the Community Investment Team have supported 380 customers into such opportunities, CSF target 375.
- Arrears at the end of September were 4.2%, representing £3.28 million, and better than (lower than) the CSF target of 4.5%.

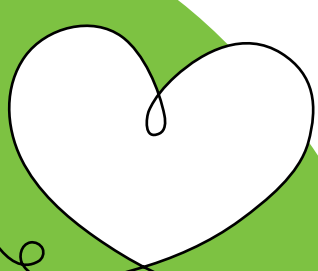
- Colleague Engagement achieved 82%, better than the stretch target of 80%.

Whist CSF performance during quarter two has been mainly positive, these are three areas where we have early warnings around performance against our targets.

252 Development Completions in the year to date (CSF September target: 350). The current situation, which is reflective across the sector, has delivery challenges particularly with labour, materials, approvals and land registration. We’re working closely with our contractors across our sites to try ensure we maximise our completions in a timely manner while maintaining quality.

Customer satisfaction was 7.0/10 at the end of September, below the CSF target of 7.3/10. The decrease is consistent with the Institute of Customer Service’s latest UK Satisfaction Index for the Public Services (Local), where 34.1% of respondents scored customer service in the sector lower because of changes during the Covid-19 pandemic. Communication with colleagues, who we thank for their continued efforts, has focused on customer satisfaction and we are pleased to see the score improved in the month of September.

Average days sickness per employee in September was 9.0 days (CSF target 8.6 days). We do expect to see this higher instance of short term absence increase over the autumn and winter months, with more seasonal illnesses due to reduced population immunity following the lockdowns during last winter. We have launched our annual ‘flu jab offer to colleagues to support them to keep themselves safe and well over Winter.



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.

Great Places Sustainability Report 2021 has been published

Great Places is an early adopter of an Housing Association industry-led sustainability reporting standard designed to unlock institutional investment to help tackle the UK's deepening housing crisis. The aim of the standard is to provide a voluntary reporting framework for housing providers to report on their ESG performance in a transparent, consistent and comparable way. This will make it easier for lenders and investors to assess the ESG performance of housing providers and identify ESG risks and opportunities that will create positive social and environmental outcomes. Lenders and investors, including Lloyds Bank, LGIM Real Assets, M&G and NatWest, have agreed to use the standard in their investment and credit policies, processes and/or product design. As part of our commitment to the new standard from 2021 we will report against the standard annually. The report highlights the work we are doing as an organisation in relation to standards 48 criteria, covering ESG considerations such as affordability, fire safety and net zero carbon emissions.

[View our Sustainability Report 2021](#)

Environmental

Energy Efficiency actions

Great Places has targeted homes without an EPC to ensure we have good data on energy performance and to give us the ability to prioritise our worst performing homes. We are undertaking a programme of loft and cavity wall insulation to improve energy efficiency.

We installed a 70 kwh peak photovoltaic panel system on our Head Office to reduce our reliance on grid electricity and replaced the air conditioning units to more efficient models to reduce our carbon footprint.



Increasing green space and promoting bio-diversity

The profile of green spaces and bio-diversity has been increasing for a number of years and Great Places have commenced work to ensure our communities have green spaces and we enhance the bio-diversity in these areas. We are introducing and sustaining wild flower meadows across our schemes. This has been highlighted in new developments within Sheffield and at our Park Hill development in the city. Plans are also underway to identify and create landscape improvements retrospectively to older schemes to re-establish and increase green spaces. Great Places has also introduced a new tree policy, where we encourage the sustainability of healthy trees with a robust tree management programme. Where possible we are looking to replace any trees felled with new saplings. In addition, our work with partners such as Cheshire Green Waste has meant we can recycle our green waste into compost and introduce this back into green spaces.



Social

Andy Burnham opens Northmoor's brand new community Hub

In July 2021 the Mayor of Greater Manchester Andy Burnham joined our Chief Executive Matthew Harrison, local councillors and guests to officially open a new Community Hub in our Northmoor Anchor Neighbourhood in the Longsight area of Manchester. It is in the iconic, Grade II listed building in the heart of Northmoor, a building with three retail units, 19 residential apartments and the much-loved Northmoor Community Centre. The building, owned by Great Places, has recently been refurbished at a cost of £0.4m to restore most of the stunning original features of the space. The refurbishment took around six months, seeing significant improvements made to the shops.

The Hub community facility will be used by the Northmoor Community Association (NCA) to deliver an extensive range of advice and online courses for local people, including the Next Step project, and features a community café, internet and printing services, information station and a library. The Hub services are complemented by the work of the Northmoor Community Centre which has been working with local residents for more than 20 years.

Great Places Social Impact Report 2020/2021

Social purpose is at the heart of everything Great Places do and over the last year our Community Investment Team has provided a range of support to those customers who were impacted hardest by the Pandemic, alongside maintaining delivery of projects, initiatives and services that make a positive difference to customers and improve lives over the longer term. Our Social Impact Report 2020/21 takes a look back over the last year and contains stories from our customers and our partner organisations about the work we have been doing to make a positive difference for our customers and our communities.

[View our Social Impact Report 2020/21 here](#)

Finalists in the CIH North Awards: Greater Manchester Housing First and the GREATER Together culture project

Great Places is celebrating a double awards success as Great Places and Greater Manchester Housing First (GMHF) have both been selected as finalists in the CIH North Awards. Great Places has been shortlisted in the Excellence in Cultural Change and Transitioning category for our GREATER Together culture project, while GMHF has made the shortlist in the Housing Team of the Year category. The results will be announced at an awards ceremony in Gateshead on 18 November.



Customer campaign launched to prevent condensation and mould

To help our customers prevent condensation in their home Great Places has launched a campaign with tips to keep homes moisture-free. The campaign featuring the character Detective Damp will aim to support customers to take practical steps to reduce condensation in their homes and to prevent damp and mould from occurring and who to contact if further support is needed.



Governance

Great Places Housing Group announced as new Homes England strategic partner

At the beginning of September, Great Places Housing Group received the notification that it had been successful in its bid to become a new Homes England strategic partner. The £240.8m of funding that will be received will enable Great Places to develop 4,920 grant-funded homes across the North by 2028. This announcement builds on Great Places' excellent delivery success which has seen a high volume of new homes built by the organisation over the past few years, including through the first wave of Homes England strategic partnerships, which began in 2018. The new strategic partnership fits with the organisation's growth ambitions and provides real certainty of funding to enable future delivery of new homes at scale. Alongside the strategic partnership with Homes England, Great Places will also continue to deliver its new homes with a wide range of partners.

Annual Report and Financial Statements for Year Ending 31st March 2021

At the AGM of Great Places Housing Group Limited ("Great Places") on 16th September 2021, the shareholders agreed and adopted the Annual Report and Financial Statements for the year ending 31st March 2021.

[View our Financial Statements](#)

[View our Annual Report 2021](#)

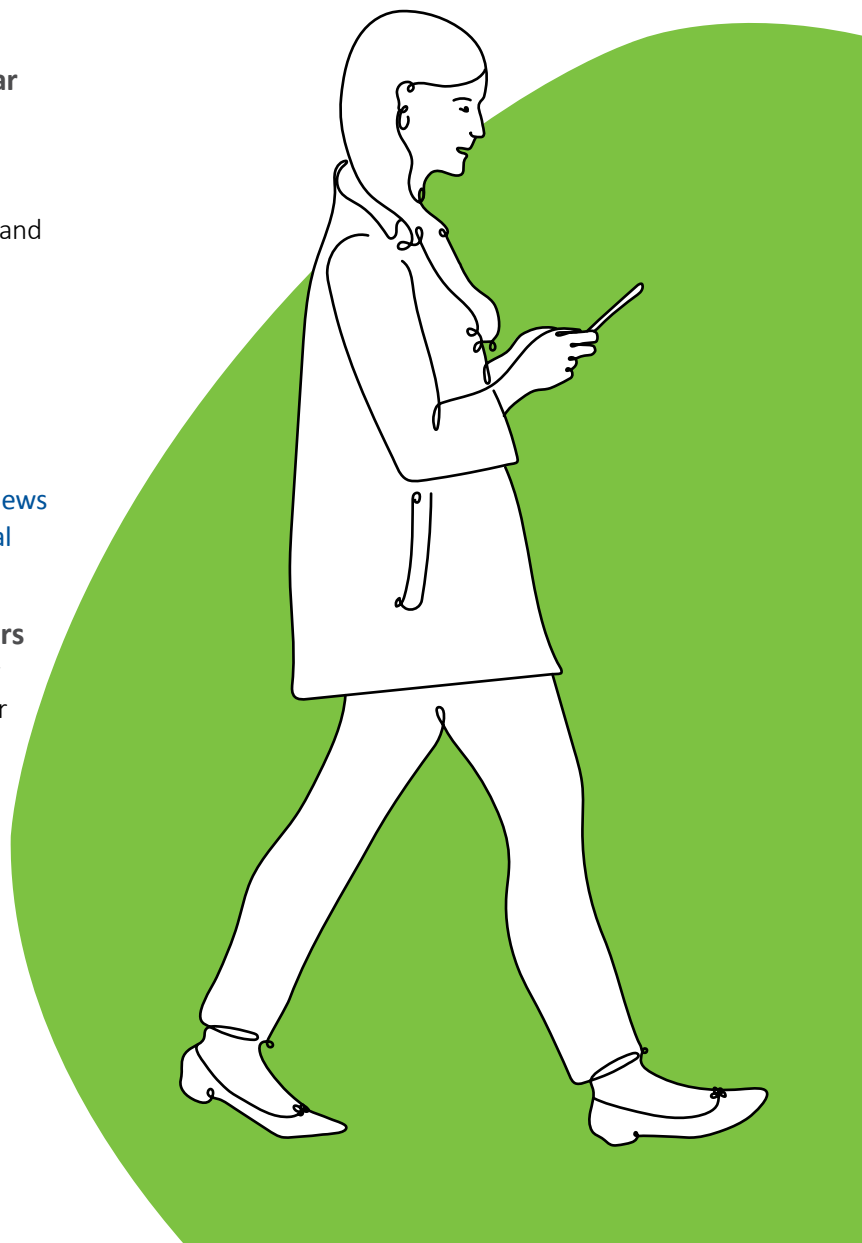
[View our latest London Stock Exchange Regulatory News Service \(RNS\) Announcement for our Annual Financial Accounts and Annual Report](#)

Great places appoints three new Board members

Great Places Housing Group has appointed three new members to their Board, effective from 16 September 2021. With experience working in the public sector and social housing, Nahim Ruhi-Khan will serve as a member of the Audit & Assurance Committee alongside Patrick Ricketts who has a wealth of business experience following more than 26 years at Berendsen. Sandra Palmer joined the Remuneration & Appraisal Committee, following several years of experience as a Director in both the private and Government funded sectors.

Building Great Places near Manchester city area

Manchester City Council has approved planning on two of our developments which are part of the next phase of regeneration in Ancoats and in New Islington, both close to Manchester city centre. They are 68 affordable homes on a two acre site of vacant land behind Downley Drive and Kingham Drive and the redevelopment of the Grade two listed Ancoats Dispensary into a mixture of 39 one and two bed apartments for affordable rent. The plans for the iconic former hospital look to protect the heritage and legacy of the building and incorporate elements of what remains the Dispensary while providing much-needed affordable homes in the area.



In November our Chief Executive Matthew Harrison and Executive Director Alison Dean were joined by Kate Henderson, Chief Executive of the National Housing Federation, for a walk around New Islington and Ancoats to see first-hand Great Places' involvement in transforming the area. As well as discussing issues affecting the sector, Matthew and Alison also shared our aspirations for growth at #VictoriaNorth where we have been chosen as one of three Registered Providers to deliver some of the proposed 5000 affordable new homes.

31 new homes in the Ribble Valley, Lancashire

Ribble Valley Mayor Tony Austin, with Great Places' Chief Executive Matthew Harrison and guests, recently officially opened Phase 3 of our Petre Wood development in Langho, Ribble Valley, Lancashire. It features 31 affordable two and three-bedroom houses and bungalows for shared ownership and rent in the heart of the countryside. It provides housing for eligible residents in a rural area where affordable homes are scarce.

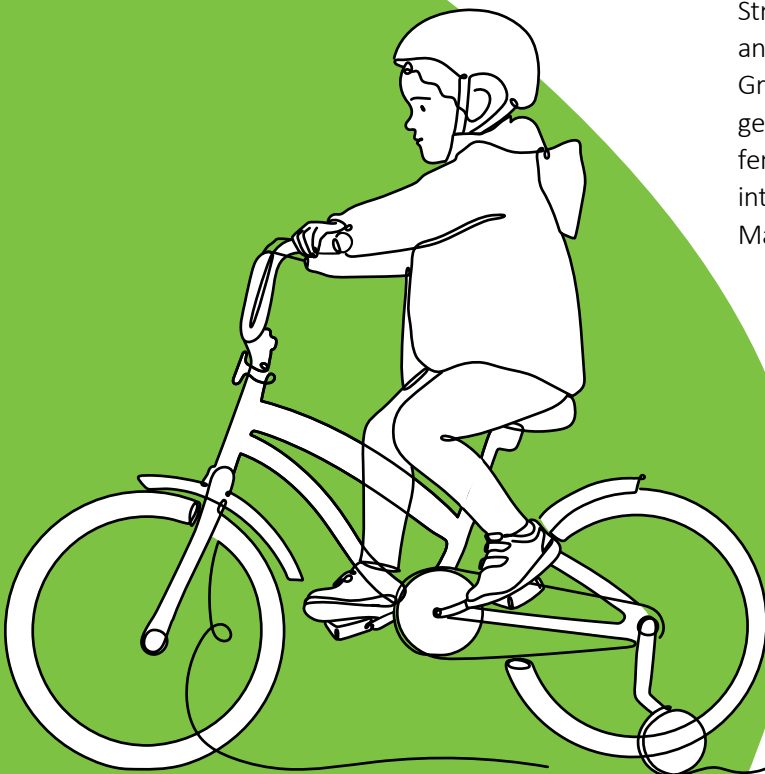
98 new homes in Maple Mill, Oldham

Great Places and Developer MCI Developments, part of Keepmoat Homes, are starting work on the site of a former mill in Hathershaw, Oldham, following planning approval in June. The £14 million Maple Mill scheme of 98 homes will be a mixture of two, three and four-bedroom houses with gardens and parking, and one-bedroom and two-bedroom apartments for affordable rent. Work is due to take around two years. The development will transform this brownfield site with great transport links to Oldham city centre and beyond, delivering much needed affordable new homes and ensuring the development is a major social benefit to the residents in Hathershaw.



Hive Homes breaks ground at 48 home residential scheme in Middleton

Local councillors recently joined teams from Great Places' joint venture company Hive Homes and Seddon on a site visit to mark the official start on site of Hive's landmark 48-home development Osprey Place in Middleton. The development on Stainton Drive in Middleton will offer a mix of 48 two, three and four bedroom homes for sale. This is the first site for Hive Homes with a second site also planned for a 14-acre former Car Craft site on Nixon Street in Castleton. Hive Homes is backed by Great Places and 9 of the region's leading housing associations and the Greater Manchester Combined Authority (GMCA). Profits generated from its development activity will be ring-fenced and recycled by the ten housing providers back into delivering affordable housing across Greater Manchester.



Feedback

We welcome feedback on our performance update. Please contact Phil Elvy, Executive Director of Finance, at **communications@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.