

Quarterly performance update

Covering performance for the
year ending 30 June 2022



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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 one results

The management accounts of Great Places Housing Group (the Group) show year to date surplus of **£6.0m** (budget £6.6m). Turnover in the period (all income including 1st tranche and outright property sales) was **£40.0m**, £0.8m better than budget mainly because of higher sale proceeds. Operating surplus was **£12.7m**, £0.5m lower than budget: the key drivers were increased bad debt provisions due to higher arrears, and lower development income due to delays in development expenditure.

Drawn debt (excluding bond premium, other non cash balances and loan fees, and including finance leases) as at June 2022 was £652.1m (March 2022: £652.2m) with the movement due to scheduled loan repayments.

The Group's Mark to Market exposure was £19.5m (March 2022: £28.1m) with £5.1m cash collateral posted to meet counterparties' security requirements (March 2022: £8.0m).

Cash balances (excluding cash held on behalf of leaseholders) were £113.8m (March 2022: £119.5m) with undrawn bank facilities immediately available of £143.8m, which are now fully secured after a release and recharge exercise following the RBS/NatWest loan amendment in March.

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

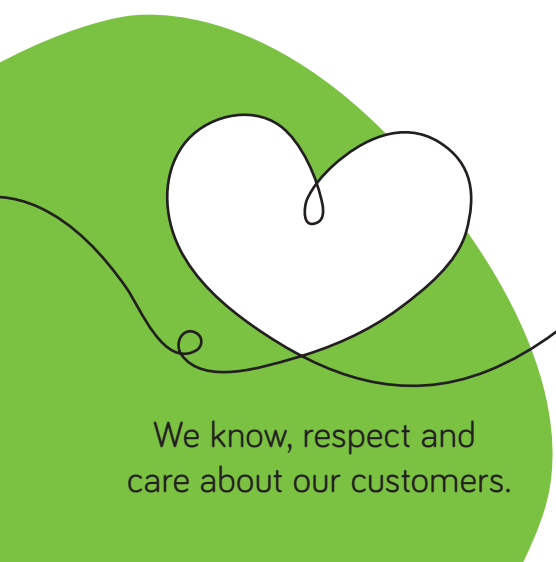
2. Operational performance

Our performance management for 2022/23 centres around eleven Critical Success Factors (CSFs) which are designed to focus us on the delivery of the Corporate Plan, and particularly our vision of ‘Great Homes. Great Communities. Great People.’

Four targets were achieved in quarter one: Higher Risk Building Safety; % of Digitally Active Customers; Households into Work, Training & Volunteering; and Data Completeness.

The seven CSFs that missed target for quarter one are as follows:

- Group surplus was £6.0m, £0.6m lower than target. This is explained in the Financial Performance section above.
- Colleague Engagement in the latest pulse survey results in July show 78%, 1% below target. The CSF measure is based on two specific questions in the survey, and other responses overall show an improvement.
- % Days Lost Due to Sickness in June was 3.9%, higher than the target of 3.5%. Even though the percentage of days lost is higher than target, the average number of sickness days per employee has improved since the start of the year, the % result being based on working days excluding bank holidays (two in June 22).
- Arrears were 4.8% in June, higher than the 4.0% monthly target. As widely forecast across the sector we have seen our own current arrears performance worsen since year-end. Some of this increase will inevitably be due to customer ability to pay rent given the cost of living crisis. Rent setting in 2022/23 will include customer insight, payment patterns and the arrears impact of cost of living pressure on customers. We will also review performance and the CSF target mid-year when we have a clearer understanding of customer behaviour, benchmarking and our own performance.
- Average re-let time was 26.5 days, higher than the target of 22.0 days. Whilst performance is missing target we are expecting that performance can get back on target. Recent observation work has highlighted increasing confidence in use of the new housing management system (Aareon QL), which has taken time to embed during quarter one.
- Customer satisfaction was 6.51 in June 22 based on a 12 month rolling period. Reduced satisfaction is playing out in the external environment. Housemark’s Monthly Pulse Survey report has identified that satisfaction levels continue to fall and forecast that due to “on-going economic factors” there will be generally lower satisfaction rates for the current financial year.



We know, respect and care about our customers.

Actions being taken to increase overall satisfaction are:

- Digital offer enhanced;
 - Repairs improvement plan implemented;
 - Embed new structures with enhanced support and training; and
 - Customer communications focus.
- Development completions included in the CSF were 77 in quarter one, behind target. We are driving each scheme hard to maximise completions but this continues to be challenging given the continued price rises and delivery challenges around labour, materials, approvals and land registration. We are deep diving into the detail to help us identify where we can unlock the blockages and escalating our concerns with contractors. Demand for our shared ownership and outright sales products remains incredibly strong with 28 shared ownership and also 28 market sales year to date. We had just two unsold/unreserved shared ownership homes at the end of July and no unsold/unreserved market sale homes.



3. Corporate news

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

Environmental

Great Places earns Platinum Carbon Literate Organisation status

Great Places Housing Group continues to lead the way across Greater Manchester with its Carbon Literacy training programme and is now the first housing association in the UK to be granted Platinum Carbon Literate Organisation status by the environmental charity, the Carbon Literacy Trust. The award is recognition for the business' commitment to training colleagues in reducing their carbon footprint and for taking 80% of colleagues through its training.

This is a significant milestone for Great Places who continue to be seen as sector influencers and experts in the Carbon Literacy field – now delivering training to other housing associations, local authorities and a range of other organisations including Transport for Greater Manchester, Groundwork GM, University of Salford, City of Trees, and BBC North West.



Social

Housing First celebrates three year milestone

The Greater Manchester Housing First pilot, led by Great Places, recently celebrated three years of accomplishment at a special event at Gorton Monastery. People who work on the frontline joined stakeholders, including Mayor of Greater Manchester Andy Burnham to celebrate supporting 330 of the most vulnerable people in the region into a home of their own – with a tenancy sustainment rate of 82%. The event was a chance to reflect on the achievements of the first three years of the pilot, celebrate everything that had been accomplished and the plan for the next two years of the programme.



Great Places part of new GM RSAP partnership

Great Places, along with RP partners Riverside and Jigsaw, has been selected to deliver the second phase of the GM Rough Sleeper Accommodation Programme (RSAP) by the Greater Manchester Combined Authority. Great Places and Jigsaw already deliver the first phase of the programme, with 41 people being supported from 2021 across Greater Manchester, and the partnership can now continue to build upon the progress made across the region. The extended second phase will deliver the programme to more than 60 people until 2025. The RSAP programme is in response to the activities surrounding the Covid-19 pandemic and the impact this has had on people rough sleeping. Keyworkers will have caseloads of between 10 and 12 people to ensure people on the programme have access to the support and services they need.

Great Places community centre and 12 apartments in Sheffield

We recently celebrated completion of our new community centre and 12 apartments for affordable rent in our Wybourn anchor neighbourhood in Sheffield. The £2.4m development was officially opened in July with a Community Fun Day. Named in honour of late Councillor Pat Midgley. The facility will host a community café and provides space for a range of community groups and activities. Situated in the heart of Wybourn – an inner city neighbourhood comprising of 5,230 residents in 1,962 households – the development was created through consultation with the local community and in partnership with Manor & Castle Development Trust and the Corner House Steering Group.



Governance

Year end and audit

The statutory accounts of the Great Places Housing Group and subsidiaries for 2022/23 have been approved by their Boards. The results were in line with our expectations for the year and consistent with the figures reported in our Quarter four Performance Update. The financial statements will be published on our website after adoption at the AGM in September.

South Yorkshire Housing Partnership

Great Places has joined 10 other housing associations in launching a new partnership aiming to raise the profile and combined contribution of housing associations working across the South Yorkshire region. [The South Yorkshire Housing Partnership is working with the South Yorkshire Mayoral Combined Authority \(SYMCA\) to deliver five key priorities:](#)

- The supply of affordable homes
- The roadmap to net zero carbon
- Housing and health
- Economic growth and employment
- Preventing homelessness

Great Places' CEO Matthew Harrison, who will chair the new partnership, said: "We want to collaborate and look at how we can tackle the housing issues faced by the region, such as the supply of new homes and the need to decarbonise existing housing stock to help tackle the climate emergency. By working together, we can achieve a greater impact and bring our housing expertise together to benefit local people and communities in South Yorkshire."

£24 million flagship Stockport development

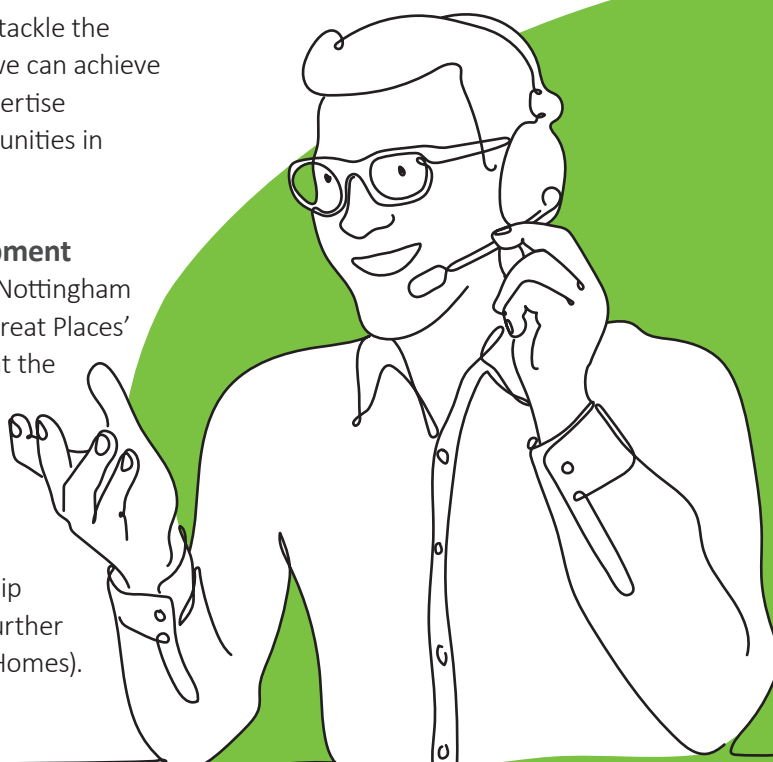
The Mayor of Stockport, Councillor Adrian Nottingham has paid a return visit to view progress at Great Places' £24 million flagship housing development at the former Cranford Golf Centre in Heaton Mersey, Stockport. The Poplars, delivered in partnership with Breck Homes, will provide 106 new homes, a mixture of two, three, and four-bed affordable houses and apartments for social rent, shared ownership (available through Plumlife Homes) and a further five homes for market sale (through Cube Homes).



Following its merger with Equity Housing Group in 2020, The Poplars is Great Places' inaugural development in Stockport, meeting its commitment to build much-needed affordable new homes across the borough.

Age-friendly scheme completes in Horace Street, Bolton

Councillor Martyn Cox, leader of Bolton Council, was the guest of honour to cut the ribbon at an event to mark the official completion of Great Places' £2.3million 'age friendly' development for the over-55s. This recently completed development of 18 one-bedroom cottage-style apartments in Horace Street, Halliwell, on the site of the former St Joseph's parish centre was the first scheme completed by our in-house construction arm Terra Nova Developments Limited. Aimed at customers who were looking to downsize, the apartments, available for affordable rent, include a range of amenities including wet rooms, hidden adaptations by Invisible Creations and a shared garden to enjoy.



In-house construction Terra Nova site in Lancaster

Work has started in Lancaster on the second development for our in-house construction company Terra Nova Developments Limited. The £2 million development on Slyne Road, Lancaster, will be a mixture of two-bed bungalows and three-bed houses available for shared ownership. This development will provide much needed affordable homes in the area, offering a mix of homes ideal for families and those looking to downsize.

Inside Housing Development Awards 2022

Great Places Affordable Development Team is celebrating being shortlisted in two categories for the Inside Housing Development Awards 2022. Our Water Mill Gardens development in Prestwich, Bury is in the running for the Best shared ownership category, while our development work in the Mill Hill area of Blackburn is shortlisted for the Best regeneration project - over 100 homes.



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.