

Quarterly performance update

Covering performance for the
year ending 31 December 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 three results

The management accounts of Great Places Housing Group (the Group) show year to date surplus of **£18.8m** (budget £18.0m). The Group's year end projection remains broadly in line with the £23m target.

Turnover in the period to December 2022 (all income including 1st tranche and outright property sales) was £119.4m, £0.2m lower than budget. Sales in the period have been strong, particularly during December, which offsets lost rental income from delayed development handovers. Operating surplus was £38.0m, £0.5m higher than budget. Operating costs were £1.2m higher than budget, mainly repairs & maintenance costs. Overall year to date surplus was helped by the sale of 100 homes in Stoke to Honeycomb, a local RP, as reported in quarter two. Net interest costs were £0.3m better than budget due to better interest income on cash deposits with higher interest rates; a smaller increase in interest payable, with 94% of debt being fixed; and lower capitalised interest due to delayed development schemes.

Drawn debt (excluding bond premium, other non cash balances and loan fees, and including finance leases) as at December 2022 was £644.3m (March 2022: £652.2m) with the movement due to scheduled loan repayments.

The Group's Mark to Market exposure was £5.9m (March 2022: £28.1m) with £0.8m cash collateral posted to meet counterparties' security requirements (March 2022: £8.0m). This shows the impact of the significant upward movement in long term interest rates, reducing exposure on interest rate derivatives.

Cash balances (excluding cash held on behalf of leaseholders) were £97.1m (March 2022: £119.5m) with undrawn bank facilities immediately available of £143.8m.

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”.

Five targets were achieved at the end of quarter three: Higher Risk Building Safety; % of Digitally Active Customers; Households into Work, Training & Volunteering; % Days Lost Due to Sickness; and Colleague engagement.

Amongst the six CSFs that missed target for quarter three are:

- Arrears were 5.1% in December (CSF target 4.0%). As widely forecast across the social housing sector we have seen our own current arrears performance worsen since year-end.: we anticipated that arrears would rise so we decided to keep the target 4.0% to clearly show the increase. We know the ongoing cost of living crisis will have affected customers’ ability to pay rent and we have recently focused on communications with customers about the upcoming rent increase.
- Average re-let time (year to date) is 28.4 days, higher than the target of 22.0 days. Demand remains strong, we are not experiencing changing demand for our properties but are experiencing delays in getting some repair works completed ready for new customers due to resource and capacity issues across some trades. December in-month relet times were 23 days, so moving in a positive direction.
- Customer satisfaction was 6.0/10 at the end of September 2022 based on a 12 month rolling period, compared to the 7.0/10 satisfaction score in March 2022. The main themes are communication and delayed or missed repairs: we have a Customer Experience programme now in place focusing on these issues. This quarter we’ve seen a really high level of demand on the repairs service as we look to continue to prioritise addressing reports of damp and mould along with emergencies particularly related to the cold weather.



We know, respect and care about our customers.

- Tenant Satisfaction Measures (TSMs) were published by the Regulator of Social Housing and we commenced our test and learn phase during quarter three, preparing for go live in April 2023. HouseMark report that satisfaction levels are lower this year due to the economic factors, with spending power reduced for many customers.
- Development completions were 365 (target 485). We work hard to overcome delivery challenges around labour, materials, approvals and land registration. Examples of specific delays include highways adoption, delivery of kitchens, services & substation works, and cold weather in December affecting brickwork and the knock on effect on roofing and plastering.
- Demand for our shared ownership and outright sales products is incredibly strong, with only nine shared ownership and zero market sale homes being unreserved.
- Data completeness, with 62% at December 2022. This has remained steady throughout quarter three, similar to the result in September 2022 and no longer on track to meet the full year target of 92% data completeness. Work is planned but some actions are not yet in place, for instance our EDI strategy will address gaps in our customer data.



3. Corporate news

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

Environmental

We expect to publish our 2022 sustainability report in the next few weeks.

Winners announced for £2bn OSHA MMC framework

The Off-Site Homes Alliance (OSHA), the alliance currently consisting of 23 Housing Associations and Local Authorities including Great Places, has recently revealed the volumetric and panelised home manufacturers which have won a place on its new £2 billion Modern Methods of Construction (MMC) framework. The national construction framework will look to support Housing Associations and Local Authorities to deliver off-site homes, with the objective of developing 10,000 homes per year through the increased use of MMC technology. It will be administered by Great Places Housing Group on behalf of OSHA with the successful firms supplying homes initially to its 23 members and to future new Registered Providers and Local Authority partners of the alliance.



Retrofit work to improve home energy efficiency

As part of our ongoing commitment to improve the energy efficiency in our existing homes, our retrofit team has been working closely with our repairs service team to look at improvements to homes without loft insulation. We are now making insulation improvements in over a hundred of our properties to improve energy efficiency and to help tackle potential issues associated with damp and mould.



Social

Greater Together Foundation update

Our Greater Together Foundation has been delivering three projects:

- House2Home: helping new customers to sustain their tenancies with household essentials.
- The Resilience Fund: Community groups can bid to fund projects targeted at helping our customers achieve financial security.
- Household Assistance Fund: helping our customers with emergency financial support for costs such as fuel, food, white goods and school uniforms.

So far, with the help of our supply chain partners, the Foundation has invested £200,000 in to community organisations, with a further £100,000 across our House2Home and Household Assistance Funds.

Great Places working with anchor neighbourhood school on career events

Great Places Housing Group's partnership with Manor Park Primary school in the Longridge anchor neighbourhood was formed to help build and sustain the local community's financial resilience by raising its young people's aspirations. Great Places is facilitating a series of events, including trips to Manchester Airport and local businesses. The first visit was to Great Places' Head Office in Manchester, where children (aged between 9 and 11), had the opportunity to speak to colleagues about their various job roles with engaging, interactive and fun activities. As part of their commitment to social value, three of Great Places' contractors (Sure Maintenance, VPS Group Cleaning Specialists, and Poole Dick Construction Consultants) also took part in the day. See the full story [here](#).

£20k boost for Sheffield community groups

Sheffield Housing Company (SHC), Sheffield City Council's joint venture development company with Keepmoat and Great Places, has given a cash injection of £20,000 to local community regeneration charities Southey Owlerton Area Regeneration (SOAR) and Manor Castle Development Trust (MCDT). SOAR is using the funding to launch a Warm and Welcoming Spaces initiative this winter to help combat some of the challenges caused by the cost of living crisis.



Governance

Great Places appointed onto the Homes England Delivery Partner DPS

Great Places Housing Association has been successfully appointed onto the Homes England Delivery Partner Dynamic Purchasing System (DPS) (Large and Small Sites), a primary route for Homes England's land disposal that offers housing providers the exclusive opportunity to bid for Homes England sites. The framework is the largest of its kind in the UK and Homes England's largest procurement exercise.

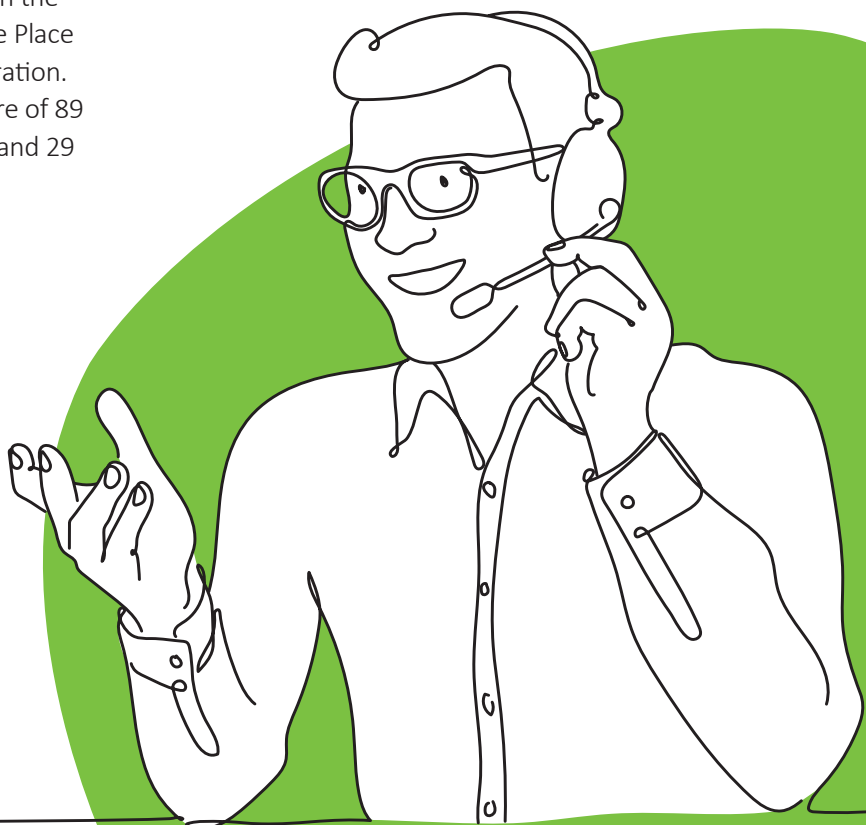


Great Places celebrates 130 new affordable homes at Belle Vue Place

Great Places joined partners Countryside and Councillor Gavin White, Executive Member for Housing and Development at Manchester City Council in November to celebrate 130 much needed affordable homes and the opening of show homes at Belle Vue Place. Built on the former greyhound and speedway tracks, Belle Vue Place forms part of an area undergoing exciting regeneration. Of the 277 new homes, 130 are affordable, mixture of 89 for social rent, 12 Manchester Living Rent homes and 29 for shared ownership.

Bury Housing Lead visits East Lancs Paper Mill site to see progress on £4.5m affordable homes development

In December Councillor Clare Cummins, Cabinet Member for Housing Services at Bury Council, joined Great Places to view progress on the £4.5 million redevelopment of part of the former East Lancashire Paper Mill site in Radcliffe into affordable homes. Cllr Cummins was joined by Great Places' Executive Director of Growth Helen Spencer at the 'island' part of the site between Cunliffe Street, Baybutt Street and Howard Street set to be transformed by Terra Nova, Great Places' in-house construction company, into 27 affordable homes. The new neighbourhood will be of a mix of one and two-bed apartments available for social rent and three and four-bed houses for affordable rent. The development is part of a wider plan by Morris Homes, Bury Council and Homes England to deliver up to 400 homes at the adjacent 22 acre brownfield site.



£4.6million Clifton Place development in Lytham, Fylde

Great Places recently welcomed Councillors from Fylde Council to a special event to mark the completion of its first Shared Ownership development in Lytham, Clifton Place. It has shared ownership properties (16) and affordable rent (12) – a £4.6million investment into the town. The homes are a mix of apartments for rent alongside two, three and four-bed homes on the site where the former Bonds and Stocks Office building once stood. Councillors and colleagues were able to talk to affordable rent customers to hear about their experiences of getting new homes in one of the North West's most expensive areas.

Supported housing scheme in Stalybridge

Work has started on Great Places' £3.2 million new build specialist supported living development in Stalybridge. The specialist development on Grosvenor Street will provide 17 self-contained apartments with 24 hour on-site care commissioned by the Tameside Adult Social Care Team. The project is the second supported living project Great Places is working on in the borough alongside the £5.1 million redevelopment of former Stalybridge Police Station site into a similar supported living scheme.



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.