

Quarterly performance update

Covering performance for the
year ending 31 March 2023



Contents

1. Financial performance:	
Quarter four results	3
2. Operational performance	4-5
3. Corporate news	6
Environmental	6
Social	7-8
Governance	9
Feedback	10

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.

These results are published in advance of the Statutory Accounts for the year ended 31 March 2023 which will be issued following the AGM in September. The information included is based on unaudited management accounts and other internal performance measures and is subject to concluding the routine annual accounting adjustments as well as any adjustments that arise as a result of the external audit process. The final year end figures which will be used in the Financial Statements will include adjustments for tax, pensions and other fair value adjustments.

1. Financial performance: Quarter four results

The management accounts of Great Places Housing Group (the Group) show a full year surplus before tax of **£22.2m** (last year £21.1m). This was almost exactly as forecast.

Turnover in the year (all income including 1st tranche and outright property sales) was £161.0m (last year £166.0m). Operating surplus was £46.9m (last year £46.8m). The outcomes for turnover, interest and property sales were all better than forecast, but operating costs and depreciation/amortisation were worse than projected.

Operating costs were £3.3m higher than budget. This was mainly due to repairs and maintenance costs, with a range of factors contributing to this including the inflationary impact on materials, sub-contractors and fuel costs, additional resourcing for damp and mould inspections and remedial works, as well as higher disrepair volumes and costs. Inflation impacted most lines, including the impact of energy costs rising by over 400%, increasing our irrecoverable service charges and office energy costs.

Net interest costs were £1.2m 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; lower debt drawn in the year; and lower capitalised interest than forecast.

Drawn debt (excluding bond premium, other non cash balances and loan fees, and including finance leases) as at March 2023 was £643.7m (March 2022: £652.2m) with the movement due to scheduled loan repayments.

Mark to Market exposure was £7.9m (March 2022: £28.1m) with Nil 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 £92.9m (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 centred 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 at the end of what was an incredibly challenging year: Building Safety; Households into Work, Training and Volunteering; Sickness absence; and Colleague engagement. For building safety, a new CSF for 2022/23, we have now completed surveys for all ten blocks that we scheduled for this year, with subsequent actions undertaken as required. We significantly over achieved against the Households into Work, Training and Volunteering target, and roughly a third of people involved were Great Places tenants as the initiatives were community focused.

Colleague sickness results were better than target, with an average 3.2% days lost due to sickness and 56% of colleagues had zero sickness leave. The most significant reasons for colleague sickness was mental health; anxiety and depression; and covid, which has radically reduced compared with the previous year. 80% of colleagues are fully engaged, per the pulse surveys conducted through the year.

Amongst the seven CSFs that missed target for the year were:

- 649 new homes across 29 local authority areas across the North West and Yorkshire were completed in 2022/23, the highest number of new homes built by Great Places for several years. Whilst this fell slightly short of the CSF target, this related to 95 homes which were predominantly lost across two sites as a result of delays linked to site remediation and the identification of uncharted services / watercourses on site which have now been overcome.
- The arrears target for the year was to achieve 4.0%. However the Board acknowledged the challenging context we faced when setting this target given the pressure of the ‘cost of living crisis’ on our customers. Arrears at March 2023 were 4.7%, improving from 5% at the end of Q3.
- Average re-let time was 28.6 days (target 22.0 days). We have recruited additional capacity for void repairs and the competing demands arising from damp and mould inspections and repair work. Demand for our properties remains strong.

- The CSF score for satisfaction of 69% fell slightly short of a target of 71%. This is based on the pilot results for the new Tenant Satisfaction Measures, with the information gathered during November to February.
- At the end of March the % of digitally active customers was 34.7%. A digital campaign to promote options with customers is planned, alongside the launch in 2023/24 of the repairs self-serve and Plumlife functionality within the customer portal on our website.
- Data completeness 61% at March 2023 remained fairly static during the year with marginal increases in many areas and a focus on quality.



3. Corporate news

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

Environmental

Great Places secures £1.4 million to improve home energy efficiency

Great Places has successfully secured government funding to continue work to improve the energy efficiency of its homes. The £1.4 million is part of £778 million that has been offered to 107 projects for Wave 2.1 of the Social Housing Decarbonisation Fund. Match funded by Great Places, it will be used to support the installation of energy performance measures such as exterior wall insulation, cavity wall insulation, loft insulation, and solar panels in a total of 396 homes in Manchester and Sheffield.

Our latest ESG Report is live

We take our Environmental, Social and Governance (ESG) commitments very seriously and were an early adopter of an industry-led sustainability reporting standard designed to unlock institutional investment to help tackle the UK's deepening housing crisis. Our latest report is [live](#) and highlights the work we are doing as an organisation in relation to the Standards' 48 criteria, covering a range of ESG considerations such as affordability, fire safety and net-zero carbon emissions.

Sustainable Assets Team update

We published an update from our sustainable assets team, you can read it [here](#). We invested £20.8m in homes in the year to March 2023 and share some of the highlights:

- Clifford Court, Stockport, 87 apartments across ten blocks
- Windmill House scheme in Blackpool
- Two blocks of NHS Key Worker accommodation at the Royal Oldham Hospital



Social

Great Places announced as Preferred Housing Provider for UK's first older person's LGBTQ+ homes in Manchester

Great Places has been announced as the preferred provider to design, build and manage the UK's first purpose-built LGBTQ+ majority older person's housing scheme in Whalley Range, South Manchester. The project will deliver more than 100 apartments for people aged 55 or over, with a mix of affordable homes that are as accessible as possible to Manchester people. Great Places was selected through a competitive process and has extensive experience of designing, developing and managing a wide variety of affordable general needs, supported and specialist housing.

Greater Together Foundation update

The Great Places 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.

Some other recent highlights include:

- Facilitated over 60 coronation-themed events across our communities and neighbourhoods to mark King Charles III's Coronation Weekend. You can read more about it on our website [here](#).
- Supported a community café in Morecambe, contributing £16,000 to set up services.
- £11,000 to a Blackburn project helping vulnerable women. The food also provides women a safe space to exercise and also access other services around health, wellbeing and more specialised trauma-informed services.
- We helped a local knife crime charity secure £7,700 to support its work in tackling knife crime in Greater Manchester.



Oldham History Project celebrates 10th anniversary

Great Places is teaming up with award-winning charity Manchester Histories to run a local history project to commemorate the tenth anniversary of Gateways to Oldham PFI housing and regeneration venture. The six-month project will involve interviewing people who live across Oldham before the regeneration work started, to document their memories in a book, to be launched at a celebration event and exhibition to be held at Gallery Oldham in September.

Historic Ancoats Dispensary Community Artwork launched

A community art project, facilitated by Manchester-based award-winning photographer and writer Len Grant has been launched at the Ancoats Primary Care Centre. The artwork was created through a series of workshops with local residents and children from St Anne's Primary School in Ancoats, as part of Len's commission to produce a book documenting the history and £10 million renovation of the iconic Ancoats Dispensary by Great Places, which will create 39 affordable new homes.



Governance

Work starts on flagship Salford scheme

Great Places Affordable Development Team has started work on a flagship development of 160 new affordable homes on Worrall Street in Salford. The site is located close to the Manchester Ship Canal and forms part of the Ordsall Waterfront regeneration corridor which stretches from Salford Quays to Regent Road. The warehouse buildings on the site are set to make way for the new scheme, a mix of two and three-bed townhouses and one to three-bedroom apartments available for Shared Ownership and Rent to Buy.

Sheffield's Deputy Council Leader and Chief Executive visit our London Road development

Cllr Julie Grocutt, Deputy Leader of Sheffield Council and Chief Executive Kate Josephs joined Great Places on a visit to view progress on the site of the new £8.2m development of 51 new affordable homes at London Road close to Sheffield city centre. They were taken on a tour of the site that will transform a former used car sales forecourt into a five-storey apartment block of one and two bed apartments, which will be available for social rent. The scheme will also feature environmental features that will reduce the cost-in-use for customers and make it a very attractive place to live.

Northern Housing Awards 2023 Developer of the Year

Developer of the Year is an amazing reward for the Great Places team who have achieved incredible things over the past few years and now achieving more than ever. We thank our network of agents, contractors, consultants, partners, and enablers who support us, and to our Board who enable our ambitious growth programme.

Hive scoops Best Newcomer at the RESI Awards

Hive Homes has won the Newcomer of the Year category at this year's prestigious RESI Awards. Hive Homes is a joint venture with the Greater Manchester Combined Authority and ten of Manchester's leading Housing Associations, including Great Places.



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.