



great
places
HOUSING GROUP

Quarterly Performance Update

Covering performance for the
period ending 30 September 2023

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Great Places and MSV ended merger talks

The planned merger between Great Places and MSV is no longer going ahead. The two organisations announced in September 2023 that they had ended discussions about coming together. Read more about it on our website [Great Places and MSV end merger talks - Great Places.](#)

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

Surplus before tax in the half year to the end of September 2023 was £13.0m, on track to achieve an expected year surplus of £28.0m (2022/23 £21.4m). The year end figure incorporates increased repairs and maintenance expenditure which is largely due to the costs of surveying and remediating cases of damp, mould and condensation, and also higher than budgeted insurance costs following our October renewal. Overall turnover, other elements of operating costs and net interest costs remain broadly in line with budget. The forecast operating margin of 27% is an improvement on the 24% achieved in 2022/23.

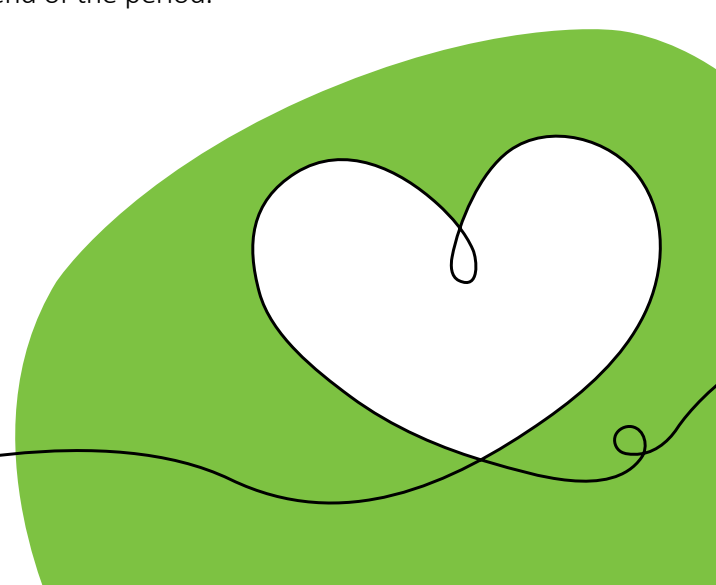
Shared ownership sales remain positive with 157 sales achieved to date (full year budget 278, 2022/23 192). Sales demand is strong, values are holding firm and whilst there has been a slight reduction in the first tranche percentage being purchased, this is still higher than budgeted.

Drawn debt (excluding bond premium, other non-cash balances and loan fees) as at September 2023 was £639.5m (March 2023: £643.7m) with the movement due to scheduled loan repayments and release of finance leases liabilities following a successful acquisition of two long term leases.

Mark to Market exposure was £1.1m gross and £0.7m net of exposures in Great Places' favour (March 2023: £7.9m net) with Nil cash collateral posted to meet counterparties' security requirements (March 2023: nil). This shows the impact of the some upward movement in long term interest rates, reducing exposure on interest rate derivatives.

Our internal financial "Golden Rules" around interest cover, gearing and operating margin were all met at the end of the period.

Cash balances (excluding cash held on behalf of leaseholders) were £67.4m (March 2023: £92.9m) with undrawn bank facilities immediately available of £143.8m.



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 2023/24, set in March 2023. Six CSFs are achieving target, one is showing an early warning, and four are currently missing target.

The CSFs achieving or better than target are:

- Arrears 4.6%, lower than the target to maintain the 4.7% reported in March;
- 2.6 % days lost due to sickness, improved over recent months and lower than 3.2% target;
- 84% colleague engagement following a mid year pulse survey (target 80%);
- 70.3% overall satisfaction, broadly in line with the 70.0% target;
- Data completeness 85.6%, progressing due to new customer agreements, validated property data and customer data; and
- 987 Households into work, training or volunteering, which has already achieved the year-end target of 950.

The CSF showing an early warning is the Tenant Satisfaction Measure “Satisfaction that the Home is safe” which is currently 81.5% (year-end target 85%). We are analysing this to further understand which customers and which property types are concerned.

Development completions: the affordable homes CSF target for the full year is 786, but this is looking at risk due to delays, almost entirely due to a single scheme in Manchester which includes 80 apartments. Sixteen sites are now nearing completion with a high volume of handovers forecast for quarter three and four.

% Digitally Active Tenants current performance is 38% (target 40%). We are launching a self-serve repairs portal for customers, to be piloted in one of our four regions in quarter three.

The voids re-let time at September was 27.7 days, higher than the year-end target 25.0 days but showing improvement from the 28.9 days reported in quarter one. It will be challenging to achieve our year-end target given the competing pressures in our Repairs team with operatives being used to support damp and mould treatments arising from our proactive customer campaigns and responsive damp inspections, which in turn is impacting timescales to carry out void relet repair works.

The CSF for Group surplus before tax of £31.7m will not be achieved due to increased R&M and insurance costs as referred to above in the Financial Performance section.



3. Corporate News

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

Sustainability Reporting Standard ESG Report now live

Reporting against The Sustainability Reporting Standard for social housing providers, our ESG Report 2022/23 outlines how we are doing as an organisation in relation to the standard's 48 criteria, covering a range of ESG considerations such as affordability, building safety and net-zero carbon emissions. The report also includes case studies, assessments and analyses that illustrate the extent and quality of our ESG impact. It can be viewed on our website [ESG Report - Great Places](#).

Environmental

Richmond Park heat network upgrade

Great Places' customers are among the thousands of customers set to benefit from Government support to upgrade old, inefficient heat networks. The Richmond Park estate in Sheffield is one of the projects approved to receive Government support as part of the first round of awards to be made under the £32m Heat Network Efficiency Scheme (HNES). The £1.6m grant will help fund improvements to the efficiency of the Richmond Park heat network, which serves close to 300 homes. The project will address high heat loss issues, poor insulation and old equipment, with an overall cost of £3m.



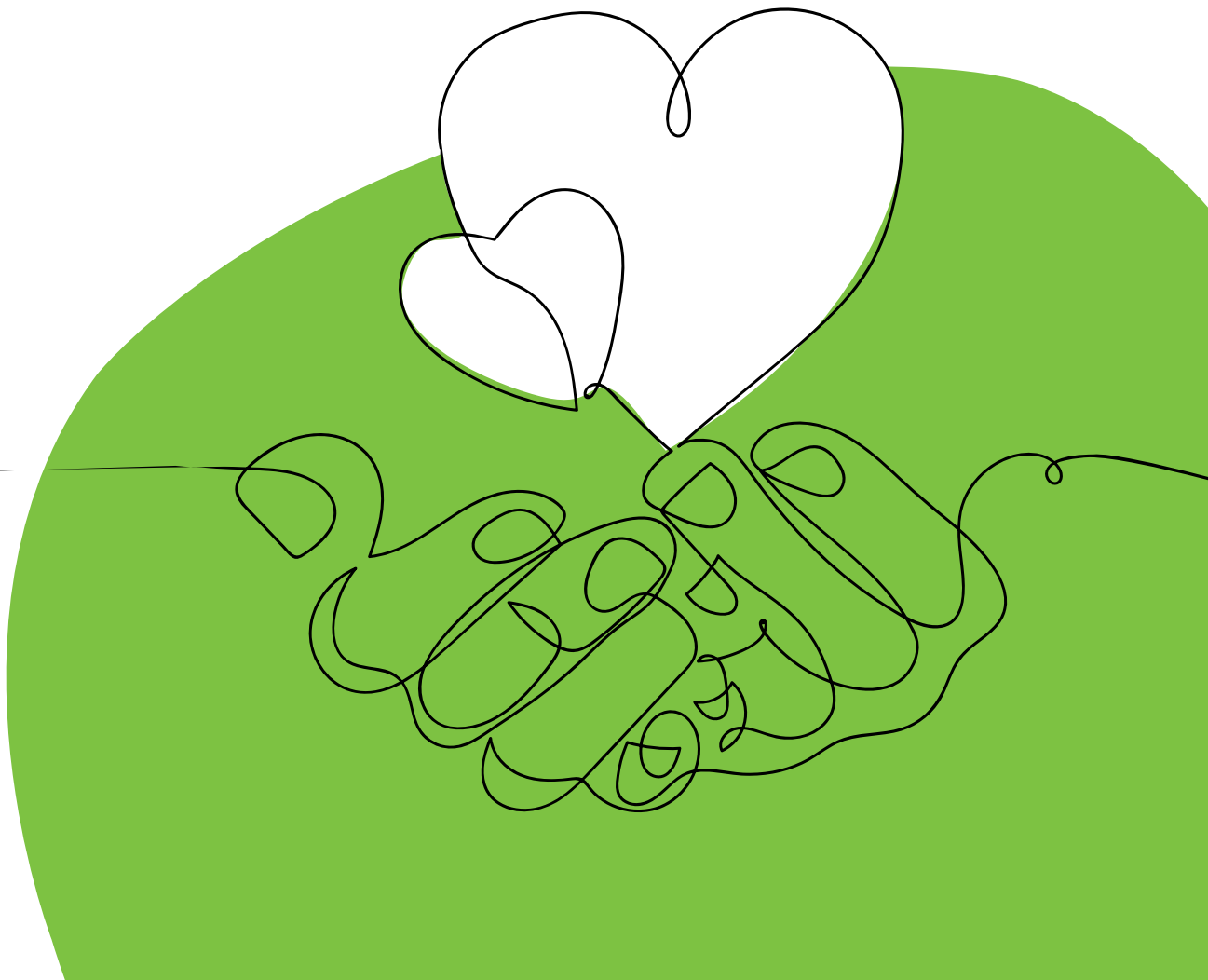
Social

Great Places launches Resilience Fund grants 2023

Building on the previous success of our grants to organisations offering support to Great Places' customers and the local community with the cost-of-living crisis, we are pleased to announce that £100k in grants will be available through this year's Greater Together Foundation Resilience Fund. Grants of up to £10k will be made available to organisations that can clearly demonstrate support with economic hardship; economically inactive people; financial resilience; health and wellbeing; or digital inclusion.

Furniture donation to help empower women

Great Places made a furniture donation to SAWN – Support and Action for Women's Network- after refurbishment of both our Oldham Office and Keyworker Accommodation (Great Places temporary accommodation for NHS workers). SAWN are an organisation in Oldham dedicated to uplifting women from diverse backgrounds, empowering them to lead independent and fulfilling lives. For women who have experienced domestic violence, homelessness or financial struggles, acquiring essential furniture can be a significant obstacle to regaining a sense of normality.



Governance

Brownfield grant funding unlocks the delivery of 500+ new homes across Greater Manchester

Great Places Housing Group is set to deliver more than 500 new homes across Greater Manchester after a new grant from Greater Manchester Combined Authority's (GMCA) Brownfield Housing Fund. Great Places has received an allocation of £8.4m in the 2023 round of funding, on top of the £4.3m allocation from 2022, to unlock the delivery of the new homes across six of the 10 Greater Manchester districts for a range of tenures from Social Rent to Shared Ownership.

Customer Annual Report 2022/23

Our Customer Annual Report for 2022/23 is now published on our website here: [Customer Annual Report 2023 - Great Places.](#)

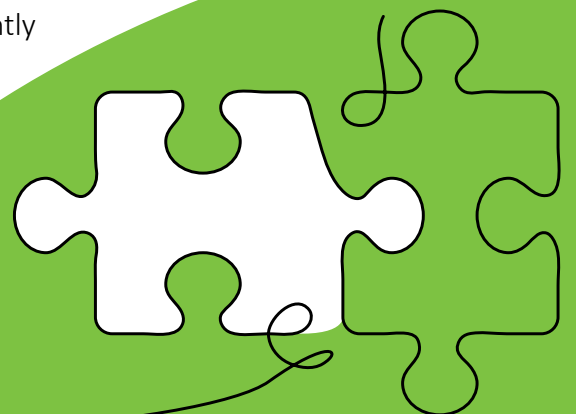
Our customers are at the very heart of everything we do and their voices feature heavily in this report, alongside performance information and business updates.

Board member and Executive changes

We're pleased to announce news of some exciting developments within our Board. Tony Davison's tenure as our Chair is coming to an end after ten years in the role. For continuity, it was agreed that we would recruit a Chair from our existing Board with Mervyn Jones being appointed to take over as Chair on 1 January 2024.

In September 2023 three Board members stepped down: David Robinson and Nahim Ruhi-Khan from the Group Board and Babar Ahmad from the Cube Board. Following her appointment as Chair of Cube Board on 21 September 2023, Emma Mountford was also appointed to the Group Board on 1 November 2023. These planned changes were in part due to the proposed merger and in part due to members nearing the ends of their terms of office. We are currently recruiting new Board members. We are also advertising for up to seven customers to join our new Customer Committee.

Great Places has appointed Mike Gerrard as our new Chief Financial Officer, to join Great Places in quarter three. Mike has extensive experience in the not for profit and private sectors, most recently being Chief Financial Officer at Onward 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.