

# Quarterly performance update



Covering performance for the  
quarter ending 31 December 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 three results

The management accounts of Great Places Housing Group (the Group) show a year to date surplus of **£16.5m**, **£1.1m** better than budget. Turnover in the period (including 1st tranche and outright property sales) was **£117.8m** and operating surplus was **£35.8m**.

There was **£0.9m** less rental income and **£2.0m** more surplus on property sales (including fixed asset sales). Lower rental income in the period is mainly due delayed handovers on the development programme. Higher surplus on property sales mainly relates to shared ownership staircasing, Right To Acquires and sales to other RPs.

In December 2021 Board approved a revised projection for the year end, a surplus of **£19.5m**, compared to the **£20.0m** budgeted surplus to take into account the delayed development handovers and increased surplus on property sales referenced above.

Drawn debt (excluding bond premium, fair value adjustments and loan fees and including finance leases) as at December 2021 was £652.9m (March 2021: £661.1m) with the movement due to scheduled loan repayments.

The Group's Mark to Market exposure was £37.0m (March 2021: £41.9m) with £17.1m cash collateral posted to meet counterparties' security requirements (March 2021: £21.1m).

Cash balances (excluding cash held on behalf of leaseholders) were £111.1m (March 2021: £135.4m) with undrawn bank facilities immediately available of £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 for 2021/22 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”.

At end of quarter three, seven CSFs are broadly on track to achieve target or stretch target, with the early warning monitor helping to identify potential issues.

Overall performance against the CSFs continues to be affected by the ongoing issues related to the Covid pandemic and the current economic volatility with four CSFs likely to miss the year end target: Development Completions; Overall Customer Satisfaction; Colleague Sickness; and Group Surplus.

A total of 388 new development properties were completed in the first three quarters of the year, however this is below the phased target set in March 2021 and reflects continued delivery challenges around labour, materials, approvals and land registration. Demand for our shared ownership and outright sales products remains incredibly strong.

Customer Satisfaction was 7.1/10 against a target of 7.3/10 with services impacted by increased sickness as a result of Covid with average days sickness per employee in December being 9.8 days (target 8.6 days).

Group surplus is projected at £19.5m against a CSF of £20.0m, as noted 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.

## Environmental

### **Bowland House, Blackburn, tower block refurbishment**

The Blackburn property is undergoing a £3.4m refurbishment and works are almost complete. External render has significantly improved the aesthetics of the tower, and the insulation from it has improved thermal efficiency in the flats. Winter gardens have been installed, enclosing what was previously open balconies and creating space and warmth.

Other works include internal fire stopping works, smoke and heat detectors, a new sprinkler system and evacuation alarm system, new windows, entrance doors, and hot water cylinders installed to every flat.

### **Carbon Literacy Training update**

The Great Places Carbon Literacy training, developed in-house, is an important part of our carbon reduction plan and we deliver it to companies both in and outside the housing sector. During quarter three we provided training to Leeds & Yorkshire Housing Association (LYHA), Cheshire East Council, Trafford Council leaders, Reigate and Banstead senior leaders, and Irwell Valley Homes and we have been developing training for Cheshire Fire Service. Glowing feedback was received for our training course and our trainers!



## Social

### European Social Fund £350k to support employment in Lancashire

Great Places secured three years of European Social Fund grant from the Department for Work and Pensions to build on the success of our existing More Positive Together service in Lancashire. The new three-year contract is worth £350,000 and will see the delivery of in-work support for vulnerable customers, helping them to sustain their employment. The wider More Positive Together project has been running since 2017 and supports those that are furthest from the labour market: more than 50% of the participants are Great Places customers.

### Customer Annual Report 2021

The [Customer Annual Report 2021](#) is where you can see our highlights of this year, read about our ambitious 'one organisation' focus for 2022, and view how we have performed in the areas that matter most to our customers.

### Our customer magazine 'My Great Place'

In December we published the latest edition of our customer magazine '[My Great Place](#)'. It showcases all the hard work we've been doing in our regions over the past few months and how we've been supporting the communities in the different regions in which we work.

### Anchor Neighbourhoods plans

Our vision for each of our anchor neighbourhoods is to protect and enhance their identity, meeting the housing needs of local people. We promote and support financial independence for residents and the community, helping to make our anchor neighbourhoods great places to live. In December we published updates to our neighbourhood plans and you can find them [here](#).

### Northmoor Hub new unit tenants announced

Community organisations have moved into the two refurbished retail units in the Northmoor Hub, our community space in one of our anchor neighbourhoods in Manchester. Levenshulme Youth Project has been established in Longsight and Levenshulme for over 10 years and will be using the unit to create a safe, caring, youth-led space where young people can learn, develop, and build towards a brighter future. Longsight Project Space will be an accessible space with activities and exhibitions created for, by and with the local community.



## Governance

### Moody's credit rating A3

Moody's re-confirmed Great Places A3 Credit rating in February 2022, with a Baseline Credit Assessment of baa1. Their credit opinion identifies Great Places' strengths as good liquidity; stable financial performance; and supportive institutional framework. It identifies the credit challenges as exposure to market sales (including affordable housing shared ownership and outright market sale); and increasing debt to fund the development programme, but remaining in line with peers.

### £13.2million development set for Catcliffe, near Rotherham

Great Places and Strata have started work on a new development of 76 affordable homes in Catcliffe following planning approval in July. The £13.2 million scheme, the inaugural partnership project for Great Places and Strata, will transform redundant scrub land into a high-quality, new housing development for local people. The scheme will provide a range of homes for Affordable Rent and Shared Ownership and drive tenure diversification in the area. It will comprise a mix of two-bed apartments, alongside one, two, three and four-bed houses with 29 available for shared ownership and 47 for affordable rent. The development is due to take around two years to complete. For more details on the Catcliffe scheme see [here](#).

### Cotton mill site transformed into 99 homes in Royton, Oldham

Great Places Housing Group, in partnership with Kellen Homes, has planning approved to transform the 5.5-acre former Vernon Works mill site in Royton into 99 new homes. The 116-year-old cotton mill will be replaced by a mix of 12 Affordable Rent and 37 Shared Ownership homes delivered by Great Places and 50 market sale homes delivered by Kellen Homes. They will feature a mix of two, three and four bedroom homes with front and rear gardens and off-street parking. The development is Great Places' first with the Warrington-based developer. For more details on the Vernon Gardens scheme see [here](#).

### Appointment of Beaver & Struthers as External Auditors

In December 2021 Great Places appointed new external auditors, Beaver & Struthers following a robust procurement process. This is to be approved at an Extraordinary General Meeting in quarter four.



### New Executive Director of Growth

Great Places has successfully appointed Helen Spencer as our Executive Director of Growth. As Great Places continues to grow, we have created this new role which reflects our ambitions to build many new homes over the next few years including the delivery of our new Homes England Strategic Partnership contract. Helen, who was previously Director of Development, has responsibility for affordable development, sales and business growth.

### New Cube Homes Limited Board member

In quarter four a new Board member joined Cube Homes Limited ("Cube", the market sales subsidiary of Great Places). John Williamson has extensive experience of delivering Open Market, Partnership and Regeneration schemes. He spent 15 years as MD of Barratt Partnerships, securing public land to deliver over 18,000 homes. Prior to this he was Development and Planning Director for the Liverpool Housing Action Trust. He is also a Non-Executive Director with Caledonian Modular Ltd, a leading off-site manufacturer and constructor of institutional and residential buildings.



# Feedback

We welcome feedback on our performance update. Please contact Phil Elvy, Executive Director of Finance, at **[communications@greatplaces.org.uk](mailto:communications@greatplaces.org.uk)**

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