



Performance Update

For the period covering
1 October 2017 to 31 December 2017

Great homes. Great communities. Great people.

great
places
HOUSING GROUP

This update covers performance for the period from 1 October to 31 December 2017, the third quarter of the financial year ending 31 March 2018.

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.

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Financial performance

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Surplus year to date is £7.9m (budget: £9.3m). Great Places will achieve a surplus for the year of c£10m reflecting a projected full year of strong performance through operating efficiencies, achieving or improving on budget in most areas of the business.

However the group will not achieve its budgeted full year surplus of £12.2m due to the accounting treatment of two specific asset divestments: these are older, heavily grant funded schemes. Neither scheme is impaired (per accounting rules) however an actual disposal crystallises a requirement to recycle grant that is no longer capped at the level of receipt obtained, which will generating an accounting loss.

Drawn debt as at 31 December 2017 was £527.1m (Q2: £543.9m), a reduction of £16.8m, due to the repayment of a building society loan and other regular repayments of capital in the quarter.

Mark to Market exposure on the Group's free standing derivatives was £46.7m (Q2: £45.0m), down from £50.6m at 31 March 2017. There is £22.6m cash collateral posted to meet counterparties' security requirements, a favourable movement of £4.0m since 31 March 2017. Liquidity is strong with closing cash balances of £36.1m. Undrawn facilities are £105.0m of which £60.0m is fully secured. Our internal financial "Golden Rules" were all met at the end of Q3.

10,600 properties charged to the Security Trustees were revalued in Q3 2017-18. The results were an overall uplift in valuation, attributable to the strength of our investment programme and our management of rental income, voids, and maintenance costs.

Operational performance

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At the end of quarter three, good progress is still being made across our critical success factors (CSFs) and the end of year projection is currently on target across nine out of the eleven CSFs with one already achieved. There is an on-going focus across the two which are currently behind: sickness absence and overall surplus (as explained above in Financial Performance).

We continue to perform well in respect of overall customer satisfaction where, with a UKCSI score of 7.7 out of 10 based on over 1,500 responses, we are currently performing better than target and well above the public sector and housing association averages.

There are now 700 customers in receipt of Universal Credit, which is almost a 40% increase since the start of the financial year. Despite this, income collection remains positive and arrears performance is consistent with the same time last year at 3.5%.

The number of new homes built under our Homes England contract remains ahead of budget, 105 completed by the end of Q3, against a target of 98. We remain on course to achieve the target of 252 new homes by March 2018.

We continue to perform strongly this year in terms of helping and supporting households into work: at the end of Q3 we had assisted 185 households, against a full year target of 197, with 78 of them being Great Places tenants.

Fire Safety

Great Places continues to work with local Fire Safety and Rescue Services to support fire safety action plans. The Great Places fire safety compliance team are working closely with the Greater Manchester Task Force as a forum for sharing information and best practice.

We have reviewed the independent review of fire safety and building regulations (interim report) by Dame Judith Hackitt. Great Places will consider all recommendations on the future of the regulatory system from the final report, and have made a provision for any changes required of £1.7m over the next two years.

Building Greatness

Great Places approach to Value For Money is driven by our Building Greatness approach, which is “Our values-led journey of change to ensure that we are always efficient and effective in delivering our vision”. We are expecting to achieve savings of £4.9m in 2017/18, which is slightly ahead of where we need to be at this stage to offset the 1% rent cut.

Sector Scorecard

During Q3, the Sector Scorecard was published, a pilot scheme comprised of 315 organisations including Great Places. The Scorecard consists of 15 measures, each with detailed definitions, split over 5 broad categories of Business Health, Development (capacity and supply), Outcomes delivered, Effective asset management, and Operating efficiencies. Great Places performed better than median for 10 out of 15 indicators in the Scorecard and performed particularly well in respect of those relating to growth, increasing housing supply, and operating efficiencies.

- For Growth: 3.8% new development as a percentage of stock represents top performance nationally, which should be seen in the context of a North West region median of 0.6%.
- For Operating Efficiency: the median headline cost per unit within the pilot overall is £3,301 and Great Places compares favourably with a figure of £3,066. Our portfolio of Supported Housing and having stock located in areas of deprivation are both drivers for increased costs and consequently show our overall low figure in an even better light.

Assets Update

Compliance with health and safety continues to be a high priority and, at the end of Q3, we could demonstrate that 100% of our properties have a valid gas certificate, 100% of appropriate fire risk assessments were in place, 100% of planned asbestos inspections were carried out, and 100% of required water hygiene risk assessments are completed.

New Website

Great Places’ website now includes a new improved customer portal allowing customers to access our services 24/7 and a web chat facility for customers requiring extra support. The website was created as part of the organisation’s drive towards digital service, and making processes as efficient as possible.

Greater Manchester Housing Partnership Social Value Pledge

Great Places has recently signed up to the Greater Manchester Housing Partnership Social Value Pledge which commits us to maximising social value through effective supply chain spend and procurement. We’ve made massive strides in joining procurement and social value outcomes in the past couple of years; the pledge demonstrates that we can make the social value pledge with confidence that we can deliver.

Independence & Wellbeing service

We are pleased to announce the opening of a new Sheffield-based Independence & Wellbeing housing service in partnership with a local charity called St Wilfrid’s.

Great Places is part of a ground-breaking partnership, the “Social Impact Bond”, aimed at helping ‘entrenched rough sleepers’ in Greater Manchester to start a new life off the streets. Greater Manchester housing providers, charities and social investors have been selected to deliver a Government-funded programme worth up to £1.8m that will help around 200 rough sleepers.

Investing in Colleagues

Great Places marked Living Wage Week 2017 by becoming an official accredited member of the Living Wage Foundation which represents over 3,500 responsible employers in the UK that choose to pay a wage based on the cost of living, above and beyond the minimum wage introduced by the government.

Feedback

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We welcome feedback on our performance update.

**Please contact Kal Kay, Director of Finance on 0161 447 5029
or at kal.kay@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.