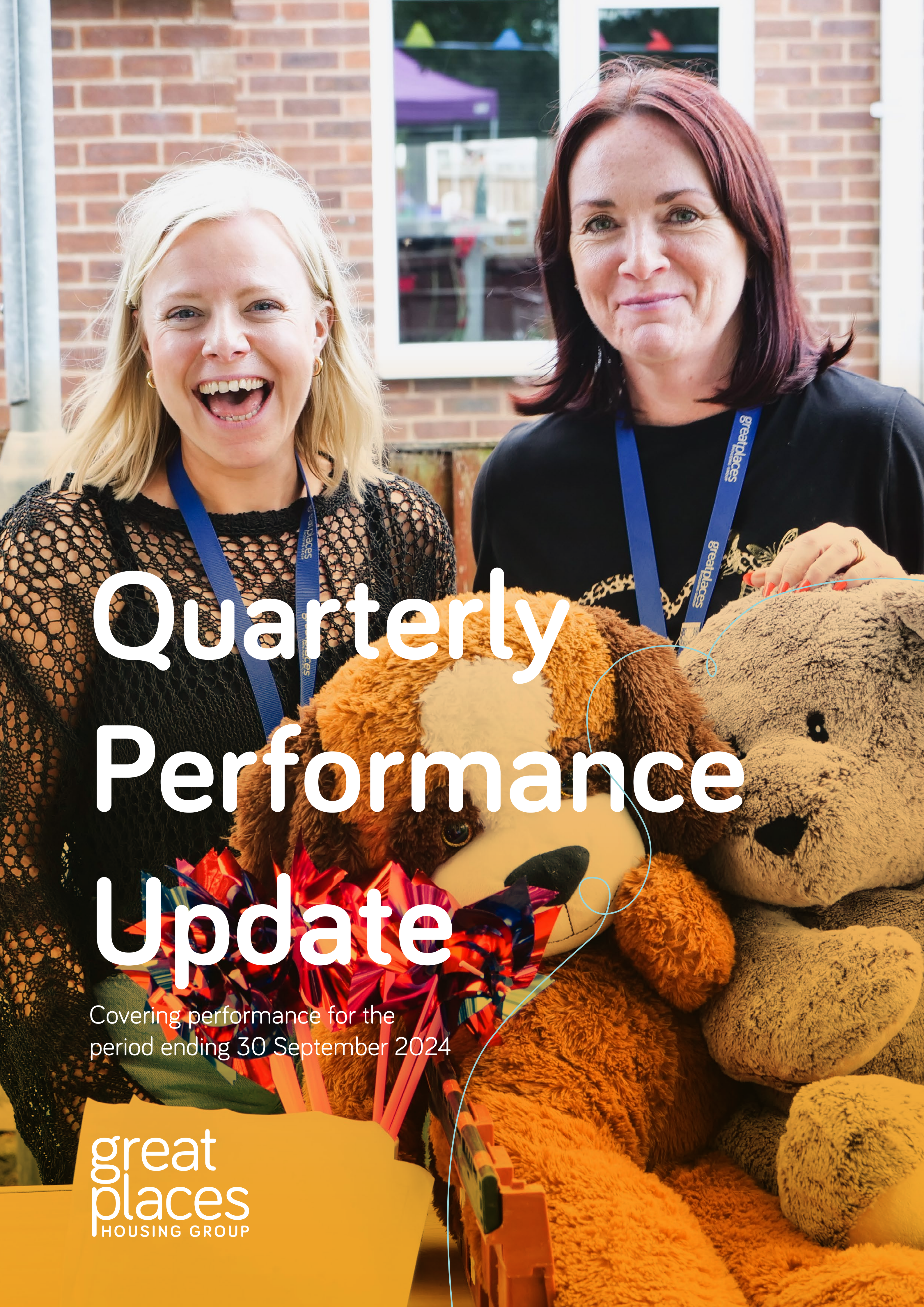

Quarterly Performance Update

Covering performance for the period ending 30 September 2024

great places
HOUSING GROUP

Contents

Our performance updates provide regular, timely information regarding the performance of the Group. They are published quarterly, within six weeks of the quarter end.

The information included is based on unaudited management accounts and other internal performance measures.

1. Financial Performance: Quarter two

Surplus before tax in the six-month period to September 2024 was £15.7m, which is slightly ahead of budget.   At quarter two we achieved all our internal financial "golden rules" around interest cover, gearing and operating margin.

The latest forecast surplus approved by Board in November is £27m, primarily because of £2m higher operating costs as we brought forward some work to our properties, including an acceleration of our fire risk assessments survey programme across the stock and additional maintenance work. Note that demand for reactive repairs has stabilised this year and this cost is forecast to budget.

In addition, the surplus from market sale schemes is forecast to be £0.7m below budget as some budgeted schemes will complete next year. Sales values are at budget levels.

This forecast would result in the full year operating margin internal golden rule (25%) being missed by £1.2m, so it will remain under review and challenge. All other golden rules including bank covenants are forecast to be met this year.

We would remain higher than the sector median operating margin of 18.2% per the RSH Global Accounts 2023. The latest Regulator of Social Housing sector risk profile indicates that whilst the sector retains financial strength, including a strong liquidity position, financial headroom is challenged and continues to intensify. This in part is due to necessary expenditure on existing stock safety and quality and to bring these in line with strengthening expectations on energy efficiency.

Drawn debt (excluding bond/loan premium and loan fees) was £647m, down £5m in the quarter due to RCF loan net repayment.

Cash held (excluding cash held on behalf of others) was £28m with undrawn bank (revolving credit) facilities of £410m.

Mark to market exposure was £5.5m with nil cash collateral posted to meet counterparties' security requirements.

2. Operational Performance

We have performance measures for 2024/25 called Signals For Success (SFSs). They are designed on the themes "our homes, our customers, our people and our financial viability".

Eight of the 12 signals for success are currently either achieving, or on target (or phased target) at the end of September 2024:

- 73.4% overall satisfaction (target 72.0%): the primary driver of satisfaction is repairs activity, which has shown an upward trend this year.
- Arrears: 3.9% general needs only (target 4.1%), in line with target and remaining stable through quarter two.
- Only 6.4% of unreserved new homes have been available for sale for more than 6 months (control limit is to be less than 9.4%).
- Interest cover golden rule EBITDA MRI: 172% (target 120%).
- 3,101 properties below EPC C, in line with the phased target towards year end (2,500).
- 85% of properties with stock condition survey in last five years, already meeting the year-end target, on track to be 100% in 2025.
- Colleague engagement 87% (target 84%).
- Satisfaction with ease of contact 6.7 (target 6.2) on a rolling 12-months basis. New contact centre software was launched in September and is expected to help sustain this measure.

Signals for success below target are:

- 208 development starts on site (target 316), mainly due to one large site of 132 homes delayed by a few weeks into October.
- 52% EDI data completed (target 70%). Work underway to get to target, with data already in use to enhance services based on customer need.
- 4.1% days lost due to sickness (target 3.1%) for September. We are benchmarking with Greater Manchester housing providers, have launched mental health first aiders within our colleagues and are exploring extra support through our employee assistance programme.
- 39.7% of leavers were in their first 12 months of employment (target 35%), which has reduced steadily over the past four months. In exit surveys carried out by an external independent survey, 89% of our leavers said they would want to work for us again and 56% left us for to take up more senior positions in other organisations.

3. Corporate News

These stories illustrate some of our recent activities.

Regulator awards Great Places G1/V2/C2 rating
Great Places Housing Group has maintained its G1/V2 regulatory grades following the recent inspection by the Regulator of Social Housing and received a C2 grade against the new Consumer Standards. The Regulator found that Great Places demonstrated the effectiveness of its governance arrangements and continues to effectively manage the risks of its activities allowing it to deliver its strategic and charitable objectives. It also found that Great Places has the financial capacity to deal with a range of adverse scenarios and that its stress testing within its business plan enables it to manage a wide range of risks, including those which sit around its sizeable development and sales programme. Great Places received a C2 grade against the revised consumer standards, identifying both strengths in service delivery, and a small number of areas for improvement.

Rating agencies
2024 annual reviews have taken place during quarter two. The Moody's grading was unchanged at A3, stable outlook, and Fitch changed to A, stable outlook (from A+).

Greater Together Foundation community resilience fund 2024 launched
£100,000 in grants will be available through the 2024 Greater Together Foundation Resilience Fund, offering support to Great Places customers and the local community. Grants of up to £10,000 will be made available to community organisations which support our customers with health and wellbeing services.

Plans approved for UK's 'first of a kind' majority LGBTQ+ extra care scheme
Plans for the site in Russell Road, Whalley Range, were approved in September, having been produced in partnership with the local community, Manchester City Council and LGBT Foundation. The site was launched with actor Sir Ian McKellen, LGBT Foundation patron and committed supporter of the Pride in Ageing Programme. Residents will be aged 55 years or over with the majority being members of the LGBTQ+ community, the first scheme of its kind in the country.

Great Places and partners secure land for major housing and community project in Gorton, Manchester
Great Places, in partnership with Greater Manchester Youth Federation (GMYF) and Kellen Homes, Sigma Capital Group and Centrepoint, has agreed a new development of 303 homes and a major youth, community and sporting hub. It will have full-size grass football pitches, a netball and basketball court and a new youth and community hub, these facilities to be owned and managed by GMYF.

Other news
For other news see our website **News & Blog - Great Places**

Feedback

We welcome feedback on our performance update.
Please contact Mike Gerrard, Chief Financial Officer,
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.

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