



# PRESENTATION TO INVESTORS

November 2023

# INTRODUCTIONS



**PAUL DOLAN**

Chief Executive



**JULIE WITTICH**

Chief Operating  
Officer



**KIRSTY SPARK**

Executive Director  
of Finance and  
Business Services



**SARAH IRELAND**

Executive Director of  
Strategy and Growth

# CONTENTS



# **OVERVIEW AND STRATEGIC UPDATE**

**YR TO 31 MARCH 2023**

Paul Dolan

# BUILDING BETTER FUTURES

**~21k  
HOMES**

**CORE  
FOCUS ON  
AFFORDABLE  
HOUSING**

**HOMES  
ENGLAND  
STRATEGIC  
PARTNER**

**RSH V1 G1 -  
REAFFIRMED  
IDA JULY  
2023**

**3000  
NEW HOMES  
IN NEXT 5  
YEARS**

**OPERATING  
MARGIN OF  
28.1% AS  
AT MARCH  
2023**

**S&P 'A'  
STABLE  
REAFFIRMED  
JULY 2023**

**£12.5M  
INVESTED IN  
IMPROVING  
OUR HOMES TO  
MARCH 2023**

**82%  
OF HOMES AT  
EPC C OR  
HIGHER**

**CASH  
BALANCE OF  
£164.3M  
AS AT 31  
MARCH 2023**

**CIH  
TRAINING  
PROGRAMME**

**704 (75%) OF  
NEW HOMES  
ON SITE WILL  
BE EPC A  
RATED**

# OUR AREAS OF OPERATION

## NORTH REGION

41 – Local authorities  
11,465 – Properties

### Top Local Authority Areas

2,162 – Bradford  
884 – South Ribble

## EAST REGION

19 – Local authorities  
5,098 – Properties

### Top Local Authority Areas

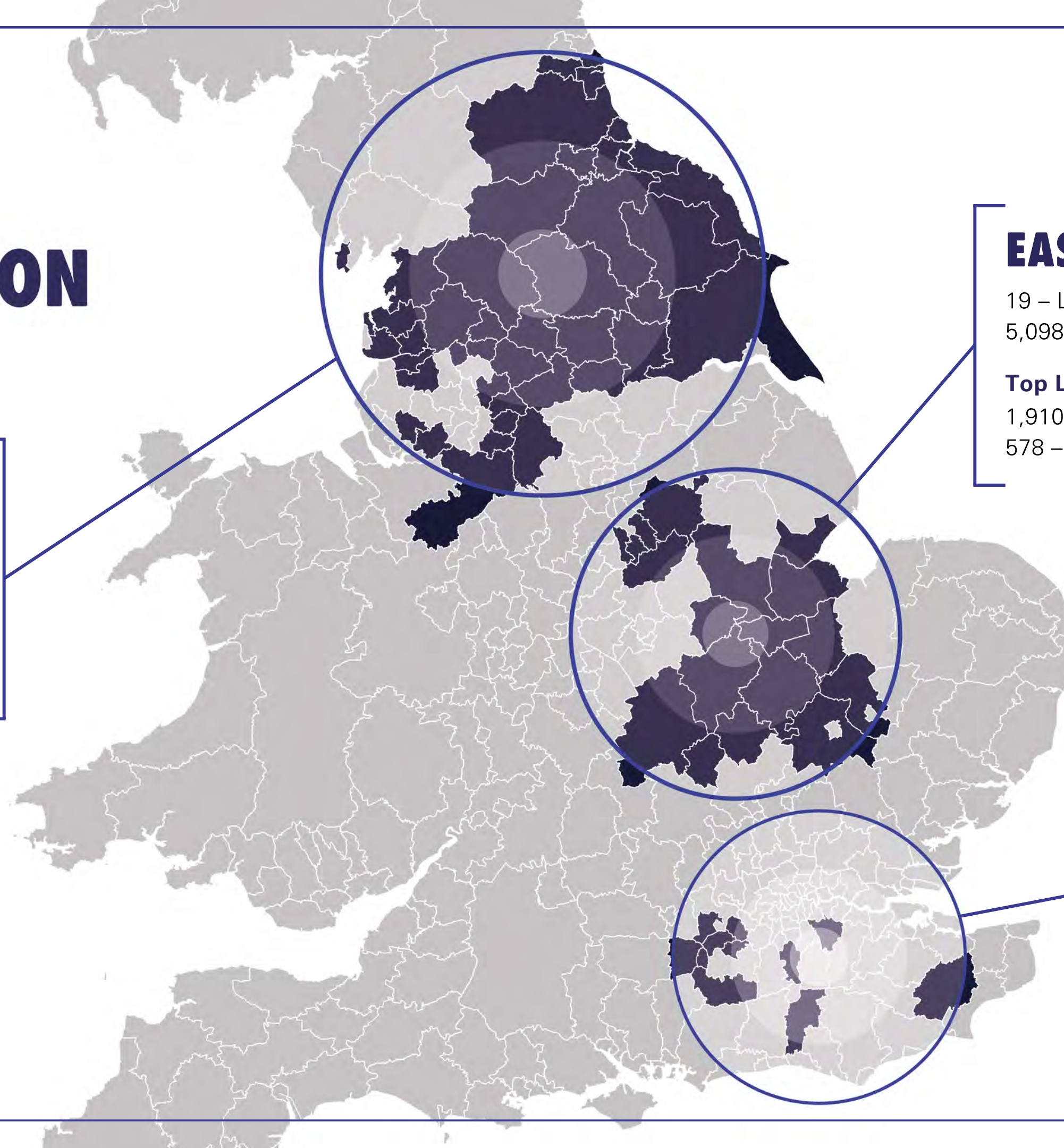
1,910 – Peterborough  
578 – Huntingdonshire

## SOUTH REGION

11 – Local authorities  
4,129 – Properties

### Top Local Authority Areas

3,136 – Surrey Heath  
238 – Runnymede



# CORPORATE STRATEGY 2021-24

## Our Strategic Objectives

### 1 QUALITY HOMES, SUSTAINABLE COMMUNITIES

We will diversify our offer, and deliver a range of new homes which meet the needs of customers across different markets, throughout their housing journey. Driving up the quality and energy efficiency of all our homes will ensure they are sustainable for the future.

### 2 PERSONAL CUSTOMER EXPERIENCE

We will build our services around our customers' needs and aspirations. All our services will be engaging and personal, but foremost we will be ensuring we deliver a reliable and quality repairs and maintenance service.

### 3 INSPIRATIONAL WORKPLACE

We will be an inclusive employer, engaging and empowering colleagues to deliver performance excellence, and celebrating diversity. We will build flexible and simplified working solutions which drive efficiency and productivity.



# CORPORATE STRATEGY PROGRESS

## QUALITY HOMES, SUSTAINABLE COMMUNITIES

- Homes England Strategic Partnership
- Land-led homes built to EPC Band A
- Waves 1 & 2 Social Housing Decarbonisation Funding
- 82% of homes at EPC Band C or above
- 80% fully surveyed stock condition data

## PERSONAL CUSTOMER EXPERIENCE

- Invested in customer contact services – two specialist hubs
- New housing management operating model – back to basics – small patches, personal touch, community engagement enhanced
- Customers involved in recruitment of housing management colleagues
- 4 customer committee members on Customer Experience Committee

## INSPIRATIONAL WORKPLACE

- Roll out of Mary Gober Customer Service Training
- Wider Leadership Group
- CIH Professional training
- Apprenticeships / Traineeships
- More than Homes Campaign - raised over £500k for households in food poverty

## UNDERPINNING STRATEGIES

- Strong treasury management
- Operating profits (28.1%) underpinning delivery
- Value For Money focus
- Refocussed Data Team - move to Power BI and enhanced reporting



# GOVERNANCE AND RISK

Kirsty Spark

# GOVERNANCE

- NHF Code of Governance (2020) – adopted code – fully compliant
- V1 G1 reaffirmed in July 2023 through IDA and participation in RSH Consumer Regulation Pilot
- Externally led Governance Review 2023 (David Tolson Partnership). Highlighted strength of governance and governance orientated culture
- Accent has robust governance procedures and practices
- Streamlining of committees and alignment with best practice
- New Board, Exec reorganisation and SLT recruitment
  - Recruitment of two new board members, Akshay Shah and David Williams
  - Recruitment of two new committee members, Nick Simkins and Amer Alkhalil
  - Male : Female breakdown
    - Board gender split 60:40
    - Executive gender split 25:75
    - Senior Leadership 40:60



# RISK MANAGEMENT

## RISK

### Strategic Risk Register

- Reviewed regularly by Board, Audit & Risk Committee, Executive
- Risks increasing in cyber threat, cost of living crisis, inflation – impact on income and expenditure

### Review of external risks 2022/23

- Sector Risk Profile 2022, WEF Global Risk Report 2022, sector risk survey analysis

### Risk appetite review

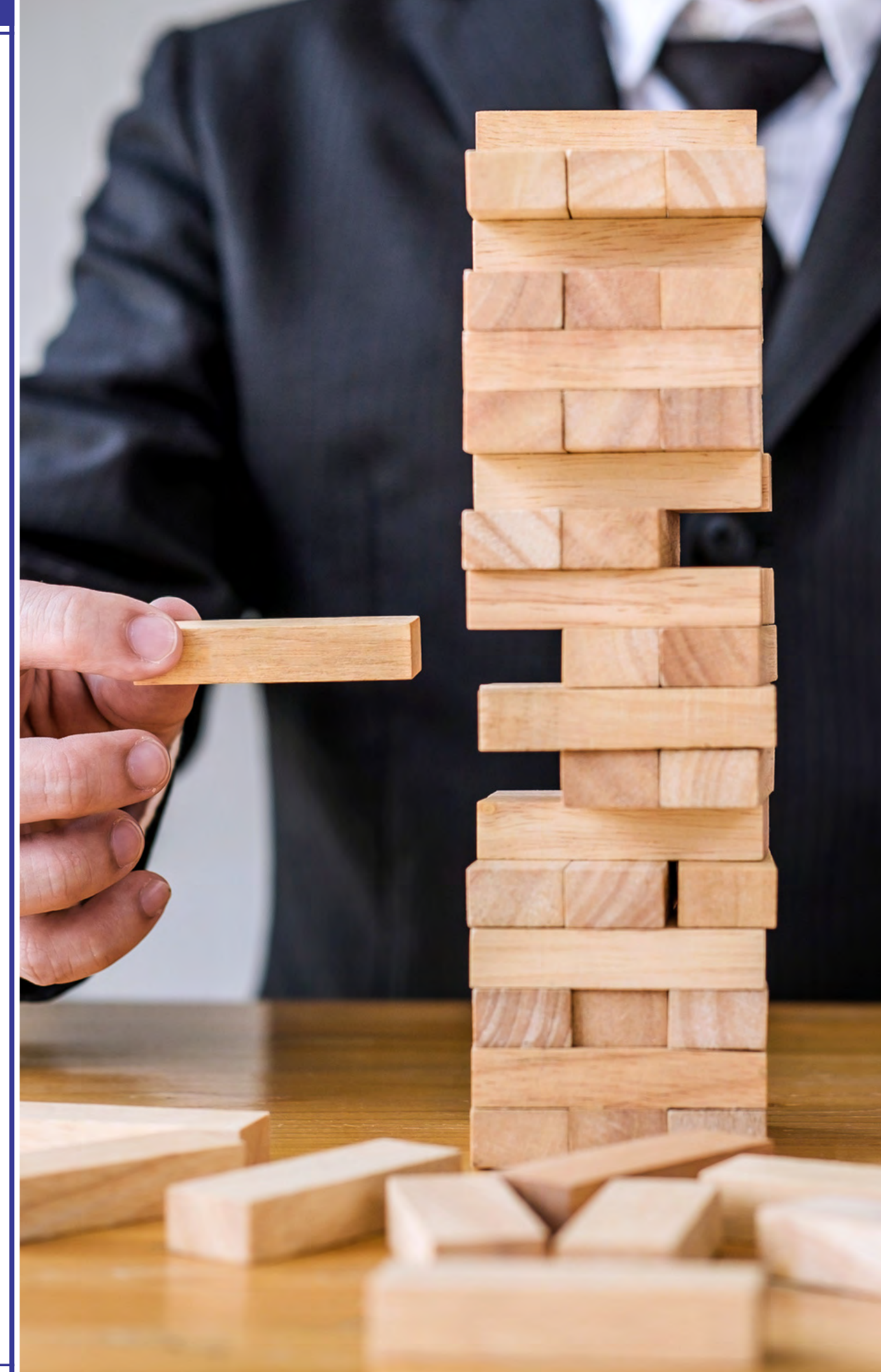
- July 2023 Board review of risk appetite across a range of strategic business areas and across all Board members

### Emergency planning

- Single, national business continuity plan created (& tested) to better support modern working practices

### Cyber security

- Reaccreditation of cyber essentials plus for 2023/24
- Cyber insurance in place for 2023/24



# OPERATIONS

Julie Wittich

# COMPLIANCE WITH CONSUMER REGULATION

## THERE ARE 5 STANDARDS:

### Home Standard

- quality of accommodation and repairs and maintenance

### Tenancy Standard

- how properties are allocated/exchanged and terms around tenure

### Neighbourhood & Community Standard

- issues around neighbourhood and communal areas and anti-social behaviour

### Tenant Involvement & Empowerment Standard

- customer service and complaints, tenant rights and involvement

### Tenant Satisfaction Measures Standard

- reporting against the TSMs, which cover information on areas such as repairs, safety checks and complaints (applies from 1 April 2023).



# CONSUMER REGULATION

## HOW DO WE COMPLY?

- Home standard - 82% fully surveyed stock condition data – planned maintenance programmes – 5/10 year planning
- New operating model - £2M revenue cost reduction on responsive repairs in 2022/23 – reduced financial exposure
- Main and principal contractor – supported by smaller, local contractors – managing risk
- Focus on planned / preventative maintenance – 32/68 responsive / planned split 2023/24
- Implemented technical repairs hub – focus on 'right first time' (90% First Time Fix)
- Minimal backlog of repairs – limited financial or reputational exposure
- Disrepair team in place – low numbers of damp and mould cases
- Building safety – no exposure or outstanding fire safety works
- Comprehensive compliance management
- Internal Fire Safety Assessors
- 82% stock EPC Band C or above
- Waves 1 & 2 Social Housing Decarbonisation Funding

# CONSUMER REGULATION

## HOW DO WE COMPLY?

- New operating model – back to basics approach
- Restructuring of housing services – small patches of 350 for intensive housing management
- New income management software - targeted approach to debt prevention/recovery
- New Financial Inclusion team – supporting tenants to pay their rent and sustain their tenancies
- Partnership working – proactive tackling of anti-social behaviour
- New national allocations regime – open and transparent lettings service
- New Community Development team – tenant involvement and empowerment – decision making at a local level

Photo:  
Emma  
and Sam



# CONSUMER REGULATION

## HOW DO WE COMPLY?

- Tenant empowerment – four residents on our Customer Experience Committee
- TSMs – first survey carried out September / October 2023 – results pending
- New housing hub – specialist trained – early resolution
- Comprehensive data collection – tailored service delivery
- Second wave pilot (IDA) for consumer standards regulation – good insight
- Roll-out of CIH professional training and housing qualifications





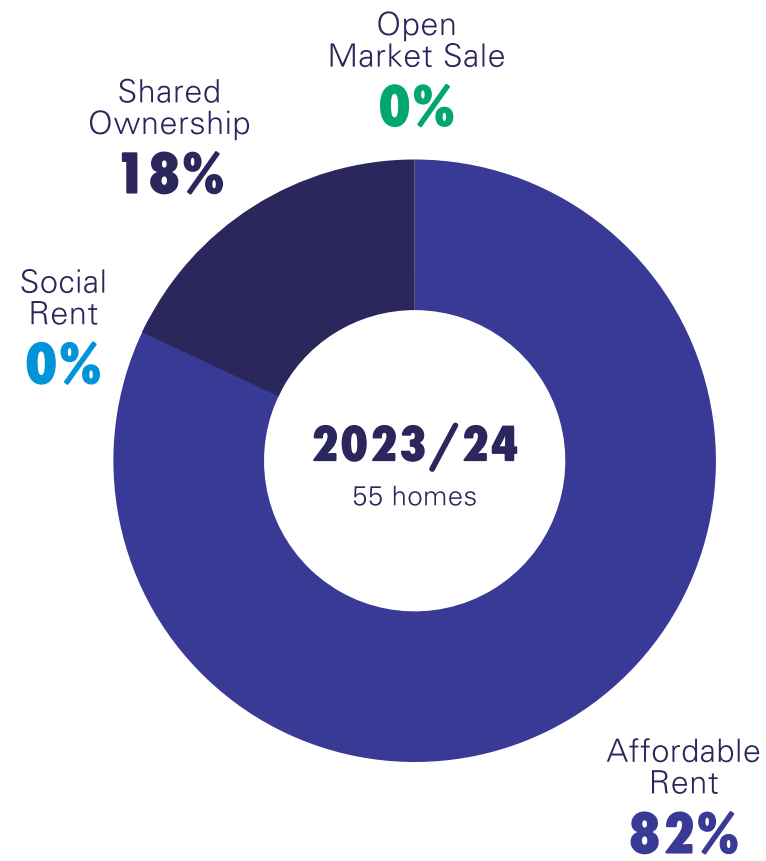
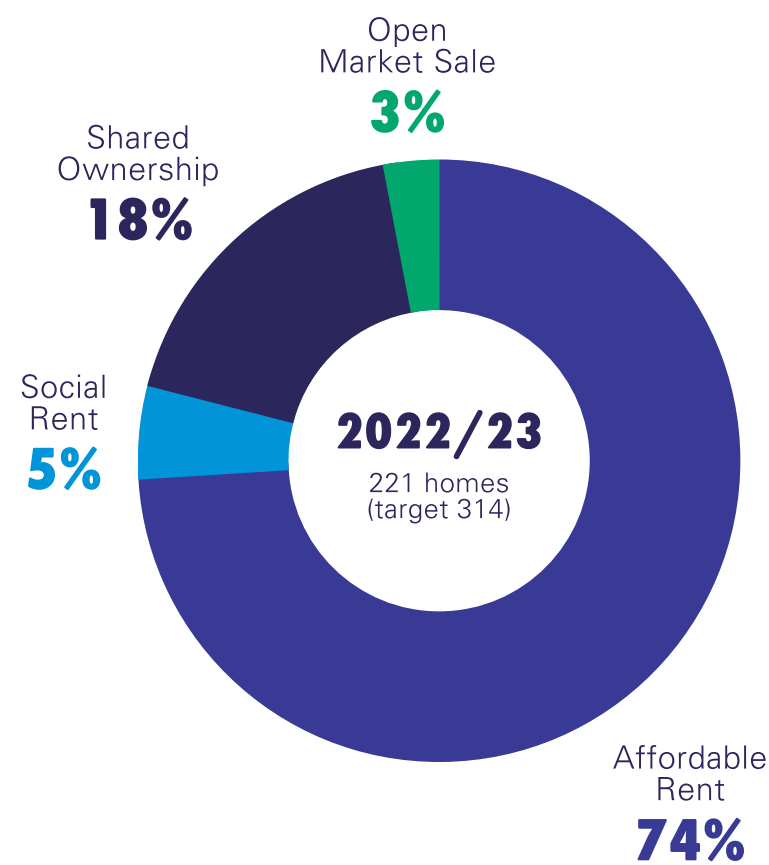
# DEVELOPMENT AND SALES ACTIVITIES

Sarah Ireland

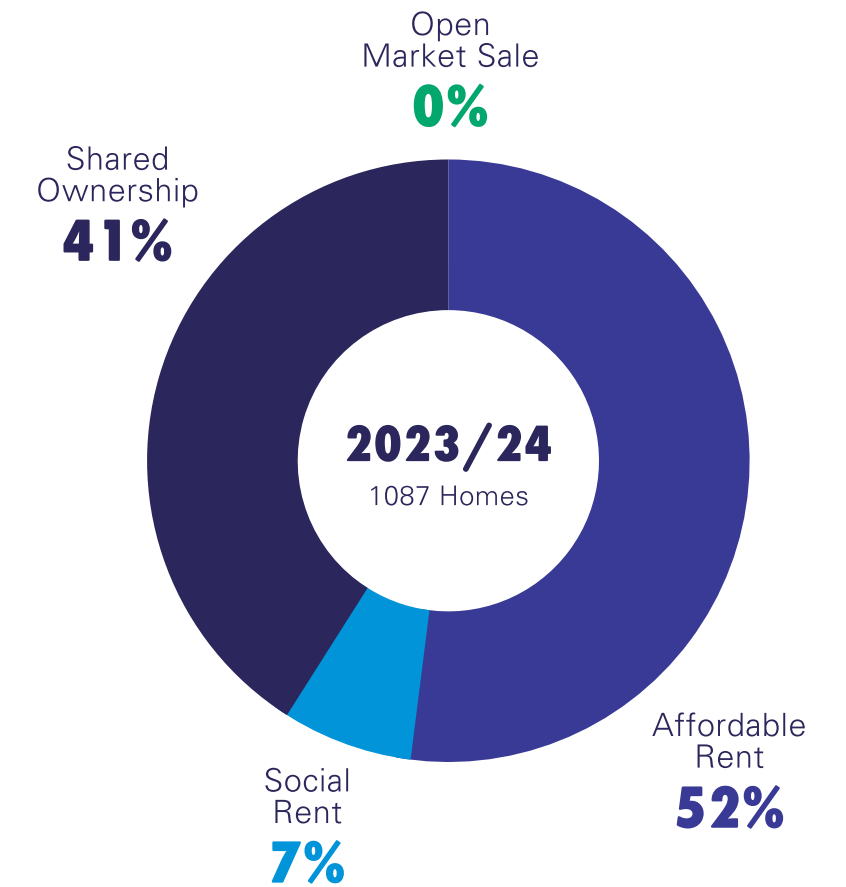
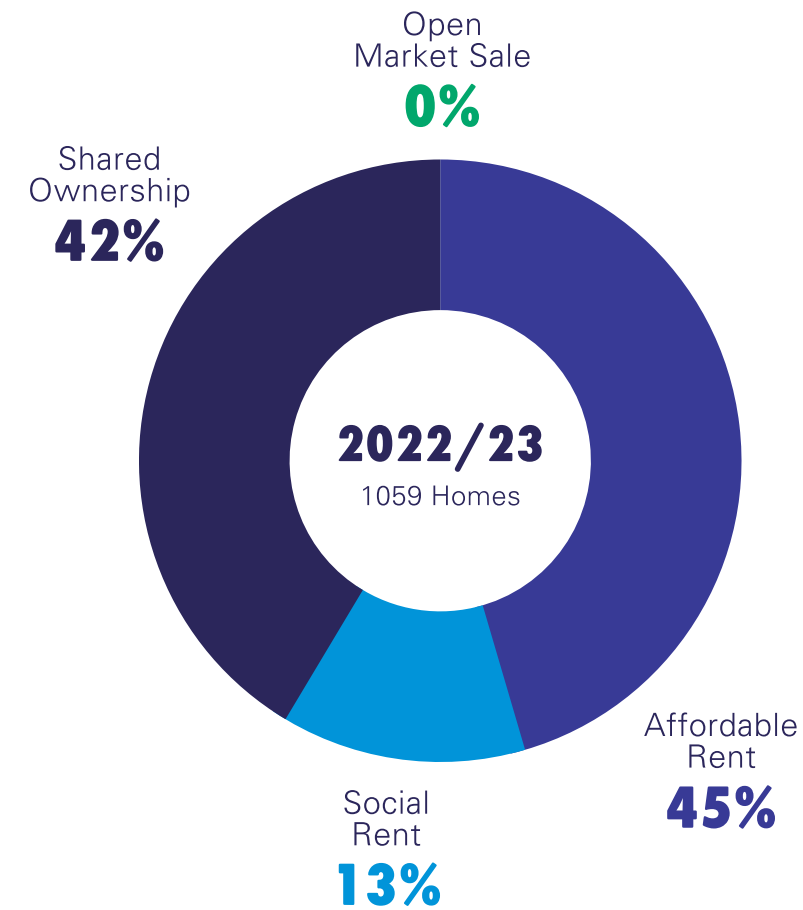
# DEVELOPMENT OVERVIEW

We have continued to make good progress on the delivery of our Development and Growth Strategy approved by our Board in March 2019.

## COMPLETION BY TENURE

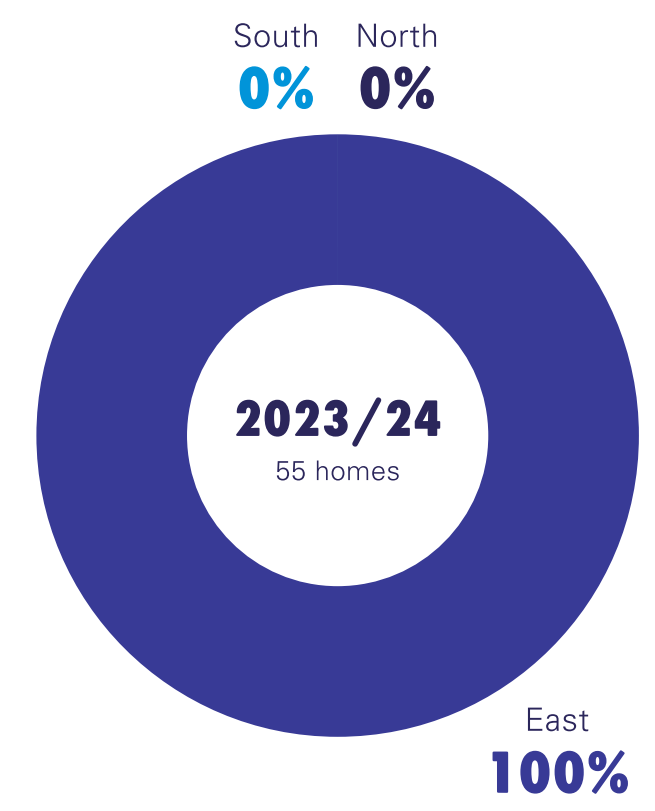
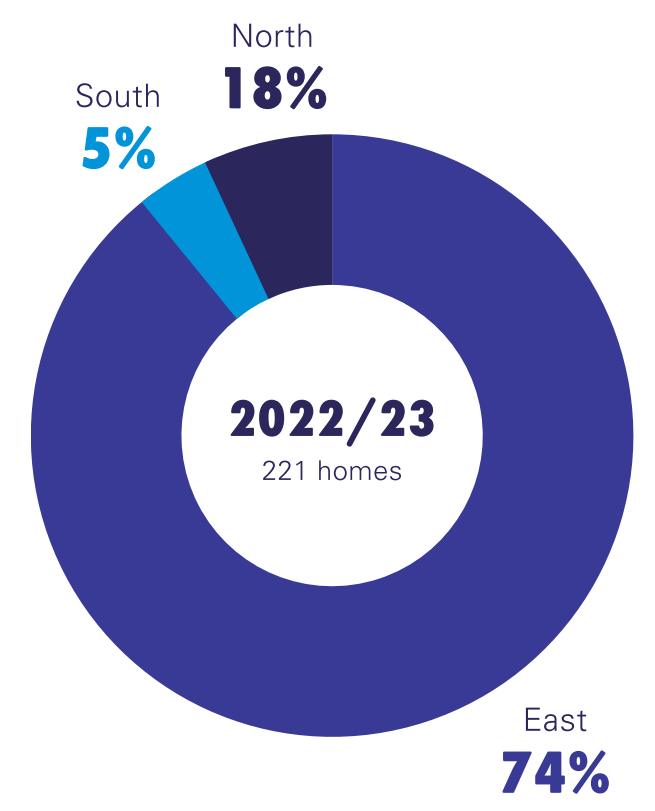


## COMMITTED PROGRAMME BY TENURE

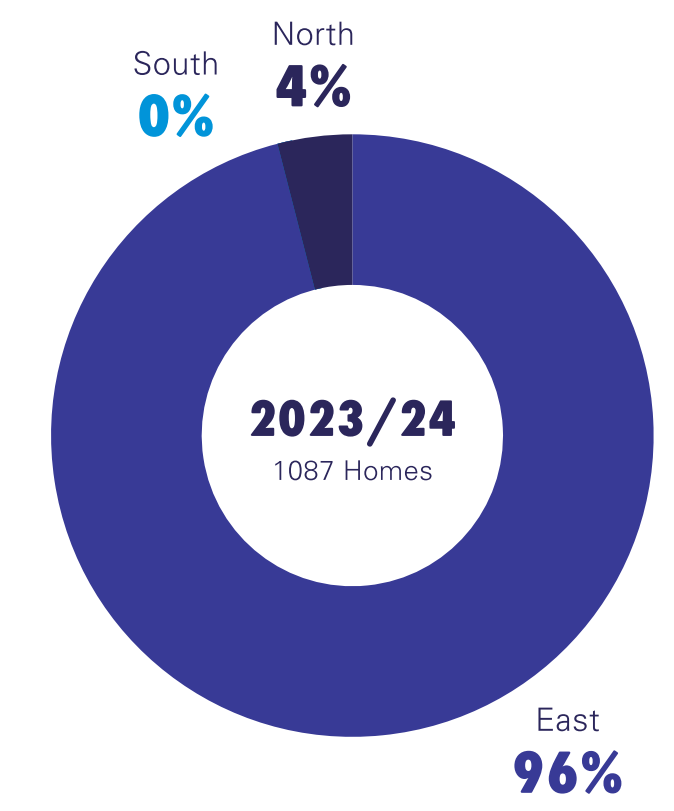
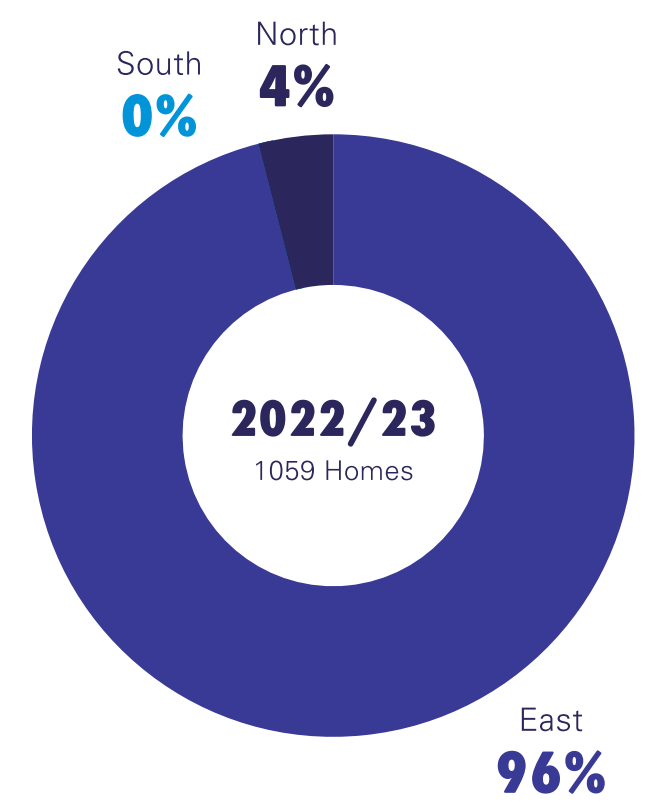


# DEVELOPMENT OVERVIEW

## COMPLETION BY REGION



## COMMITTED PROGRAMME BY REGION



- In 2022/23 we delivered 221 new homes (target 314)

- We made a start on the delivery of 399 new homes (Target 492)

- We are now in contract to deliver a total of 1087 homes on 28 sites

- 79.76% of our programme is land led and 20.24% of our programme is S106

- Commitment to deliver all land led programme homes to EPC A standard (675 currently on-site)

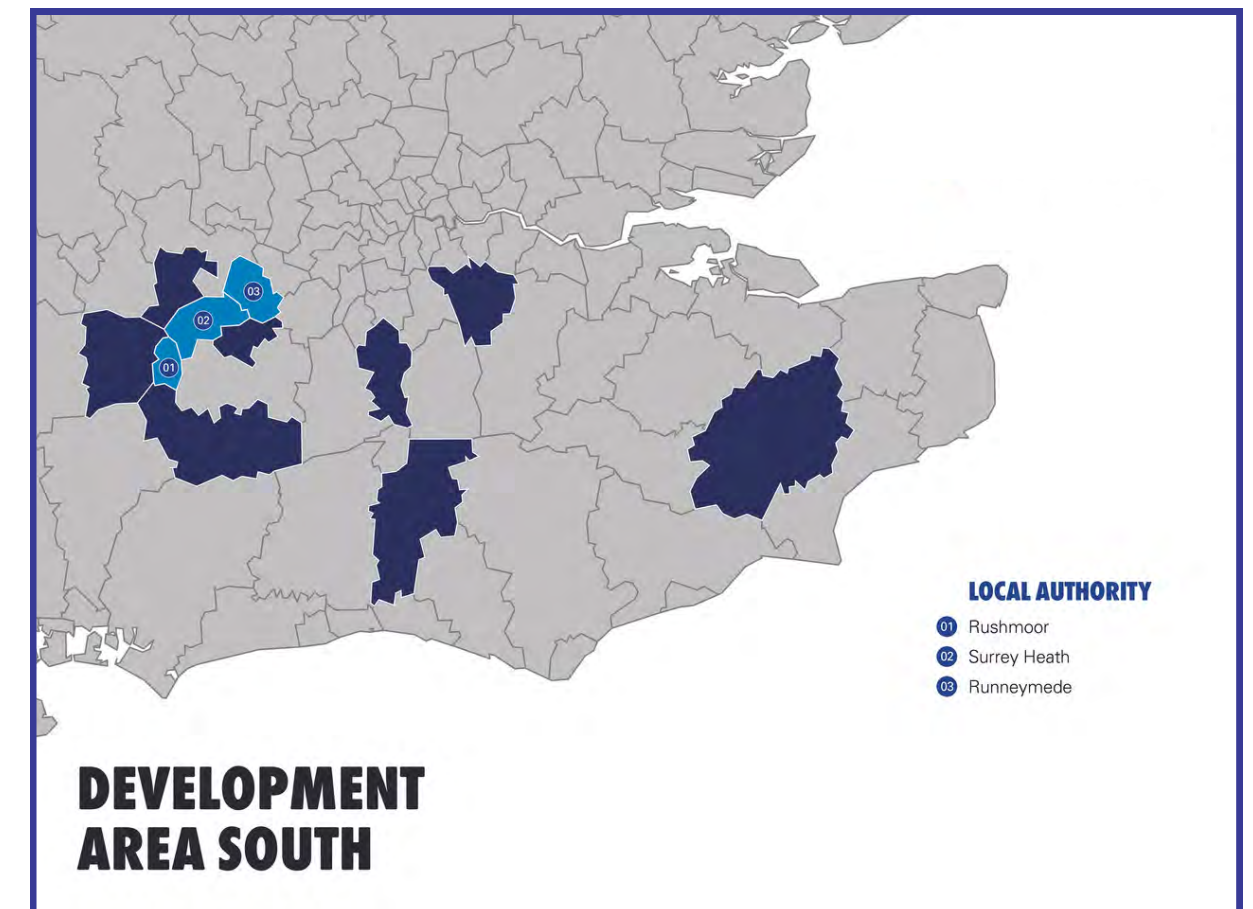
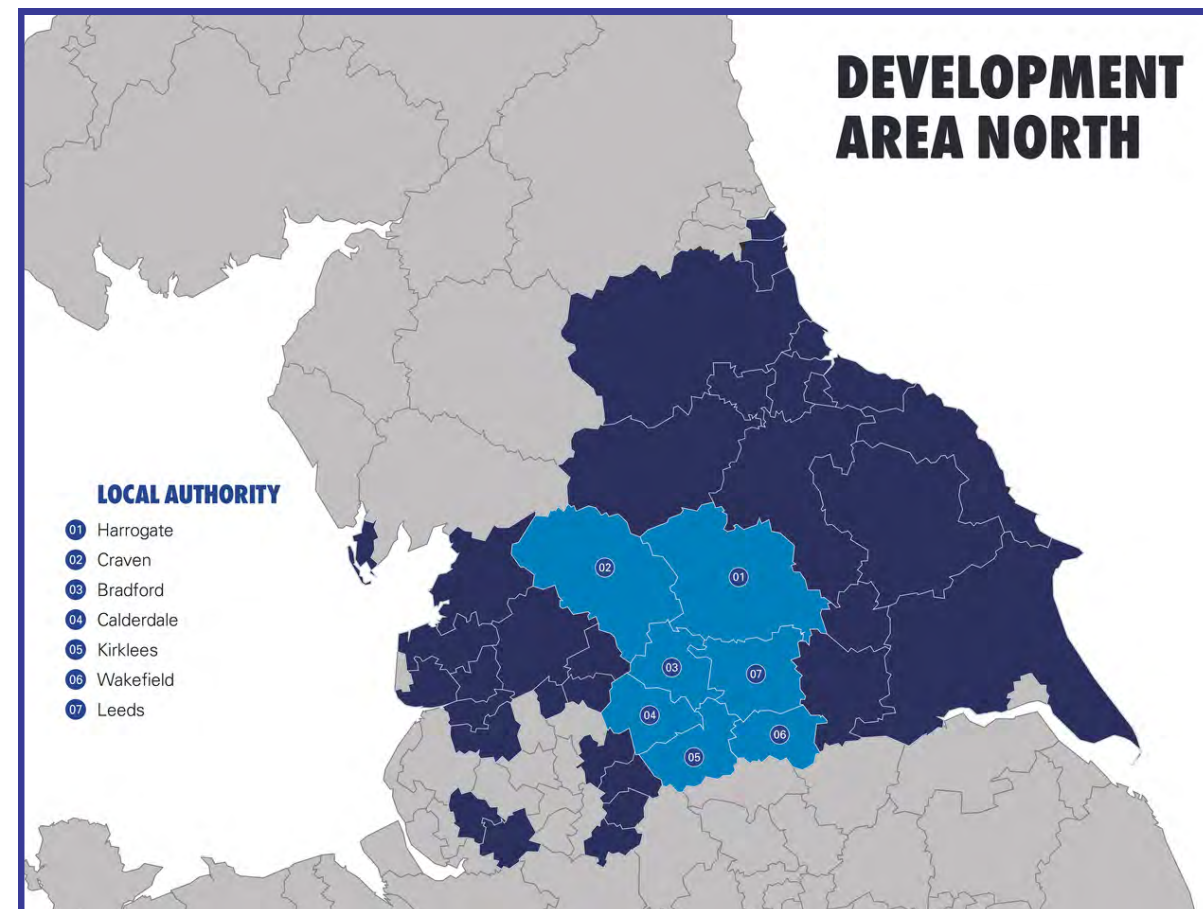
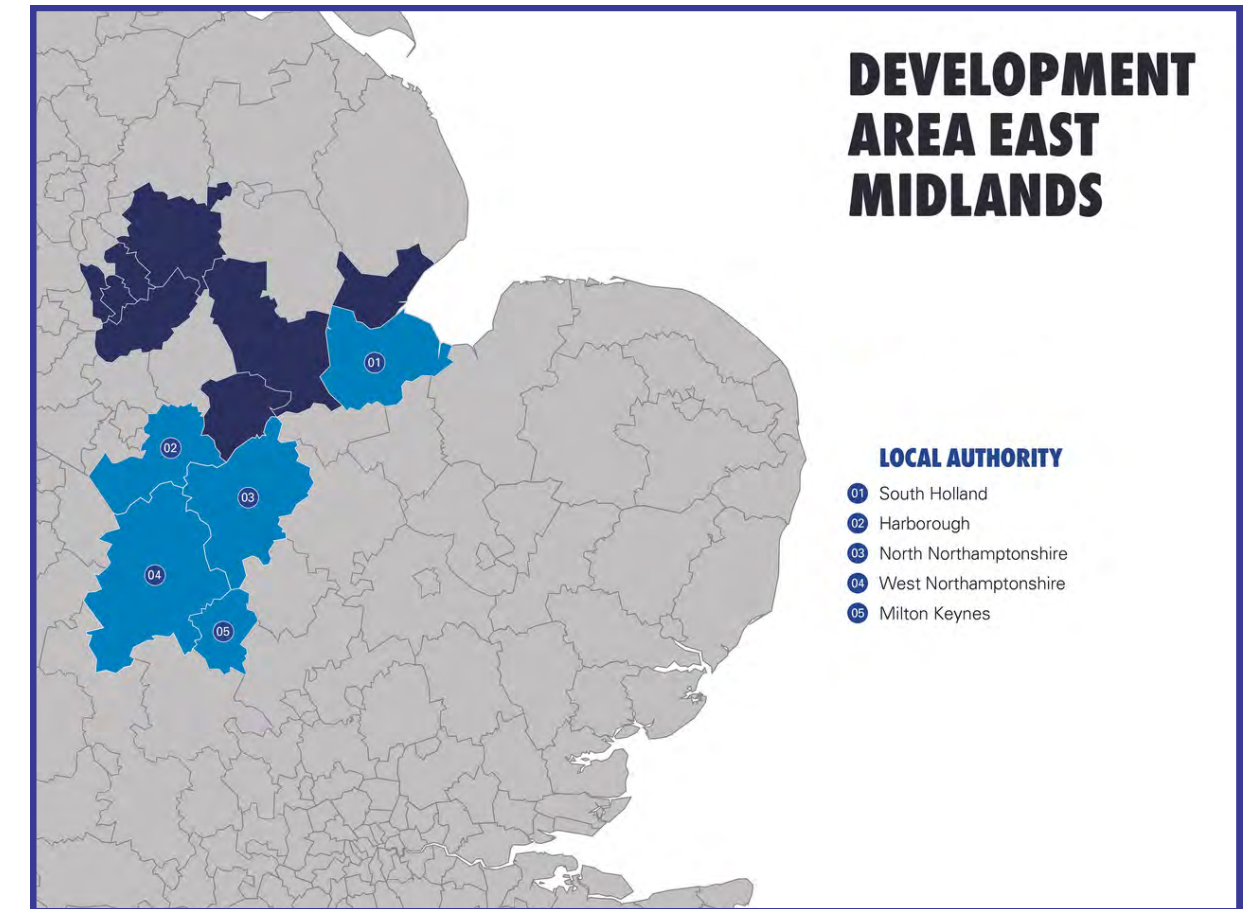
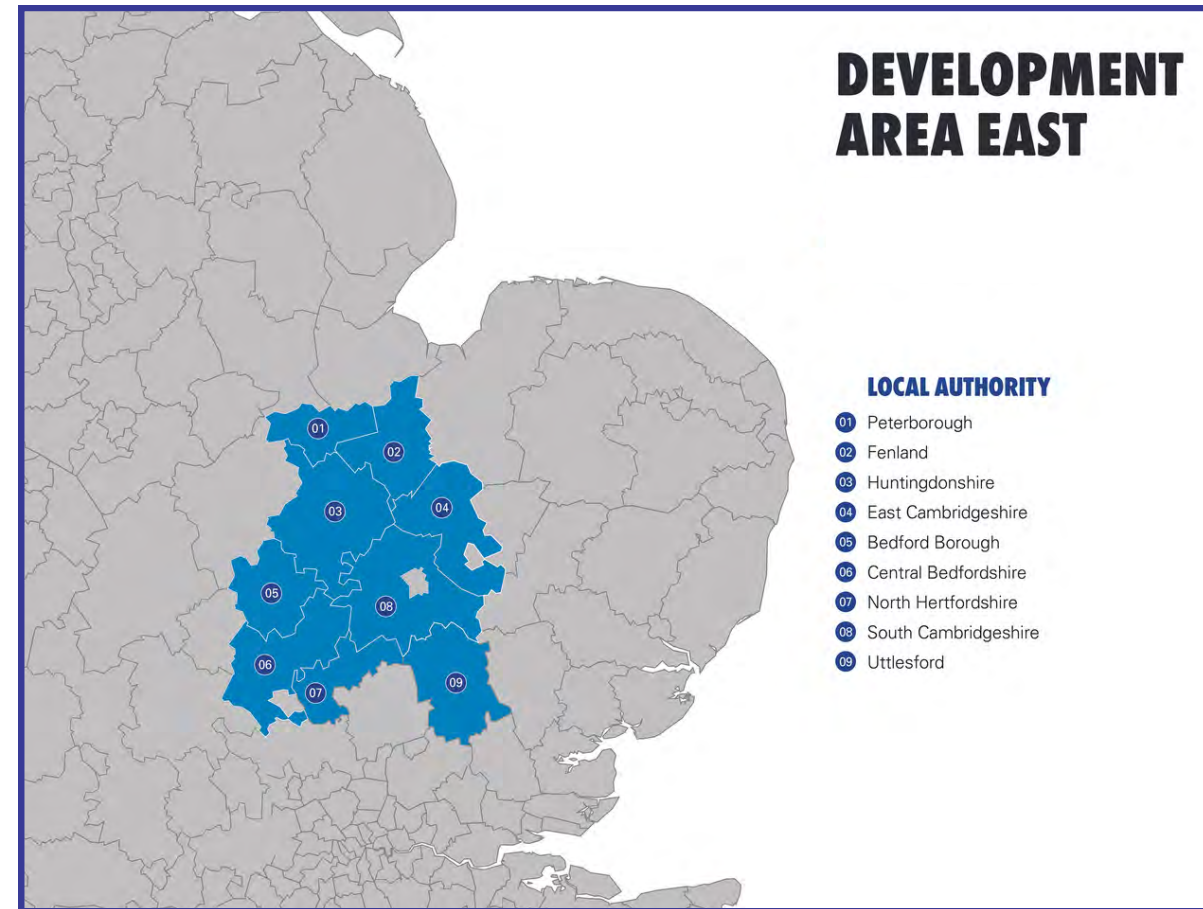
- 28 EPC A rated homes delivered in 22-23 26 to date in 23-24

# DEVELOPMENT AND SALES ACTIVITIES

We have reviewed our key areas of interest for the delivery of new homes with a reduction in the number of local authority areas

## KEY

- Areas where we have homes
- Focus for Development



# SHARED OWNERSHIP SALES

Photo:  
Plots 11-13  
– Sharnbrook

- We sold 37 shared ownership homes in 2022/23 against a target of 36 generating a first tranche sales receipt of £5.3m
- The average share purchased was 41.2% at a cost of £139K, 51% were sold to first time buyers
- The sales completion target for 2023/24 is 86 sales
- Majority of these (88%) are between Milton Keynes and Cambridge with only 12 flats, of which 6 are to be released and 6 are sold or reserved
- Homes marketed 6 months prior to hand over and released for sale 3 months prior to completion to secure off plan sales
- All homes are marketed via our website [www.homemadehomes.com](http://www.homemadehomes.com)



# FINANCIAL RESULTS

Kirsty Spark

# ACCOUNTING POLICY CHANGE

- 2021/22 accounts have been restated following major change in accounting policy
- Moved from Existing Use Valuation - Social Housing to Historic Cost
- Aligns Accent to wider sector. Improves comparability and better reflects investment decisions of the business. Less volatility in annual position
- Key changes;
  - Grant recognised over 100yrs not on asset completion
  - Historic depreciation charge recalculated and realigned
  - Grant recognised to date reassessed, reserves and creditor balances adjusted accordingly (increase in creditors of £293.5m)
  - Revaluation reserve eliminated
  - Gearing position permanently shifted due to reserves adjustment
  - Lender covenants renegotiated



# FINANCIAL RESULTS

## FY22 V FY23

- Turnover of £115.3m (2022 £107.9m), amortised grant £3.97m vs £3.96m (2022)
- Rent receivable increased by £4.91m – combination of rent settlement plus new developments
- First Tranche home sales of £5.3m – net surplus of £1.55m (2022 £6.24m generating £1.25m)
- Open market sales of £4.55m generating surplus of £1.12m (2022 £1.62m generating £370k)
- Voids stable at £1.1m (1.22%) vs £995k (1.17%) in 2022. Area of focus in 2023
- Surplus before tax of £21.49m (2022 £14.39m). Strong result despite pressures coming from wider economic environment, utility costs and pressure on customers

KEY FINANCIAL INDICATORS	YE 31 MARCH 2023	YE 31 MARCH 2022 (RESTATED)
Turnover £000	<b>£115.3m</b>	£107.9m
Operating Surplus £000	<b>£32.4m</b>	£27.2m
Operating margin (overall)	<b>28.1%</b>	25.1%
Interest Cover (EBITDA MRI)	<b>1.7x</b>	1.3x
Gross Indebtedness	<b>£496.5m</b>	£487.4m



# KEY FINANCIALS YEAR ENDED 31 MARCH 2023

- Stable management costs in 2023 despite economic pressures – emanating from re-structuring and efficiency drive
- Reprocured repairs and maintenance contractor – moved to schedule of rates alongside supply and fit
- Major restructure of customer facing teams (Housing and Assets) plus finance teams driving efficiency and professionalisation of the sector
- Service charge costs under pressure due to cost inflation, in particular utilities
- Delivery of 221 new homes of which 173 were for rent, 41 for shared ownership / low cost homeownership and 7 for outright sale
- Liquidity (undrawn facilities and cash) of £206 million plus £40m ringfenced
- Completed retrofit pilot in two regions with support of SHDF Wave 1 funding – secured grant of £1.25m in 2022 and are now on with Wave 2
- Total comprehensive income of £27.55m (2022 £23.57m)
- AGPS Actuarial gain of £7.13m (2022 £8.08m), SHPS DB loss of £1.06m (2022 gain £901k)
- AGPS now in well funded position with liabilities aligning to assets

# **HALF YEAR HIGHLIGHTS TO 30 SEPTEMBER 2023**

# HALF YEAR HIGHLIGHTS

- Operating surplus of £17.8m - ahead of budget as a result of operational reviews, savings on utilities following contract renegotiation and lowered depreciation
- Liquidity (undrawn facilities and cash) of £180.7 million
- Delivery of 219 new homes in ytd with 48 homes sold or sstc in the first six months
- Standard and Poors reaffirmed rating of A (stable outlook) reaffirmed in July 2023. Actively monitor and consider ratings ratios with Board
- V1 G1 reaffirmed IDA July 2023 – participated in consumer regulation pilot
- Housing management restructure – Live April 2023. Reshaped delivery of front line services for customers



# ASSETS AND INVESTMENT

- Surveys are now underway for priority blocks - results are due December 2023
- Focused programme for dealing with damp and mould, working with contractor partners to detect under-reporting and address issues early. Less than 100 cases identified, majority of which are minor
- Fire safety - limited exposure - three high-rise blocks. No outstanding remedial works
- Focus on investment in existing properties to ensure provision of high quality homes for customers alongside protection of asset base

	<b>30 SEPT 2023</b> <b>£'000</b>	<b>30 SEPT 2022</b> <b>£'000</b>
Responsive	7,835	7,521
Capital	13,118	8,834
<b>Total</b>	<b>20,953</b>	<b>16,355</b>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE

- Committed to improving the lives of customers through provision of high quality, affordable, sustainable and safe efficient homes
- 223 land led homes developed in 2023/2024 will be at EPC A
- Ripleyville redevelopment approved in July 2023 will be first carbon neutral scheme in area with high demand for family homes
- As at 30 September 82 % of stock is already at EPC C
- 100% of Homes offered on secure tenancy lease and 96% let at social rent
- Over 60% of stock is less than 40yrs old and stock condition data is held for 82% with an increase to 90% anticipated before the end of the financial year
- Carbon Literacy Project for colleagues underway with full roll out planned in 2024
- Founders of More than Homes campaign – seeking to raise £1m for Trussell Trust
- EDI Specialist employed and working across all aspects of the business to improve customer and colleague experience. Also influencing on a national level through involvement in NHF scrutiny panels etc.
- Ambition to have 5 employed apprentices by 31 March 2024
- 21 colleagues being trained through utilisation of Apprenticeship Levy

# DEVELOPMENT

- 219 new build homes handed over in six month period to 30 Sept 2023 (2022: 81)
- 967 homes are in contract or on site, 16 committed and awaiting start on site and 208 approved but not committed
- On target to deliver 415 units by 31st March 2024 of which 73 will be shared ownership and 342 will be rented (social and affordable)
- Start on site target of 437 units by end of the year on a blended basis
- Grant of £14.3m received ytd (cash)

	COMPLETIONS SIX MONTHS TO 30 SEPT 2023	COMPLETIONS SIX MONTHS TO 30 SEPT 2022
Rented	171	57
Shared Ownership	48	17
Outright	-	7



# SALES

- 48 shared ownership sales with a value of £6.42m completed in six month period to 30 Sept 2023 (Sept 2022: 20 units £2.57m)
- Surplus on sale of £0.7k
- Strong performance – average time to agree a sale is 2.1 months and average first tranche sale 42%
- Average time taken to exchange from agreeing a sale is 2.4 months down from 3.7 months in 2022
- At 30th September there were 15 shared ownership properties available for sale – all being sold subject to contract (Sept 2022: 8)
- No private sale units under construction or in the pipeline and no exposure to London markets



# KEY FINANCIALS

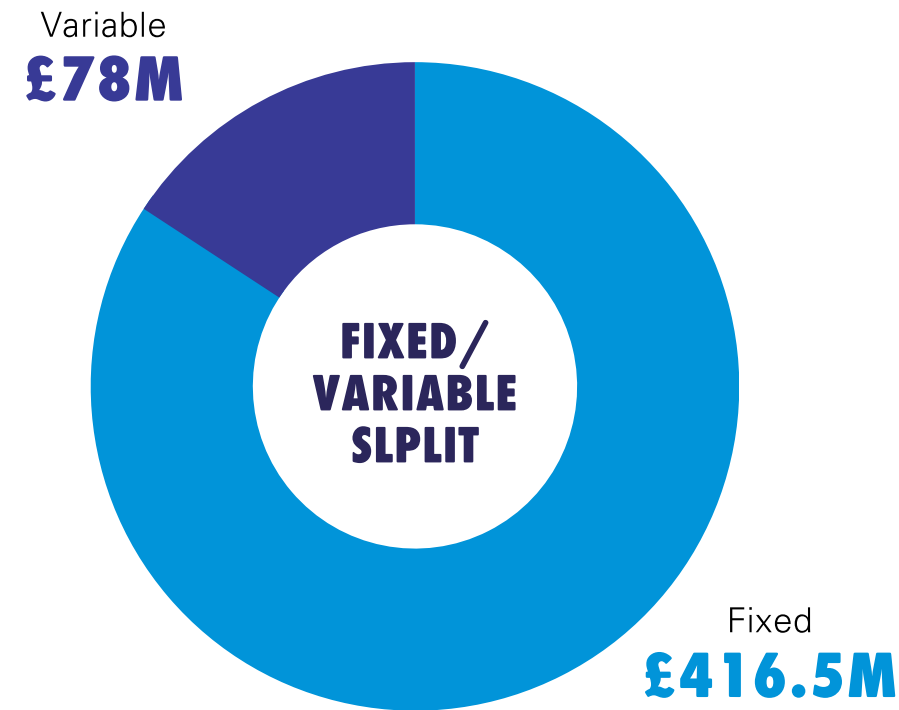
KEY FINANCIAL INDICATORS	6 MONTHS ENDED 30 SEPTEMBER 2023 (UNAUDITED)	6 MONTHS ENDED 30 SEPTEMBER 2022
Turnover £'000	<b>64,195</b>	58,644
Operating Surplus £'000	<b>17,848</b>	17,248
Operating Margin (Overall)	<b>28.8%</b>	27.0%
Operating Margin (Social Housing Lettings)	<b>30.3%</b>	26.1%
Surplus before tax £'000	<b>13,943</b>	11,623
Gearing (traditional basis)	<b>53.2%</b>	53.2%
Interest Cover (EBITDA MRI)	<b>339.2%</b>	316%
Net Debt £million	<b>353.9</b>	346.2
Cash at Bank (excl ringfenced funds) £million	<b>148.0</b>	139.0



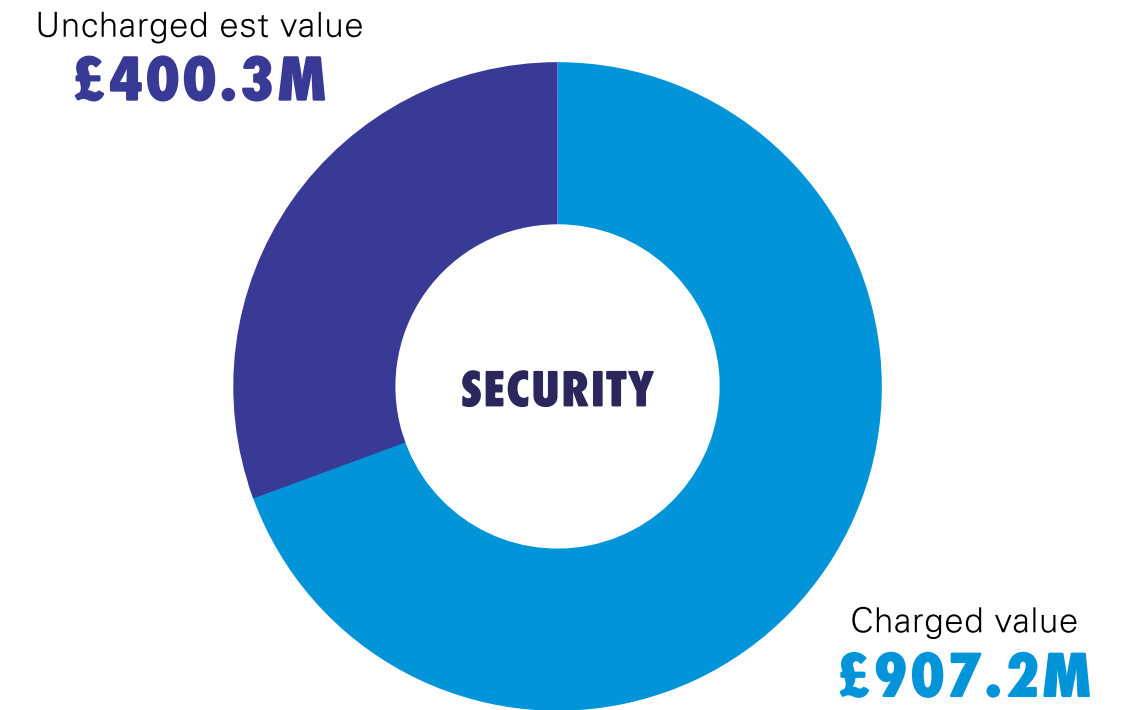
# TREASURY



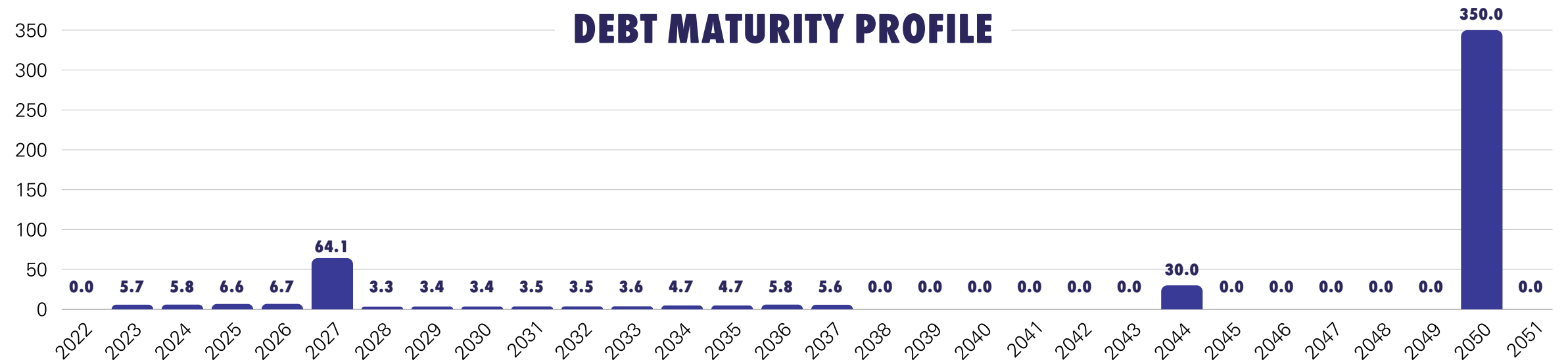
Liquidity position (Sept 23): £80m undrawn facilities plus £133.3m in deposit accounts alongside operational bank balances. Strong performance on cash deposits in recent months. Policy is to maintain liquidity to cover a minimum of 18 months cash requirements



Straight forward loan book with high level of fixed debt providing protection against market volatility. At 30 Sept 84.2% of debt was fixed, remaining 15.8% was held within variable bank facilities



Significant pool of unencumbered assets – estimate based on conservative management EUVSH valuation. Existing security includes circa £194m of headroom against lender requirement



# SUMMARY

- V1 G1 – reaffirmed via IDA July 2023, consumer regulation pilot participant
- S&P reaffirmed rating of A stable – July 2023
- Enhanced customer offer following internal review and restructure, investment in community engagement
- Good quality housing, over 80% at EPC C, no fire remedial work outstanding on high rise and focussed damp and mould programme (fewer than 100 identified cases)
- Strong liquidity - £148m at 30 September 2023
- Operating Margin of 28.1% at 31 March 2023, on track to achieve budgeted position in year to 31 March 2024
- Homes England Strategic Partner with active development programme
- Strong development and sales activity - all available units sold subject to contract at 30 September 2023



