

# INVESTOR PRESENTATION

---

**JANUARY 2024**

GARY BOOTH – CHIEF FINANCIAL OFFICER  
AUDREY HOWARTH - HEAD OF TREASURY



# Disclaimer

## Purpose

The information contained in this investor presentation (including the presentation slides and any related speeches made or to be made by the management of Citizen Housing Group Limited (“the Group”) and Citizen Treasury PLC (the “Issuer”) together with the Group and their respective subsidiaries and associates, “Citizen”) or any questions and answers thereto or any related verbal or written communications in respect thereof) (together the “Presentation”) has been prepared to assist interested parties in making their own evaluation of Citizen.

This Presentation is believed to be in all material respects accurate, although it has not been independently verified by the Issuer and does not purport to be all-inclusive. This Presentation is not intended to be and should not be considered as, a recommendation by Citizen, nor any other person, to proceed with a transaction. This Presentation is not intended to be, and does not constitute, a prospectus, nor other disclosure document. It does not constitute an offer or invitation, or an invitation for an offer, for the sale or purchase of any financial product. Neither this Presentation nor the information contained, or referred to in it, nor any other information supplied, forms the basis of any contract or any other legal obligation.

This Presentation and its contents are strictly confidential, are intended for use by the recipient for information purposes only and may not be reproduced in any form or further distributed to any other person or published, in whole or in part, for any purpose. Failure to comply with this restriction may constitute a violation of applicable securities laws. By reading this Presentation, you agree to be bound by the following limitations.

## Non-Reliance

Neither Citizen, nor any of its representative directors, officers, managers, agents, employees or advisers makes any representations or warranty (express or implied) or accepts any responsibility as to or in relation to the accuracy or completeness of the information in this Presentation (and no one is authorised to do so on behalf of any of them) and (save in the case of fraud) any liability in respect of such information or any inaccuracy therein or omission there from is hereby expressly disclaimed, in particular, if for reasons of commercial confidentiality information on certain matters that might be of relevance to a interested party has not been included in this Presentation.

No representation or warranty is given as to the achievement or reasonableness of any projections, estimates, prospects or returns contained in this Presentation or any other information.

This Presentation includes certain statements, estimates and projections prepared and provided by the management of Citizen with respect to its anticipated future performance. Such statements, estimates and projections reflect various assumptions by Citizen’s management concerning anticipated results and have been included solely for illustrative purposes. No representations are made as to the accuracy of such statements, estimates or projections or with respect to any other materials herein. Actual results may vary from the projected results contained herein.

The recipient should conduct and rely solely on its own independent review, investigation and analysis (including obtaining independent expert advice) of the information contained, or referred to in this Presentation. The recipient is responsible for making its own independent judgments with respect to anything in this Presentation.

## Exclusion of Liability

Citizen, nor any of its directors, board members, employees, affiliates, advisers and representatives and any other person connected to any of them shall be liable (whether in negligence or otherwise) for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement in or omission from this Presentation or any other information and any such liability is expressly disclaimed, to the maximum extent permitted by law.

Citizen may, in its absolute discretion, but without being under any obligation to do so, update or supplement this Presentation, in which case this Presentation must be read subject to that update or supplement. However, Citizen does not undertake to provide the recipient with access to any additional information, or to update this Presentation or any additional information, or to correct any inaccuracies in this Presentation or any additional information which may become apparent. Any update or supplement to this Presentation, and any other information provided by Citizen, is subject to the conditions of this disclaimer as if references in this disclaimer to this Presentation or the information in it included such update, supplement or information.

The information set out in this Presentation has been prepared as at 31 March 2023 or such other date as is indicated in this Presentation

# Contents

- Overview.....04
- Sustainability.....13
- Homes, Asset Management and Development.....19
- Financial, Operational & Treasury.....27



# Overview



# Overview

Registered Provider of Social Housing, with a proud history dating back over 50 years

**31,691\***

Homes (owned & managed)

**95%**

turnover via SH activities

**G1 / V2**

Stability Check: October 2023

**A3 (Moody's)**

Credit Rating: Dec 2023

**£185m**

Turnover (2023)

**4.5 out of 5**

Customer satisfaction (2023)

**2.6%**

Current rent arrears (2023)

**£50.9m**

Operating Surplus (2023)

**571 new homes**

Affordable tenures (2023)

**ISO 100002**

Complaint Handling

**ISO 20000**

IT Service Management

**24.5%**

Operating Margin (2023)

**Cyber Essentials**

Certification

**HQN MIST**

Accreditation

\* 31,960 as at 30 September 2023

# Who we are

- Citizen owns and manages **over 31,691 homes\*** across the **West Midlands** in Coventry, Birmingham, Solihull and across the counties of Herefordshire and Worcestershire. The majority of the Group's properties (over 90%) are general needs rented housing, but the Group also owns and manages a number of retirement living schemes and a small portfolio of supported housing.
- Citizen's focus is on core activities: **95% of turnover was from Social Housing Activities** (2022/23).
- Citizen is focussed on increasing the supply of **affordable homes** in the Midlands and maximising the performance of our existing homes.
- In addition, as part of the recently updated Citizen Business Strategy 2023-2026, we are committed to invest in **People, Homes and Partnerships**.
- Our strategy goes **back to basics** to focus on getting our services for customers delivered brilliantly.
- We will build **1,650 new affordable homes** and **300 homes for outright sale** over the next three years.
- Citizen is focussed on becoming a **net zero landlord by 2050** and achieving **EPC C by 2030**: We remain deeply committed to the ESG agenda and this continues to be a core area of focus for the group.
- Citizen has a **strong Board**, chaired by Colin Dennis, and is managed by a highly experienced executive team, led by Kevin Rodgers, CEO.
- Citizen enjoys a strong **A3 Moody's credit rating** (affirmed in December 2023).
- Financial and Operational metrics are strong with consistent performance in value for money metrics and operating performance.

\* 31,960 as at 30 September 2023

# Purpose and Values

**OUR PURPOSE:** TO PROVIDE HOMES THAT ARE A FOUNDATION FOR LIFE

## WE ARE BRAVE

We are willing to take on the tough stuff.  
We challenge ourselves.  
We don't give up.

## WE ARE HONEST

We take responsibility.  
We are realistic.  
People trust us to do what we say we will do.

## WE ARE AMBITIOUS

We find solutions.  
We aren't afraid to try things out.  
We keep learning and improving.

## WE ARE CITIZENS

We are committed to our people and places.  
We believe everyone has something to give.  
We encourage every person to be the best they can be



# Our 2023 -2026 Business Strategy

## HOMES



*We will make sure our homes are safe, comfortable and sustainable for our customers*

*We will build homes to meet the needs of our region*

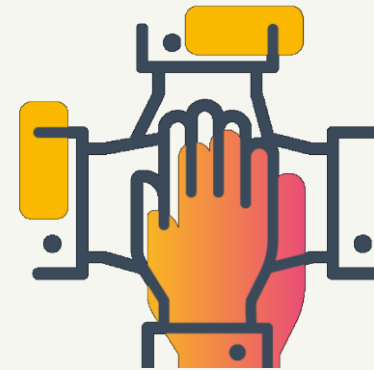
## PEOPLE



*We will listen to our customers and focus on the things that matter the most*

*We will be an employer of choice and invest in our people*

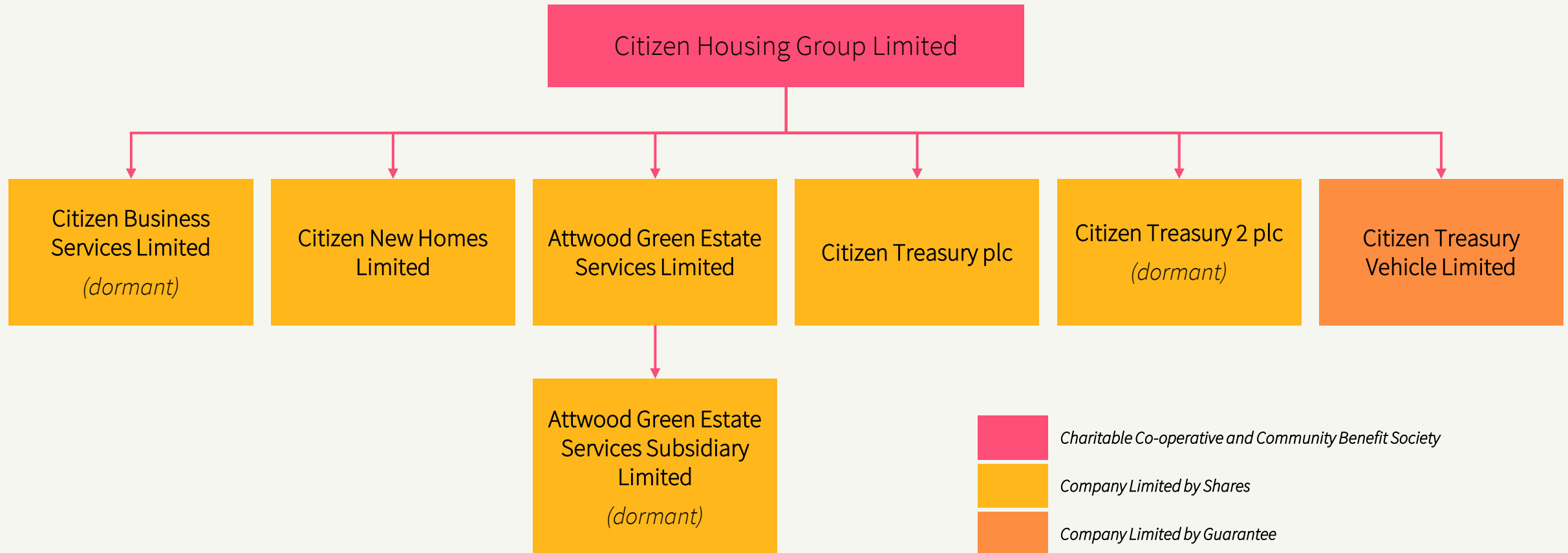
## PARTNERS



*We will work with our partners to make a positive difference to our customers and communities*



# Simple Group Structure



# Our Leadership Team



## Kevin Rodgers - Chief Executive

- Kevin was appointed Chief Executive at Citizen in May 2015. Before that he was the organisation's Deputy Chief Executive and Group Finance Director having previously worked as a consultant at PricewaterhouseCoopers.
- In September 2016 Kevin was elected as the Chair of the West Midlands Housing Association Partnership which was created to provide a single voice for housing associations to engage and support the West Midlands Combined Authority (WMCA) in delivering on an ambitious change programme for housing that will be necessary for it to achieve its social and economic aims.
- He is currently a Board Member of North Solihull Partnership and Coventry Local Public Services Board and actively involved with the work of the Local Enterprise Partnerships in Greater Birmingham and Solihull and Coventry and Warwickshire.



## Nick Byrne - Executive Director of Development

- Nick is our Executive Director of Development and has been in post since September 2017. Nick joined Citizen in June 2016 as Director of Development and Procurement.
- Nick is responsible for our ambitious development programme; aiming to provide a mixed-tenure programme of 650 homes a year for social and affordable rent, shared ownership, Rent to Buy and market sale.
- Nick's other responsibilities at Citizen include our sales function and delivery of our regeneration projects. Prior to Citizen, Nick worked for some of the largest housing associations in the Midlands including Midland Heart, Waterloo and Orbit. He is a member of both the RICS and the CIOB.



## Madeleine Nelson - Chief Operating Officer

- Madeleine was appointed Chief Operating Officer in July 2021. Madeleine joined us from Plus Dane Housing – a 13,000-home housing association operating across the North West where she was Executive Director of Growth and Assets.
- She has held executive director positions over the last eight years and led all operational services – including customer services, repairs, housing management, supported housing and asset management.
- Madeleine started her career in housing in tenant empowerment, moving to the housing association sector and then Manchester City Council where she delivered the council's housing strategy and some of the most challenging regeneration initiatives across the city. She spent more than a decade in advisory services at PwC, providing consultancy advice to housing associations and local government while leading the housing advisory team and delivering transformation change programmes.



## Gary Booth - Chief Financial Officer

- Gary was appointed Chief Financial Officer on a permanent basis in October 2021, after a period of undertaking the role on an interim basis.
- Prior to this, Gary was Director of Treasury, Assurance and Procurement at Citizen. He has worked within Finance and Corporate Services at Citizen since 2003 having previously worked for Deloitte.
- During 2019 Gary led on the legal amalgamation of the Group's Registered Providers which became Citizen on 1 September 2019. He also led on the signing of an agreement to tap Citizen's 2012 bond with a further £100m issued in October 2020.
- Gary is currently a Governor and the Finance Committee Chair of a primary school near to his home.

# Our Board

The Citizen Board oversees the strategy and direction of the organisation and makes sure that our Executive Leadership Team is working effectively.

Our Board's responsibilities include:

- ✓ Setting our overall strategy.
- ✓ Making sure our Executive Leadership Team is working effectively and has access to the resources it needs.
- ✓ Monitoring our performance, service delivery and financial viability.
- ✓ Making sure risks are identified and dealt with.

Underneath our Board sit a number of committees with a more specific focus

For more information on our Committee Structure click [here](#)

For more detailed CVs of our Board click [here](#)



Colin Dennis  
*Chair*



Joan Allen



Stephen Russell



Kevin Rodgers  
*Chief Executive*



David Blower



Susan Brooksbank-Taylor



Angela Carpenter



Monica Shafaq



Claire Williams

# Sector Challenges

- Cost inflation and interest rate backdrop
- Cost of living pressures on customers and what resources we have to support
- Repairs, damp and mould, disrepair
- Decarbonisation
- Rent settlement – long term view
- Election risk

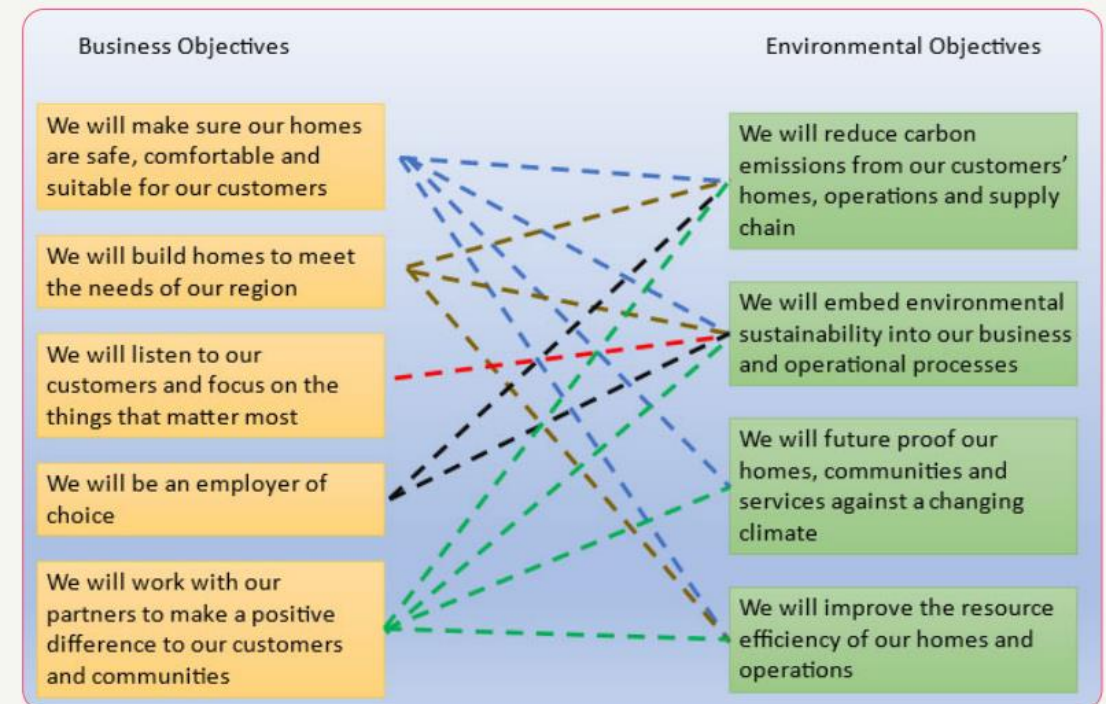
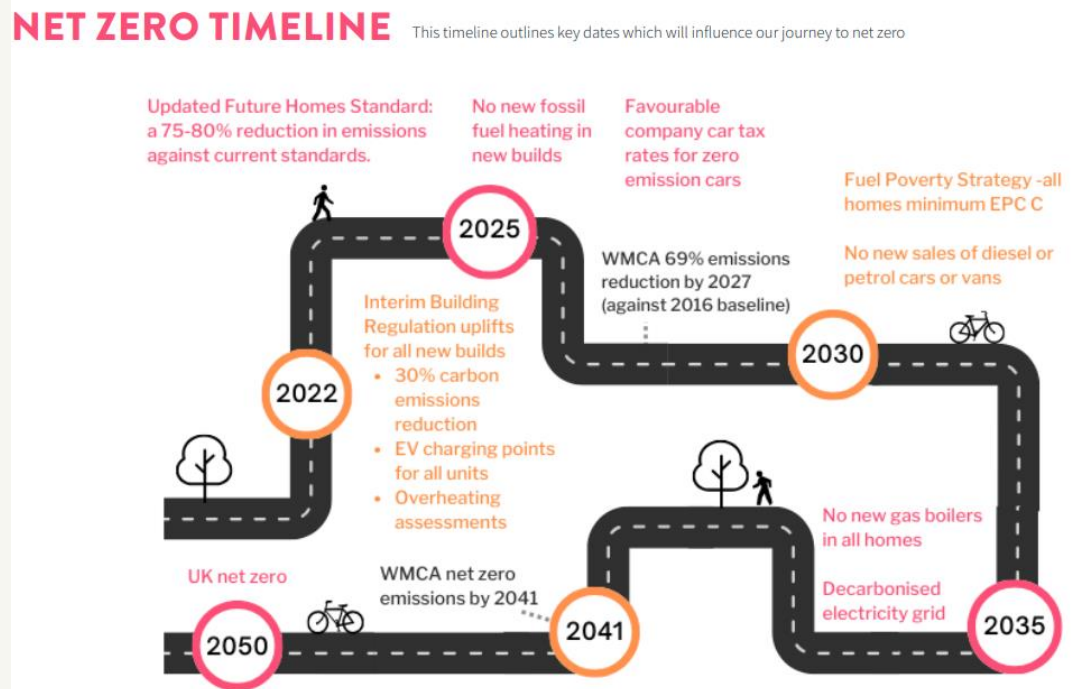
Sustainability



# Our 2023-2026 Sustainability Strategy



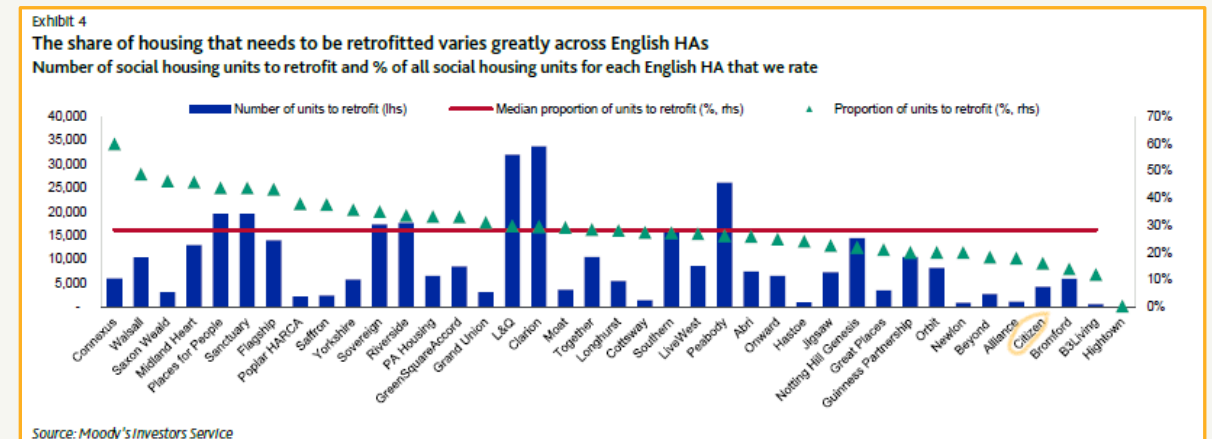
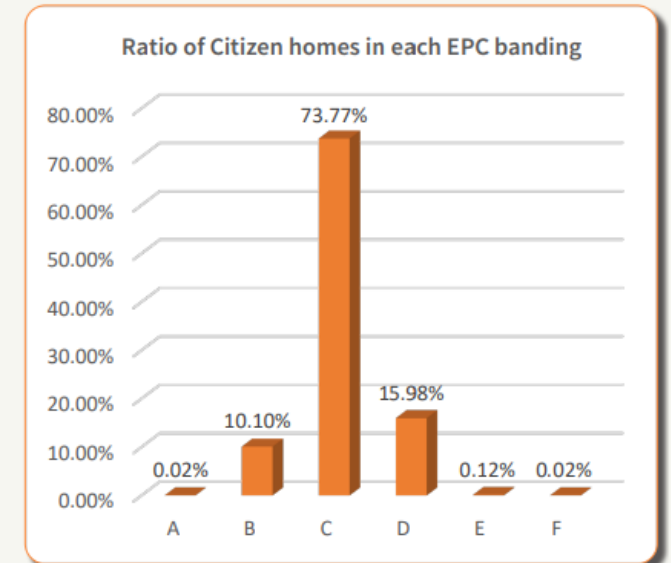
- Citizen’s environmental strategy sets out our high-level environmental objectives and defines our key priorities for the next three years.
- Delivering against our action plan will enable us to demonstrate meaningful environmental improvements that will provide benefits to our customers and staff
- Our environmental objectives will support the achievement of Citizen’s business objectives. The links between our business objectives and environmental objectives





# Sustainability - Environmental

- We are committed to raising all our homes to at least an EPC rating of C by 2030
- ~84% of homes are rated at EPC C or above
- Stock analysis completed to detail our approach to achieving net zero carbon and successfully bid for Government funding to improve the energy efficiency of our homes
  - During 2021/2 we successfully obtained a £1m grant from the Social Housing Decarbonisation (“SHDF”) fund to retrofit 95 of our least energy efficient properties
  - In addition, during 2022/23 Citizen, through collaboration with Coventry City Council, achieved a grant of £23.8m from the next wave of SHDF funding
- Including the grant from the Social Housing Decarbonisation Fund, Citizen is investing nearly £74m to bring more than 4,000 homes up to EPC C ahead of the Government’s target of 2030
- Ongoing Green Buildings Investments - e.g. new boilers, energy efficient window/door replacements
- An energy advice service will be set up to provide our customers with energy saving information, advice and guidance
- 2023-2026 Sustainability Strategy published during 2023
- Source materials responsibly within new build and planned and reactive maintenance projects
- Include waste management strategies within new build programmes and reactive maintenance projects



# Social Housing Decarbonisation Fund

- Under SHDF 2 – Citizen are working with Coventry City Council to improve the energy efficiency of more than 2,000 homes in Coventry over the next two and half years
- £23.8m grant for energy efficient works to improve the Energy Performance to an EPC rating of a C
- Works on the homes will predominately improve the fabric and ventilation of a property including, cavity / external wall insulation, increased loft insulation and improving ventilation to reduce the potential for mould growth
- Recent visit from the Infrastructure & Projects Authority to see the Social Housing Decarbonisation Wave 1 projects in development delivered by Department for Energy and Net Zero (“DESNZ”)
- Importance of taking the resident on the journey, involving them in the work from the beginning and being part of the decision making process – transparency is key
- Further details of the Infrastructure & Projects Authority visit at the following link: [SHDF](#)





# Sustainability - Social

- Citizen sets its rents consistently lower than the local authority local housing allowance rate and market rental rates
- Over 90% of our homes are let at Social or Affordable rent
- During 2022/23, we increased our number of homes by 630 units (571 for rental & shared ownership and 59 for outright sale)
- We reviewed our governance arrangements in 2020/21 which resulted in a new assurance model of governance, made up of a Customer Assurance Committee with a clear role to provide our Board with assurance that the customer voice is present within our service delivery and improvements – meet 6 times per year and supported by a Customer Scrutiny Panel made up of 8 customers and a Citizens Together virtual panel of 600 customers
- During 2022/23 Citizen facilitated the delivery of £37k from the Citizen Local Fund to support nine community projects
- The Employment Coaching service is part of our wider Money Advice service and supports customers with access to employment, education and training opportunities and helps them sustain their tenancies.
- We have announced proposed plans that will see an investment of £120million to transform Spon End which plans to build 750 new homes over the next ten years and make Spon End, Coventry to be a safer place to live, with modern homes that are warm and energy efficient located in a pleasant environment with more car parking and quality green space.

## Rent vs. LHA

L.A.	1 bed	2 bed	3 bed	4 bed
Birmingham	69%	68%	71%	63%
Coventry	67%	66%	63%	61%
Herefordshire	79%	73%	65%	54%
Worcester	66%	64%	61%	54%

## Money Advice Services

Customers engaged with service	3,282
Financial gains generated for customers	£2,113,598

# Sustainability - Governance

- Compliance with 2020 NHF Code of Governance and Regulatory Standards reported annually
- G1 / V2 confirmed in 2023
- Risk Management Framework which details our approach to identifying, managing, and reviewing risks
- Board Composition
  - 56% of the board are women – 5 members
  - 22% of the board are BAME – 2 members
  - 11% of the board have a disability - 1 member
  - Average age of the board 57
- Board Effectiveness is externally reviewed every 3 years. The external review took place in June 2022
- Robust and transparent reporting
- Customer Assurance Committee meets formally 6 times each year to provide assurance to the Citizen Board that the customer voice is present within our work and is a driving force behind future improvement plans

Homes, Asset  
Management and  
Development



# Our Stock

- Citizen manages homes within 24 local authority areas across the West Midlands, Worcestershire and Herefordshire
- 92% of our stock is Social Tenures
- The highest proportion of our Social Homes (76%) are within Coventry and Birmingham

## Top 5 Local Authorities\*

Local Authority	Citizen Stock	% total	Waiting List
Coventry	16,526	57%	4,851
Birmingham	5,671	19%	21,867
Herefordshire	1,298	4%	1,340
Worcester	1,371	4%	4,829
Solihull	1,009	3%	2,980

\* Represents Social Tenures only  
Source – RSH SDR 2023

\* 31,960 as at 30 September 2023



## Stock by Tenure (Owned & Managed)

Tenure	2021	2022	2023
GN Social Rent	23,134	23,194	<b>23,337</b>
GN Affordable Rent	2,591	2,832	<b>3,047</b>
Shared Ownership	1,310	1,372	<b>1,510</b>
Housing for Older People	712	712	<b>712</b>
Supported	481	484	<b>448</b>
Intermediate	224	193	<b>190</b>
<b>Total Social Tenures</b>	<b>28,452 – 92.1%</b>	<b>28,787 – 92.1%</b>	<b>29,244 – 92.3%</b>
Retained freeholds / estate charges	2,136	2,167	<b>2,157</b>
Nursing and care homes	120	123	<b>117</b>
Leasehold schemes – Elderly	169	169	<b>167</b>
Non Social Leased Housing	5	5	<b>5</b>
Market Rent	2	1	<b>1</b>
<b>Total Non Social Tenures</b>	<b>2,432 – 7.9%</b>	<b>2,465 – 7.9%</b>	<b>2,447 – 7.7%</b>
<b>Total</b>	<b>30,844</b>	<b>31,252</b>	<b>31,691*</b>

# Asset Management Strategy: 2023-2026

- The 2023-2026 Asset Management Strategy (“AMS”) builds on the achievements of the 2018-2023 strategy which delivered significant investment in our homes including
  - £34m in fire and building safety works
  - £117m in home improvements
  - £79m in responsive repairs and re-letting homes
- Current financial plan assumes we will invest £520m over the next five years including
  - £65m in improving the safety of our homes
  - £301m in improving the quality of our homes
  - £154m in maintaining our homes
- The revised AMS responds to the requirement to create a more sustainable asset base against the backdrop of rising costs and an ambition to improve the quality of some of our homes
- Use assets wisely, improve sustainability through regeneration while investing to create safe, secure and sustainable homes
- Our financial plan includes just over £1.1bn of investment in homes (next 30 years)
- Demand-led approach to re-focus delivery model with a geographically focused strategy to meet local need and underpinned by data
- The strategy will align our investment and deliver model to support the following key themes
  - Building and maintaining safe, secure and sustainable homes
  - Citizen quality standard
  - Environmental sustainability
  - Sustainable homes and regeneration
  - Connectivity and smart technology
- Regular feedback will be sought from customers to ensure the strategy continues to reflect insight and feedback from customers

# Building Safety

- The safety of our homes and our residents who live there is of paramount importance to us
- Building Safety Department lead by our Director of Building Safety
- Citizen has 38 higher-risk buildings that are 18m or above in height - All of these blocks have been inspected by our consultant Fire Engineers
- The West Midlands Fire Service have also completed a full inspection programme on all high risk buildings, which included our blocks over 18m and there are no further actions arising.
- Successfully completed a programme of remediation to 12 Blocks over 18m and one block below 18m where all flammable panels have been replaced.
- Citizen have successfully implemented the use of a cloud based digital modelling and data collection platform (TwinnedIT), which allows the organisation to store and record critical information relating to their obligation of providing a 'Golden Thread' of information to support Building Safety Cases for each of our buildings over 18m.
- TwinnedIT gives Citizen a platform for recording all building safety related information and identifying areas where information may not be readily available and is required, and is accessible by both internal and external stakeholders.
- In the next 12 months we will:
  - Continue with fire door replacement programme – 2,000 planned during 2023/24
  - Commissioned and will undertake structural surveys of all high rise buildings over 7 storeys
  - Commissions and will undertake full survey of all blocks (c.1,750) by an independent fire risk assessor
  - Continue the wider organisational response to the fire safety act

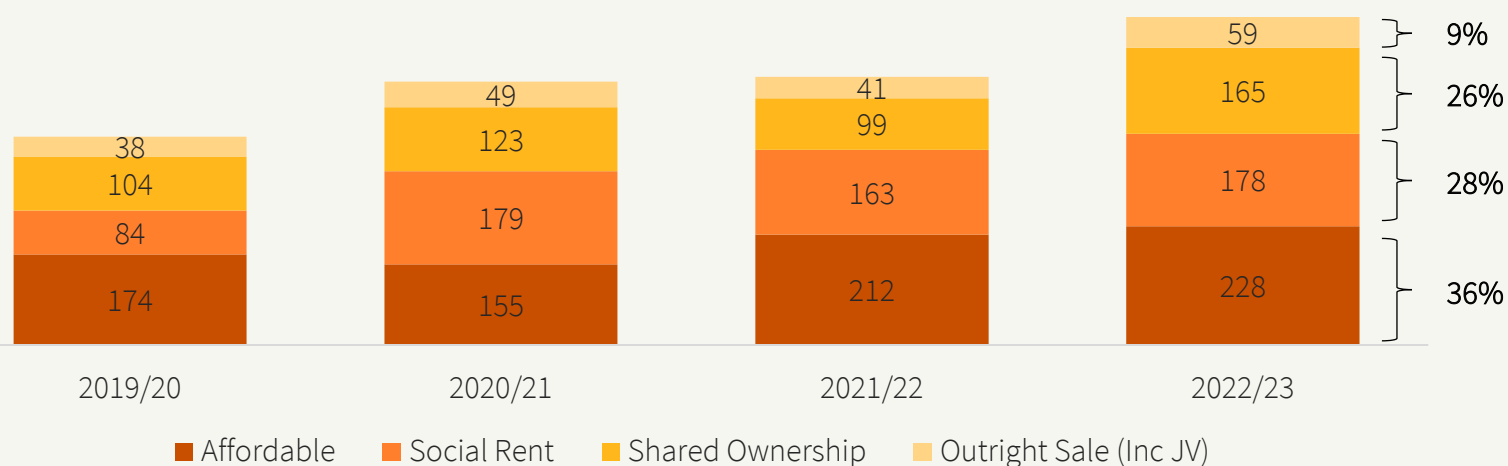
# Damp and Mould

- The impact and management of damp and mould in our properties and the cause and remediation of disrepair claims received from customers continues to be a high priority for Citizen and is reviewed by our SLT on a regular basis.
- The build types of some of our older homes mean that they are more prone to suffer from damp and mould
- We track damp and mould through weekly reports and a proactive approach is in place, identifying hot-spots and procuring a programme of works to support the responsive service
- We are installing 1,000 environmental monitors in our homes that are more prone to damp and mould to provide predictive maintenance data through a web-based portal. As part of our plan to reduce the incidence of damp and mould, we are now also fitting fans as standard when these properties become void.
- A comprehensive online damp and mould course has been launched, and hundreds of our staff have already completed the learning to raise awareness.
- Citizen has also been successful in obtaining over £2m funding from the West Midlands Combined Authority to contribute to dealing with identified HHSRS hazards

# Development Performance (2019-2023)

- Strong track record of development delivery with 1,864 affordable homes delivered from 2019-2023
- Citizen has strong relationships with developers, land owners and SMEs
- Demand for affordable housing substantially outweighs supply
- The Group has highly experienced staff in development delivery and risk management
- Citizen expects to complete c. 740 new homes for the fiscal year ending 31 March 2024, having completed 263 homes in the first half of the year.

## Affordable Programme constituted 91% of 2019-2023 Development Plan



## 2019/2023 Development areas

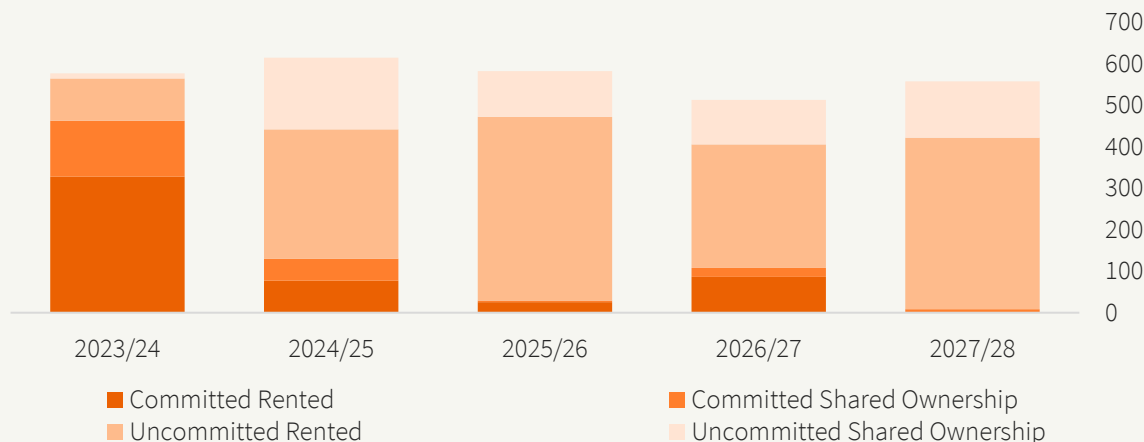
LHA Area	Units	%
Coventry	309	17%
Nuneaton & Bedworth	195	10%
Hereford	76	4%
Birmingham	227	12%
Dudley	52	3%
Solihull	171	9%
Shropshire	22	1%
Sandwell	46	2%
Malvern	144	8%
North Warwickshire	30	2%
Rugby	132	7%
Warwick	122	7%
Worcester	8	0%
Wychavon	110	6%
Wyre Forest	220	12%
<b>Total</b>	<b>1,864</b>	<b>100%</b>



# Development Strategy (2023-2028)

- Citizen continues to have strong development ambitions to continue to deliver high quality affordable housing
- Within the 2023 financial plan, Citizen plans to deliver 2,846 affordable units over the next 5 years
  - 32% of the Affordable Programme is committed
- Citizen additionally is targeting delivery of c. 50 homes per annum from build-for-sale
  - Closely risk managed and closely controlled and monitored to manage risk
  - “Profit for purpose” with profits re-invested into our homes and communities
- Citizen Future Homes Standard
  - This design specification will allow us to build homes that improve living standards to ensure the best product for our customers and wherever possible we will deliver homes that are Zero Carbon ready

## Affordable Development Delivery – Next 5-years



	Committed Rented	Committed Shared Ownership	Uncommitted Rented	Uncommitted Shared Ownership	Total
2027/28	0	8	414	136	558
2026/27	86	22	298	107	513
2025/26	25	4	443	111	583
2024/25	77	53	312	173	615
2023/24	328	135	102	12	577
	516 (18%)	222 (8%)	1,569 (55%)	539 (19%)	2,846

# Managing Sales Risk

## Shared Ownership

- The shared ownership market is holding up in our geographical regions
- This is a strategic tenure type for us going forward with >25% of our Affordable Development Plan targeting Shared Ownership Tenures
- We have a number of customers that cannot afford the high deposits needed to purchase a private home, due to lower household salaries
- There is still demand for our properties, but we are looking at a campaign targeting lower 1st tranche percentages to help manage sales risk
- Unsold stock: 79 shared ownership homes owned/unsold (36 more than 6 months old)
- Average margin 25.5% (28.9% FY 2023, 22.9% FY 2022)

## Outright Market Sales

- Market Sale activity conducted through Signature / Citizen New Homes Limited – the Group’s build-for-sale subsidiary
- Strong track record and performance
- Strategic Joint Ventures with development Partners: e.g. Vistry and Wates
- Highly experienced sales team
- One large Signature site at present where 52% of units have now legally completed and 13% are reserved and we are converting some to shared ownership
- Unsold stock: 24 open market sale homes owned/unsold (6 more than 6 months old)
- Average margin 26.1% (23.9% FY 2023, 25.5% FY 2022)

Financial, Operational &  
Treasury



# Key Performance Indicators

	Actual Performance Q2 2023/24	Target Performance 2023/24	Actual Performance 2022/23	Actual Performance 2021/22
<b>Income Collection</b>				
%age of current tenant rent due not paid	3.45%	3.65%	2.60%	2.63%
<b>Stock Management</b>				
%age of rent lost through being vacant	0.68%	0.78%	0.65%	0.71%
<b>Repairs &amp; Maintenance</b>				
%age repair appointments kept	98.01%	98.50%	94.60%	97.35%
%age of emergency repairs completed in 24 hours	99.08%	99.50%	99.02%	98.60%
%age of non-emergency repairs completed in 12-day target	61.97%	75%	63.75%	70.59%
<b>Safety in the Home</b>				
%age of homes with a current gas safety certificate	99.95%	100%	99.94%	99.97%
%age of homes with a current/valid EICR (communal)	100%	100%	100%	100%
%age of homes with a current/valid EICR (domestic)	98.75%	100%	94.96%	99.30%

	Q2 2023/24	Q2 2022/23
Void rental loss	0.68%	0.73%
Rental arrears	3.45%	3.87%

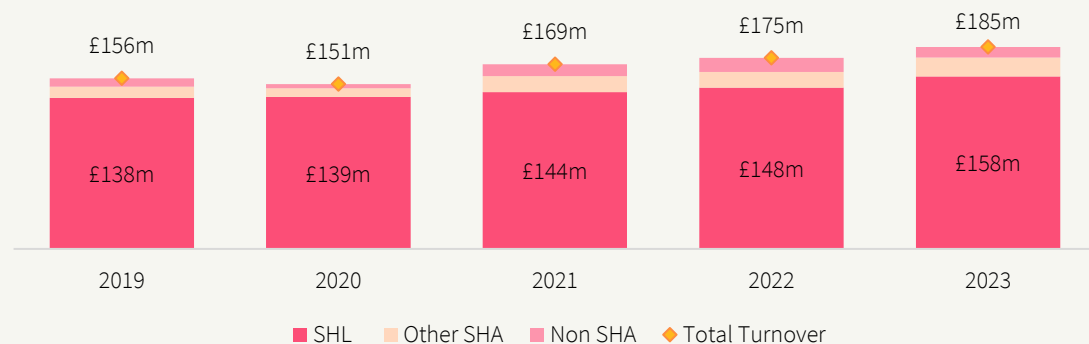
- Year on year improvement in our arrears position, despite significant challenges posed by cost-of-living increases for many of our customers.
- This is testament to the tight controls in process and significant investment in support for our customers including money and energy advisors, employment advice and digital inclusion support.
- Our void loss is consistently in upper quartile performance compared to our peers, and we are in an improved position from last year.
- Customer satisfaction remains strong with overall satisfaction of 4.57 out of 5 (compared to target of 4.53)

# Cyber Security

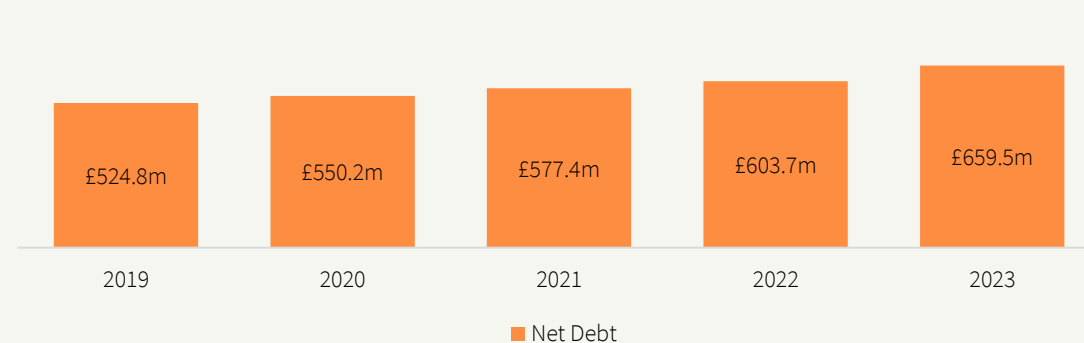
1. Financial plan provides for 2 full time subject matter experts, cyber security costs provided for within revenue budget.
2. Significant increase in awareness in last 12 months, even more so since recent Sector breaches, training, mock spear-phishing attacks, ISG reporting.
3. Information security and cyber risk are identified within ICT suite of risk maps, all risks reported through A&R. In-depth discussion on ICT including the Strategy, Resource and Cyber Security at A&R meeting on 12 July 2023.
4. Bespoke cyber insurance policy in place with access to support in the event of a breach.
5. ICT team well connected – linked to NCSC – have had direct insight into recent sector breach – further strengthening of controls.
6. ELT mandated whole SLT cyber business continuity incident planning session – working up formal BC response to cyber incident including communications plan.
7. Key Finance Data backed up to secure environment on a monthly basis.

# Financial Overview

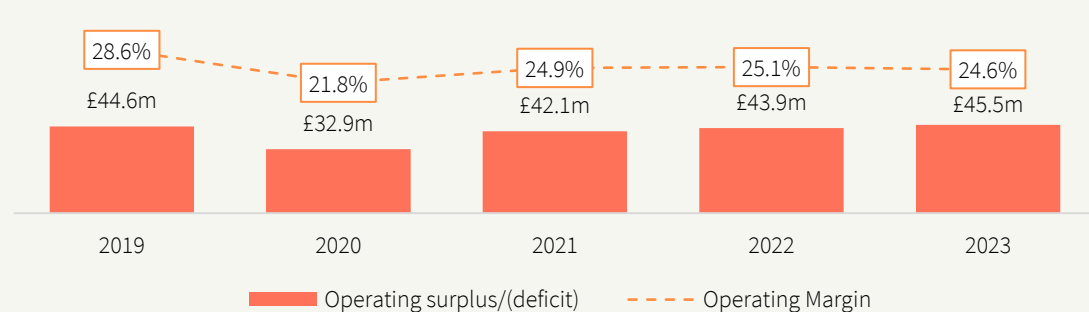
## Turnover



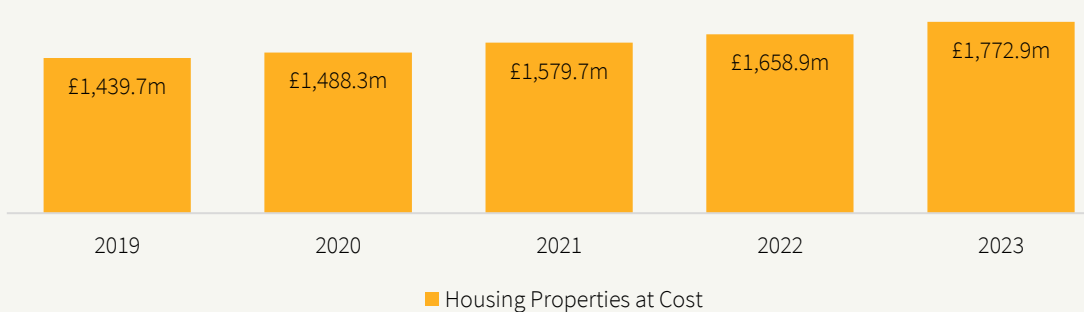
## Net Debt



## Operating Surplus



## Housing Properties at Cost



# Trading Update: 30 September 2023

## Income and Expenditure

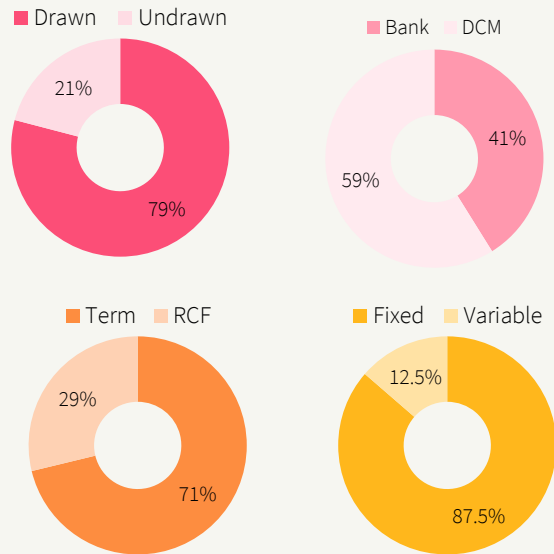
	Q2 2023/24	Q2 2022/23
	£m	£m
Turnover (Social Housing Lettings)	89.6	82.1
Expenditure (Social Housing Lettings)	(67.5)	(55.8)
Surplus (Social Housing Lettings)	22.1	26.3
Turnover (Overall)	97.4	94.9
Expenditure (Overall)	(73.4)	(65.5)
Operating Surplus (Overall) – excluding fixed asset sales	24.0	29.4
Operating Surplus (Overall) – including fixed asset sales	25.6	32.1
Total Surplus after Tax	9.5	18

## Key Performance indicators

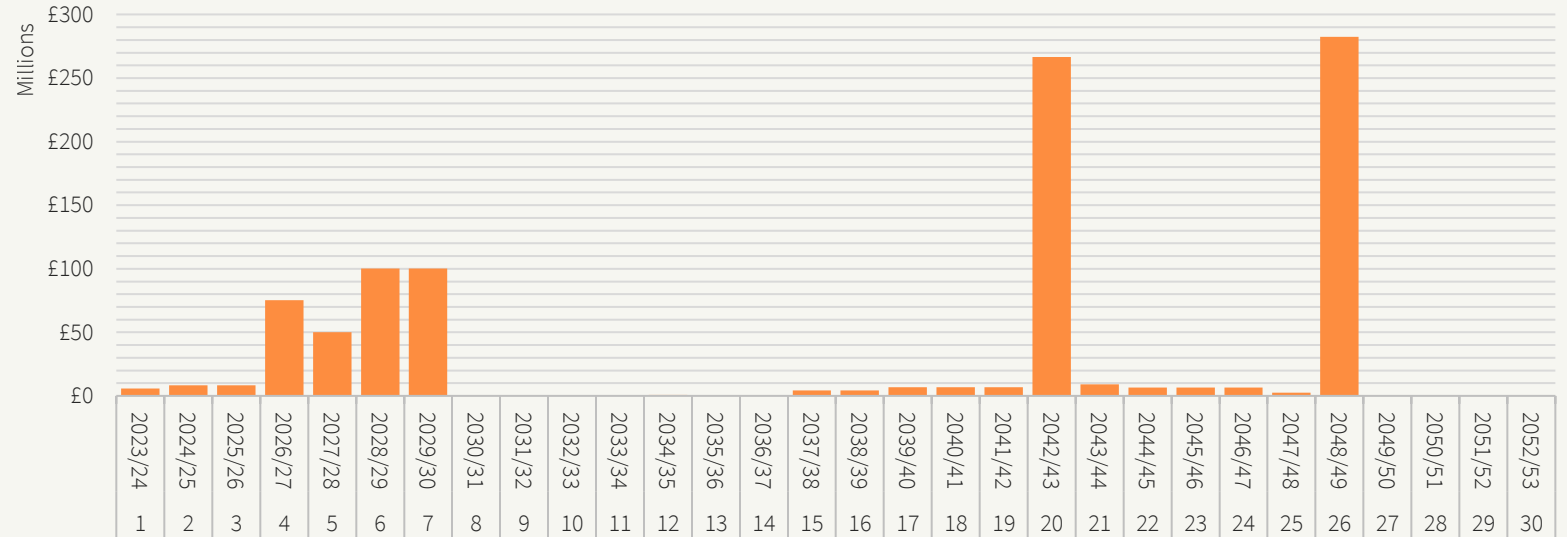
	Q2 2023/24	Q2 2022/23
Operating Surplus – excluding fixed asset sales	24.6%	31.0%
Social housing lettings as % of turnover	92.0%	86.5%
Sales income as % of turnover	5.4%	11.1%
Interest cover EBITDA	223.9%	303.9%
Interest cover EBITDA (MRI)	86.4%	240.9%
Gearing - HPAC	37.5%	35.8%
Net Debt per unit	£24.9k	£21.5k

- For the period ended 30 September 2023, the Group has achieved an operating surplus excluding fixed asset sales of £24.0m
- Planned maintenance, gas and compliance are £0.5m over budget to date which includes overspends of £0.3m for fire risk inspections (all FRAs are now completed for the year) and £0.3m electrical testing and remedial works
- For the year ended 31 March 2024, the Group is forecast to achieve an operating surplus excluding fixed asset sales of £47.9m and the forecast operating margin for the year is 23.64%
- Monitoring against financial covenants has altered with the transition away from EBITDA (MRI) and Net debt per unit gearing ratios to EBITDA only and Historic Cost of Properties (HPAC) in 2023/24 - both remaining firmly within funders' requirements.

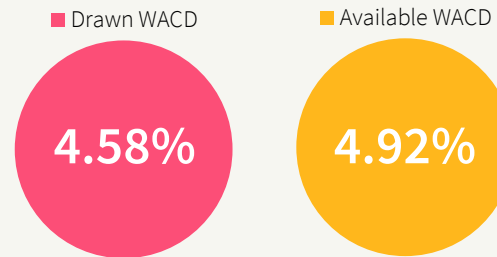
# Debt Portfolio



**Debt Repayment Profile  
(bullet and amortising repayments)**



- £855.4m of total agreed debt as at Q2 2023/24 with £745.4m drawn
- Simple treasury portfolio consisting of bank funders, aggregators and two public bonds
- Recently secured £100m RCF further bolsters liquidity with new funder for Citizen
- Cash management strategy ensures security and liquidity for the group.





# Thank you

---

**Gary Booth**

Chief Financial Officer

[Gary.Booth@citizenhousing.org.uk](mailto:Gary.Booth@citizenhousing.org.uk)

**Audrey Howarth**

Head of Treasury

[Audrey.Howarth@citizenhousing.org.uk](mailto:Audrey.Howarth@citizenhousing.org.uk)