

## Responding to the coronavirus crisis: statement for investors



**15 April 2020**

To mitigate the risk of disruption to services, customers and staff health and safety, Futures Housing Group instigated its business continuity plan on 2 March 2020. Our response is being led by a tactical team, reporting into a strategic team for decision-making. The tactical team are meeting (virtually) frequently and have been using pre-existing pandemic business continuity plans to respond to this specific issue.

In an ever-changing situation, our actions are evolving daily. At the time of writing this report, actions are in line with, and comply with, current government guidance. The fundamental objectives are to minimise the spread of the virus, to have regard to the duty of care owed to our employees and, as appropriate, to maintain a 'business as usual' service to our customers. Where service levels have needed to be reduced, we have put actions in place to ensure that the health and safety of customers, employees and contractors is maintained.

Regular briefings have been provided to the Board to ensure that they are fully engaged with our response to the pandemic. All aspects of the organisation are being considered.

The business continuity planning exercises that are regularly undertaken and reviewed are proving to be invaluable in supporting the actions we are taking. Well-embedded agile working practices are enabling critical actions such as home working to be instigated seamlessly. Actions taken to-date include:

- issuing frequently asked questions to customers and staff to act as guidance on topics
- screening customers to assess the potential risks to employees and the response we will provide
- reducing planned works to enhance the capacity of the workforce and ensure that planned works are not cut short mid-way through
- reducing responsive works, except those urgent, emergency works that are required to make homes safe for the customer
- identifying critical services and vulnerable customers to support resource planning
- cancelling non-essential events and reducing face-to-face meetings
- identifying employees who are vulnerable because of underlying medical conditions and caring responsibilities

- delivering comprehensive communications to customers and staff, including daily briefings on the external website and internal intranet
- producing a detailed risk map that is regularly reviewed by the Audit and Risk Committee
- obtaining business continuity plans for key suppliers and contractors and considering their impact on the Group's supplies and services
- considering any financial implications through:
  - implementing enhanced short term liquidity monitoring controls so that we can monitor trends in income collection methods daily
  - enhanced stress testing to assess the impact of cash availability under scenarios such as the impact of downward pressure on the Group's various income streams
  - assessing trends and stress testing outputs on the Group's short term and medium term funding strategy.

The Group has considered events after 31 March 2020 to ensure that we have incorporated the effects of the pandemic appropriately into the reported financial position. For example, the Group has considered impairment of our market rent investment properties that are valued at current market value, and we have also considered the valuation of unsold shared ownership and open market sales homes held on the Statement of Financial Position.

In respect of going concern, the Group has sufficient short term liquidity in place for the next two financial years, as well as access to further liquidity if required over this time period in the form of £50m of retained bonds. However, the Group has taken mitigating actions such as pausing new development spend and other non-essential capital spend which negates the need to draw upon £50m of retained bonds any sooner than originally planned. These mitigating actions will remain in place until it is deemed appropriate to relax them. There are no threats to compliance with existing funding covenants and this has been rigorously tested under various stress testing scenarios.