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Sovereign Housing Capital Plc
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Sovereign Network Group's Quarterly Performance Update covering unaudited Q3 results for the financial year 2025/26

Sovereign Network Group (SNG)

Sovereign Network Group is the sixth largest housing association in the UK in terms of unit size with over 85,000 homes, with a core geographical focus in the South of England and London and an ambition to develop 25,000 homes over the next 10 years.

Quarter 3 Performance Update - period to 31 December 2025

Sovereign Network Group's unaudited underlying financial performance in Q3 FY26 shows a slight reduction in operating surplus against the previous quarter, but year on year growth against Q3 FY25. Core lettings turnover also increased year on year owing to additional income from new homes and the rent uplift.

The development programme produced 405 handovers in Q3. 173 sales were achieved in Q3 FY26, contributing to a YTD total of 467. The run rate continues to trend positively compared to Q1 and Q2. Sales volumes are consistent with Q3 FY25, while proceeds and surplus exceed prior year performance.

SNG I&E

£'m

	Q3 25/26	Q2 25/26	Variance	Variance	Q3 24/25	Variance	Variance
	Qtr Actuals	Qtr Actuals	£m	%	Qtr Actuals	£m	%
Turnover	206.4	207.4	(1.1)	-0.5%	196.9	9.5	4.8%
CoS, Op Cost, & Depn	(163.4)	(162.2)	(1.2)	0.7%	(158.3)	(5.1)	3.2%
Operating Surplus	43.0	45.3	(2.3)	-5.0%	38.6	4.4	11.4%
Disposals, Financing & JV	(20.4)	(18.1)	(2.3)	12.5%	(22.7)	2.3	-10.3%
Retained Surplus	22.6	27.1	(4.5)	-16.7%	15.9	6.8	42.6%

Treasury

As at Q3 FY26, SNG had total long-term facilities of £5,436 million. £4,346 million of which were drawn, with £1,090m of available liquidity facilities and cash of £71m.

There continues to be significant headroom against Interest Cover and Gearing covenants across all SNG facilities.

Credit ratings

SNG has an A3 (Outlook: Stable) rating with Moody's.

SNG has an A- (Outlook: Stable) with S&P.

Customer Services

The Customer Influence Panel (CIP) has now completed its first full year, with members continuing to work closely with colleagues across all directorates. In Q3, the CIP reviewed our Damp & Mould and Repairs Policies and supported the procurement process for a new SNG cleaning contract across our operational geography.

The panel also completed its second scrutiny project, focusing on access for Stock Condition Surveys. This work resulted in a series of recommendations to help us better engage with customers who currently do not allow access to their homes.

In addition, we launched our Big Community Conversation Programme, which will see staff volunteers carrying out door knocking and engagement days across 12 communities throughout 2026. We secured £120k in partnership funding with Clarion Housing Group and Camerados to explore how Public Living Rooms at these events can help strengthen informal engagement, ultimately supporting pathways to more formal involvement.

Communities and Sustainability

In Q3, SNG measured £13m of social value across Community Investment and the wider business, taking our year to date figure to £62.9m slightly behind the Q3 target of £65m. Our Employment Support team have worked with customers to achieve 325 jobs, and 1,920 training outcomes. We've partnered with 158 community organisations, providing 119 quality support interventions to increase our partner's sustainability and capacity. Our 'Support for you' programme has connected 2,029 customers with the right support resulting in 5,452 financial inclusion outcomes including support with food, furniture and fuel and 552 digital inclusion outcomes, providing training and devices to get online.

Corporate Affairs

In Q3, corporate affairs engagement focused on thought leadership contributing to the public debate on housing. We have been building support for our New Towns in Old Towns strategic partnership model for housing-led regeneration in existing towns in the south of England, and developing our thinking around what a long-term funding model for social housing could look like, enabling the sector to deliver social housing for generations while ensuring the public purse retains the benefits.

We have represented the sector at key events at the Labour Party conference, and built relationships with senior stakeholders, including the new Chief Executive of Homes England, Amy Rees, and senior colleagues at the West of England Combined Authority.

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