RNS Number : 4920D
Sovereign Housing Capital Plc
17 November 2026

Sovereign Network Group's Quarterly Performance Update covering unaudited Q2 results for the financial year 2026/27

Sovereign Network Group (SNG)
SNG is one of the largest housing associations in the UK with 86,000 homes, a core geographical focus in the South of England, including London, and an ambition to develop 22,500 homes over the next 10 years in support of its customer experience and asset management strategies.

Highlights

- Turnover of £209.2m [Q2 FY26: £195.1m]
- Credit ratings: Moody's A3 (Outlook: Stable), S&P A- (Outlook: Stable)
- Delivery of 408 new homes [Q1 FY26: 276], with a forward pipeline of 11,878 homes
- Complaints performance for Stage 1 at 90.3% [Q2 FY26: 81.6%]
- Average routine repair times reduced by twelve days [YTD FY26 against YTD FY27]

Unaudited performance update – period to 30 September 2026

SNG's unaudited underlying financial performance in Q2 FY27 shows a marginal increase in operating surplus against Q1 FY27, as well as an increase on turnover from Q1 FY27.

SNG I&E		Previous quarter			Previous year's quarter		
£'m	Q2 26/27	Q1 26/27	Variance	Variance	Q2 25/26	Variance	Variance
	Qtr Actuals	Qtr Actuals	£m	%	Qtr Actuals	£m	%
Turnover	209.2	195.1	14.1	7.2%	207.4	1.8	0.9%
CoS, Op Cost, & Depn	(168.6)	(155.2)	(13.4)	(8.6%)	(162.2)	(6.4)	(3.9%)
Operating Surplus	40.6	39.9	0.7	1.8%	45.3	(4.6)	(10.2%)
Disposals, Financing & JV	(27.1)	(19.3)	(7.8)	(40.6%)	(18.1)	(9.0)	(49.6%)
Retained Surplus	13.5	20.6	(7.1)	(34.6%)	27.1	(13.6)	(50.2%)

Treasury
As at Q2 FY27, SNG had total long-term facilities of £5,416m. £4,481m of which were drawn, with £935m of available liquidity facilities.

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.

Operational performance – Homes and Place

SNG's development programme produced 409 handovers in Q2 FY27 [Q2 FY26: 276]. It holds one of the largest development pipelines in the housing association sector with 11,878 units as at the end of Q2, of which, 9,063 are committed, inclusive of JV units. All homes are built to meet SNG's Homes and Place Standard in line with its long-term asset management strategy that ensures high standards of sustainability and liveability to improve the customer experience and reduce ongoing costs to customers and the organisation.

Operational performance – customer service

Good progress continues to be made towards achieving a C1 rating against the Consumer Standards from the Regulator of Social Housing. SNG currently holds a compliant C2 rating.

Customer satisfaction was 63.1% [Q2 FY26: 64.1%]. The underlying trend is positive, and our YTD position is 65.3%, above the YTD position for FY26 (64.4%). Average routine repairs timescales have reduced by twelve days [YTD FY27 against YTD FY26], and evidence is now available that the tenant engagement approach put in place at merger is successful.

Complaints performance for Stage 1 was 90.3% [Q2 FY26: 81.6%]. Our YTD position is 92% [YTD FY26 78%].

In Q2, SNG measured £27.6m of social value against a quarterly target of £25m, taking the YTD total to £45,012,529. £43.9m of this was measured purely from Community Foundation activity which included:

- 183 new jobs secured by customers supported by the Employment Support Team, and 2,562 training outcomes.
- £1,093,499 of direct savings to customers through 760 fuel insecurity interventions, 609 digital inclusion interventions and 227 debt advice cases.

- 238 community organisations supported and 8,363 people engaging with Community Investment programmes.

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Note: Figures quoted in the update are based on unaudited management accounts which are subject to review and further adjustments, for example in the areas of pensions, investment property valuation and taxation.

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